

DEPARTMENT OF STATE LANDS

Governor's Budget

2017-2019



James T. Paul, Director

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2017-19 AGENCY REQUEST BUDGET**

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BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Sen. Dembrow

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.

Action Date: 05/08/15

Vote:

Senate

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

Nays: 4 - Girod, Thomsen, Whitsett, Winters

House

Yeas: 8 - Buckley, Gomberg, Komp, Nathanson, Rayfield, Read, Smith, Williamson

Nays: 4 - Huffman, McLane, Whisnant, Whitsett

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Linda Gilbert, Legislative Fiscal Office

Agency: Department of State Lands

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
Other Funds Limited	\$ 30,419,167	\$ 26,958,268	\$ 35,074,616	\$ 4,655,449	15.3%
Other Funds Non-Limited	\$ 10,234,249	\$ 10,234,249	\$ 10,234,249	\$ -	0.0%
Other Funds Capital Improvement	\$ 1,769,417	\$ 303,250	\$ 1,026,250	\$ (743,167)	-42.0%
Federal Funds Limited	\$ 2,881,911	\$ 1,634,429	\$ 1,634,429	\$ (1,247,482)	-43.3%
Total	\$ 45,304,744	\$ 39,130,196	\$ 47,969,544	\$ 2,664,800	5.9%

Position Summary

Authorized Positions	107	105	108	1
Full-time Equivalent (FTE) positions	106.00	104.00	107.00	1.00

⁽¹⁾ Includes adjustments through December 2014

* Excludes Capital Construction expenditures

Revenue Summary

The Department of State Lands (DSL) relies primarily upon Other Funds revenues to support its budget. DSL obtains Other Funds revenues from two sources, operations and investment income. Operations generate revenue from the sale of timber, lease rentals and royalties, periodic land sales, permit fees, unclaimed property, donations, and publications. Investment income is from interest and capital gains earnings from the Common School Fund (CSF). DSL also receives Federal Funds through grants and support for the South Slough National Estuarine Research Reserve. The approved budget includes a fee to cover the costs of processing applications for easements and territorial sea crossings. This fee is expected to generate \$23,750 in the 2015-17 biennium.

Summary of Natural Resources Subcommittee Action

DSL generates revenue for the CSF while managing state owned land and conserving resources. DSL provides administrative support to the State Land Board, which is composed of the Governor, the Treasurer, and the Secretary of State, and implements the policies of the State Land Board in management of the CSF and its assets. The Subcommittee approved a total funds budget of \$47,969,544 (107.00 FTE). The total funds budget is a 5.9 percent increase from the 2013-15 Legislatively Approved Budget through December 2014, and a 22.6 percent increase from the 2015-17 current service level. The approved budget continues service levels and adds expenditure limitation for equipment replacement and upgrades, agricultural development on Eastern Oregon CSF lands, a study of alternative revenue generation from the Elliot State Forest, and accounting

staff. The budget continues funding for legal services related to the Portland Harbor Superfund Site, and provides expenditure limitation for fire suppression costs.

Common School Fund

The CSF program includes the Director's Office, Wetlands and Waterways, Land Management, and Finance and Administration. These units manage land (including rangeland), lease minerals and waterways, issue removal-fill permits, develop policies and rules, provide technical information, promote protection and enhancement of Oregon's wetlands, and manage unclaimed property, estate administration and forfeitures. This program also includes the revenue transfer of the CSF Fair Market Value for school support. The Subcommittee approved a total funds budget of \$41,542,125 (90.50 FTE).

Package 101: Portland Harbor Cleanup was approved; it provides \$4,746,229 Other Funds expenditure limitation and one limited duration Natural Resources Specialist 4 (1.00 FTE) to continue funding for legal expertise related to the Portland Harbor Superfund Site. The ongoing cost allocation discovery process for the Portland Harbor requires legal expertise to reduce potential costs in the future. Similar budget packages were approved in the 2011-13 biennium and the 2013-15 biennium. In both biennia, the Department required an expenditure limitation increase in the biennium closeout appropriation bill to handle higher-than-expected costs. The cost allocation process and legal questions are expected to continue for at least three more years, ending when the EPA issues a Record of Decision. Funding is partly provided by insurance policy payouts with the CSF providing the rest. DSL recalculated the total expected cost for 2015-17 based on updated estimates from the contractor. The total is now expected to be \$1.08 million more than this package. When actual costs are better known, DSL can report to the Legislature in early 2017 and request any needed budget adjustments then.

The Subcommittee recommended Package 102: Improved Internal Controls. This package adds \$294,311 Other Funds expenditure limitation and one permanent Accountant 4 position (1.00 FTE) to provide accurate and complete financial statements for the CSF diversified portfolio. DSL produced two annual financial statements that were audited by an independent firm and found to lack the necessary internal controls/separation of duties for reconciliation of substantial accounts. Given the importance of the internal control issue, DSL self-financed a limited duration Accountant 4 during 2013-15, which resulted in a clean independent audit. This package makes the limited duration position permanent. The limited duration incumbent will transition into the permanent position July 1, 2015.

Package 103: Replace and Upgrade Equipment was approved; it provides \$204,682 Other Funds expenditure limitation to address increasingly challenging maintenance and service issues with aging IT equipment and the Department's 1997 truck. It adds Other Funds expenditure limitation to replace three old servers and equipment for staff who work in central Oregon. Included are 32 smart phones with upgraded GIS data collection capacity, three satellite phones to use in remote locations, and the lease of a heavy duty pickup. The intent is to improve customer service through the use of smart phones and to reduce safety risks for employees through the use of satellite phones.

The Subcommittee recommended Package 106: Easement Application Administration Fee. This package provides \$23,750 in fee revenue and does not add any expenditure limitation. House Bill 2460 will establish a \$750 fee to process easement applications; it is expected to generate \$18,750 in the 2015-17 biennium. The bill also establishes a \$5,000 fee to process applications to locate infrastructure in the territorial sea. In the 2015-17 biennium, one such fee is expected to be collected.

Package 802: Elliot State Forest Alternatives Study was approved; it adds \$667,000 Other Funds expenditure limitation and one limited duration project manager (1.00 FTE) to continue leading the effort to develop and expand robust recommendations with respect to disposition of the Elliott State Forest. The next recommendation study is due to the Land Board in June 2015. There is also limitation for 1,400 hours of temporary staff time to lead the public outreach efforts and support the project manager.

The Subcommittee recommended Package 803: 2014 Fire Suppression Expense. This package provides \$2,204,126 Other Funds expenditure limitation to pay the BLM for invoiced expenses associated with Buzzard Complex wildfire fighting in 2014. In total, 398,596 acres of rangeland were burned, of which 77,982 were under DSL management. The total cost was \$11.3 million; DSL's share is \$2.2 million.

Oregon Wetlands Revolving Fund

This program is a revolving fund that receives payments from removal fill applicants needing mitigation for their projects. The fund provides resources to the State Land Board for investment in other wetland mitigation sites. The Subcommittee approved a total funds budget of \$1,821,439 (0.50 FTE). The budget continues the 2013-15 biennium level of service.

Natural Heritage Program

The Natural Heritage Program is mandated by ORS 273.563 to conserve a discrete, limited system of natural heritage resources and to establish a natural heritage database. The 2011 Legislative Assembly moved the program to the Oregon Parks and Recreation Department (OPRD) effective January 1, 2012. DSL and OPRD agreed that DSL would continue to manage a few grants that were not complete by the transfer date. In the 2013-15 biennium, one of these grants remained outstanding so the Legislatively Approved Budget included \$57,800 total funds expenditure limitation. The grant has been completed, resulting in no expenditure limitation for the Natural Heritage Program in the DSL budget.

South Slough Sanctuary (National Estuarine Research Reserve)

The South Slough National Estuarine Research Reserve (SSNERR) is a 4,800 acre natural research area encompassing a portion of the Coos estuary on the southern Oregon coast. The program gathers information for coastal zone decision-making and educates the public about estuarine zones. The state's portion of the Reserve is a CSF asset and its operating expenses are paid by CSF revenues and federal grant funds. The Subcommittee approved a total funds budget of \$3,579,730 (16.00 FTE).

Package 104: Program Alignment was approved; this package shifts funding from Services and Supplies to Personal Services to cover the cost of reclassifying a Natural Resource Specialist 3 to a Policy Analyst 4. The position functions as the lead for the SSNERR's education program.

Capital Improvements

This program provides resources to manage and maintain landholdings and leases following an asset management plan. Funds for the Capital Improvements program come from the CSF principal. The Subcommittee approved a budget of \$1,026,250 Other Funds (0.00 FTE).

Package 105: Agriculture Development was approved; it provides \$455,000 Other Funds expenditure limitation to develop 750 acres of rangeland for agriculture, which brings a larger revenue stream from leases. Development involves partnering with an interested lessee, where the Department pays for underground water and electricity and the lessee provides watering pivots above ground and pays a higher per-acre rate to the Department (Common School Fund). The return on investment over 20 years is expected to be \$40,000 per year. As grazing land, the CSF

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receives \$2-\$3 per acre; when put into agricultural use, the expected rate per acre will be \$55, and includes two percent per year inflation. At the current grazing rate, revenue on this acreage is \$1,875 per year; under the agricultural rate it will be \$41,250 in the first full year of operation. This is the third such conversion undertaken by the Department since the Land Board directed the Department to manage CSF assets to achieve a higher rate of return.

The Subcommittee recommended Package 805: State Lands Building Remodel. This package provides \$268,000 Other Funds expenditure limitation related to the Department's 2014 reorganization and corresponding State Lands Building remodel. A delay in the project schedule resulted in the need to carry forward \$143,000 of the limitation already provided for in the 2013-15 biennium to the 2015-17 biennium. In addition, the Department has identified \$125,000 of other changes that need to be made such as upgrading the phone system, internal moving expenses, and conference room furniture that had been overlooked in the original planning. The remodel is being done in two stages with half the floor space being remodeled at a time. This means the Department avoids the expense of an offsite lease while the work is completed.

Summary of Performance Measure Action

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

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5037-A

Department of State Lands
Lisa Pearson -- 503 373-7501

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 *	\$ -	\$ -	\$ 32,188,584	\$ 10,234,249	\$ 2,881,911	\$ -	\$ 45,304,744	107	106.00	
2015-17 Current Service Level (CSL)*	\$ -	\$ -	\$ 27,261,518	\$ 10,234,249	\$ 1,634,429	\$ -	\$ 39,130,196	105	104.00	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 010 - Common School Fund										
Package 101: Portland Harbor Clean Up										
Personal Services	\$ -	\$ -	\$ 186,916	\$ -	\$ -	\$ -	\$ 186,916	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 4,559,313	\$ -	\$ -	\$ -	\$ 4,559,313			
Package 102: Improved Internal Controls										
Personal Services	\$ -	\$ -	\$ 237,961	\$ -	\$ -	\$ -	\$ 237,961	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 56,350	\$ -	\$ -	\$ -	\$ 56,350			
Package 103: Replace and Upgrade Equipment										
Services and Supplies	\$ -	\$ -	\$ 71,432	\$ -	\$ -	\$ -	\$ 71,432			
Capital Outlay	\$ -	\$ -	\$ 133,250	\$ -	\$ -	\$ -	\$ 133,250			
Package 106: Easement Application Admin. Fee										
Revenue only - no expenditures	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -			
Package 802:Elliot State Forest Alternatives Study										
Personal Services	\$ -	\$ -	\$ 394,900	\$ -	\$ -	\$ -	\$ 394,900	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 272,100	\$ -	\$ -	\$ -	\$ 272,100			
Package 803: Fire Suppression Expense										
Services and Supplies	\$ -	\$ -	\$ 2,204,126	\$ -	\$ -	\$ -	\$ 2,204,126			
SCR 030 - South Slough National Estuarine Research Reserve										
Package 104: Program Alignment										
Personal Services	\$ -	\$ -	\$ 36,402	\$ -	\$ -	\$ -	\$ 36,402	0	0.00	
Services and Supplies	\$ -	\$ -	\$ (36,402)	\$ -	\$ -	\$ -	\$ (36,402)			
SCR 088 - Capital Improvements										
Package 105: Agriculture Development										
Capital Outlay	\$ -	\$ -	\$ 455,000	\$ -	\$ -	\$ -	\$ 455,000			
Package 805: State Lands Building Remodel										
Capitol Outlay	\$ -	\$ -	\$ 268,000	\$ -	\$ -	\$ -	\$ 268,000			
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 8,839,348	\$ -	\$ -	\$ -	\$ 8,839,348	3	3.00	
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 36,100,866	\$ 10,234,249	\$ 1,634,429	\$ -	\$ 47,969,544	108	107.00	
% Change from 2013-15 Leg Approved Budget	0.0%	0.0%	12.2%	0.0%	-43.3%	0.0%	5.9%			
% Change from 2015-17 Current Service Level	0.0%	0.0%	32.4%	0.0%	0.0%	0.0%	22.6%			

*Excludes Capital Construction Expenditures

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Legislatively Approved 2015-2017 Key Performance Measures

Agency: STATE LANDS, DEPARTMENT OF

Mission: The mission of the Department of State Lands is to ensure a legacy for Oregonians and their public schools through sound stewardship of lands, wetlands, waterways, unclaimed property, estates and the Common School Fund.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Increase in Deposits to the Common School Fund - Percent annual increase in amount of cash generated by agency activities deposited to the Common School Fund.		Approved KPM	21.90	1.50	1.50
2 a - Administrative and Operational Costs - Percent of program revenue streams used to cover administrative and operational costs of programs for forest lands.		Approved KPM	118.00	36.00	36.00
2 b - Administrative and Operational Costs - Percent of program revenue streams used to cover administrative and operational costs of programs for all other activities of the agency.		Approved KPM	50.33	36.00	36.00
3 - Increase in Revenues from Land Management Activities - Percent increase in revenues generated by all Land Management activities, exclusive of timber harvest receipts.		Approved KPM	5.77	5.40	5.50
4 - Complete Management Plans or Policies – Percent of DSL lands and waterways with completed area management plans or policies.		Approved KPM	89.00	95.00	95.00
5 - No Net Loss of Wetlands - Change in wetland acreage due to permit actions.		Approved KPM	57.00	0.00	0.00
6 - Number of Days for a Permit Decision - Average number of days for an agency permit decision after receipt of a complete application.		Approved KPM	57.90	60.00	60.00
7 - Annual Resolution of Removal-Fill Permit Non-Compliance - Percent of removal-fill permit non-compliance conditions that have a final resolution in place within 12 months from date non-compliance is determined.		Approved KPM	42.00	50.00	50.00
8 - Annual Resolution of Removal-Fill Violations Related to Unauthorized Activities-Percent of removal-fill violations that have a final resolution in place within 12 months of receipt of a complaint generating determination of a violation.		Approved KPM	63.00	50.00	50.00

Agency: STATE LANDS, DEPARTMENT OF

Mission: The mission of the Department of State Lands is to ensure a legacy for Oregonians and their public schools through sound stewardship of lands, wetlands, waterways, unclaimed property, estates and the Common School Fund.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
9 - Agency Response Time to Wetland Delineation Reports - Average number of days for the agency initial review and response to a complete wetland delineation report.		Approved KPM	86.00	60.00	60.00
10 - Agency Response Time for Wetland Land Use Notices - Average number of days for an agency response to wetland land use notices.		Approved KPM	8.70	22.00	22.00
11 - Use of Payment to Provide Moneys - Percent payment-to-provide money received in Mitigation Bank Fund obligated and committed within one year.		Approved KPM	100.00	100.00	100.00
12 - Increase Unclaimed Property Holder Reporting. - Percent annual increase in amount of unclaimed property reported and remitted annually.		Approved KPM	62.80	60.00	60.00
13 - 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	87.00	93.00	93.00
13 - 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	81.50	93.00	93.00
13 - 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	88.00	93.00	93.00
13 - 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	87.00	93.00	93.00
13 - 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	84.60	93.00	93.00

Agency: STATE LANDS, DEPARTMENT OF

Mission: The mission of the Department of State Lands is to ensure a legacy for Oregonians and their public schools through sound stewardship of lands, wetlands, waterways, unclaimed property, estates and the Common School Fund.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
13 - 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	83.00	93.00	93.00
15 - South Slough National Estuarine Research Reserve Operation Costs Leveraged. - Percent of SSNERR operations funded from sources other than CSF, including leverage from grants, fees, program revenues and gifts.		Approved KPM	23.80	10.00	10.00
16 - South Slough National Estuarine Research Reserve Education Actions - Percentage of SSNERR education programs that use a structured assessment process surveys to provide information and decision support services responsive to audience needs.		Approved KPM	75.00	100.00	100.00
17 - Best Practices - Percent of total best practices met by the Land Board.		Approved KPM	93.00	100.00	100.00

LFO Recommendation:

The target on KPM #16 - South Slough, percent of education programs that use structured assessment process surveys to help respond to audience needs - should be increased to 100%. The South Slough education program has been performing above target for the last three years. KPM #3 - increase in revenues from non-timber land management - has exceeded its target and LFO recommends a small target increase in 2016 and 2017. As the measure includes revenues from waterways, and as the agency has recently reorganized, it will make sense in the future to separate waterways revenue from this measure. KPM #9 is reporting "red" performance. It deals with the number of days to respond to a wetland delineation report. The internal target is 60 days. Since 2011, the actual average number of days has increased. With the 2014 agency reorganization and full staffing, the agency believes it can meet the target. For context, the statutory target is 120 days, which the agency is well within achieving. The agency should consider re-writing KPM #11, which deals with timeframe for reinvesting wetland mitigation bank funds. The agency reports attaining its 100% goal since 2008. Either the timeframe or the nature of the measure should be changed.

Sub-Committee Action:

The Subcommittee approved the LFO recommendation.

Print Date: 4/21/2015

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. McKeown

Joint Committee On Ways and Means

Action: Do Pass.

Action Date: 06/29/15

Vote:

House

Yeas: 12 - Buckley, Gomberg, Huffman, Komp, McLane, Nathanson, Rayfield, Read, Smith, Whisnant, Whitsett, Williamson

Senate

Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Timothy Walker, Legislative Fiscal Office

Agency: Department of State Lands

Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
General Fund	\$ -	\$ -	\$ 328,228	\$ 328,228	100.0%
Total	\$ -	\$ -	\$ 328,228	\$ 328,228	100.0%

Position Summary

Authorized Positions	0	0	2	2
Full-time Equivalent (FTE) positions	0.00	0.00	2.00	2.00

Revenue Summary

Senate Bill 912 appropriates \$328,228 General Fund to the Department of State Lands (DSL) to support two positions to carry out the provisions of the bill.

Summary of Capital Construction Subcommittee Action

Senate Bill 912 allows DSL to sell, lease or trade historically filled lands owned by the state. Historically filled land was created by infill prior to May 28, 1963 and rises above the typical high water mark. It doesn't include wharves, bridges and similar structures. The bill doesn't apply to historically filled lands fronting the Pacific Ocean, the lower Willamette River, or those the State Land Board has asserted title to before January 1, 2016. The bill defers the ability of the State Land Board to assert title to historically filled lands until 2026.

The bill repeals statute from 1973 concerning the identification and assertion of state interests in formerly submerged and submersible land. New statutory language regarding the identification and notification in historically filled lands is added. These statutory revisions include requiring DSL to research whether the state of Oregon has remaining interests in historically filled lands in tidally-influenced waterways and legally navigable waterways. This requirement also applies to lands where state-asserted ownership occurred prior to September 9, 1995. The department must submit a report with its findings to the State Land Board. Notice and opportunities for the public to provide input are required. A project status report must be made to the environmental and natural resources interim committees of the legislature by September 16, 2017.

The budget provides \$328,228 General Fund and two limited duration positions (2.00 FTE) to develop rules, inventory historically filled lands, research ownership, identify and digitize historical land records, and provide notification to land owners.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 912-B

Department of State Lands
 Lisa Pearson - 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
SCR 010 - Common School Fund									
Personal Services	\$ 303,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 303,228	2	2.00
Services and Supplies	\$ 25,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,000		
TOTAL SUBCOMMITTEE RECOMMENDATION	\$ 328,228	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 328,228	2	2.00

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Buckley

Joint Committee On Ways and Means

Action: Do Pass.

Action Date: 07/03/15

Vote:

House

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

Exc: 1 - Whisnant

Senate

Yeas: 12 - Burdick, Devlin, Girod, Hansell, Johnson, Monroe, Roblan, Shields, Steiner Hayward, Thomsen, Whitsett, Winters

Prepared By: Linda Ames and Linda Gilbert, Legislative Fiscal Office

Reviewed By: Ken Rocco, Legislative Fiscal Office

Agency: Emergency Board

Biennium: 2015-17

Agencies: Various

Biennium: 2013-15

Budget Summary*

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<u>Emergency Board</u>				
General Fund - General Purpose	-	-	\$ 30,000,000	\$ 30,000,000
General Fund - Special Purpose Appropriations				
State employee compensation changes	-	-	\$ 120,000,000	\$ 120,000,000
Compensation changes for non-state employees	-	-	\$ 10,700,000	\$ 10,700,000
Oregon Health Authority/Department of Human Services caseload or other costs	-	-	\$ 40,000,000	\$ 40,000,000
Education - early learning through post-secondary	-	-	\$ 3,000,000	\$ 3,000,000
Department of Administrative Services - Enterprise Technology rate adjustment costs	-	-	\$ 6,500,000	\$ 6,500,000
Department of Justice - Defense of Criminal Convictions	-	-	\$ 2,000,000	\$ 2,000,000
Department of Human Services for provider audits	-	-	\$ 100,000	\$ 100,000
<u>Various Agencies - Omnibus Adjustments</u>				
General Fund	-	-	\$ (27,929,624)	\$ (27,929,624)
General Fund Debt Service	-	-	\$ (2,018,162)	\$ (2,018,162)
Lottery Funds	-	-	\$ (725,589)	\$ (725,589)
Other Funds	-	-	\$ (28,658,678)	\$ (28,658,678)
Federal Funds	-	-	\$ (11,062,641)	\$ (11,062,641)
<u>ADMINISTRATION PROGRAM AREA</u>				
<u>Department of Administrative Services</u>				
General Fund	-	-	\$ 2,540,000	\$ 2,540,000
Other Funds	-	-	\$ 16,800,847	\$ 16,800,847
Other Funds Nonlimited	-	-	\$ 145,875,000	\$ 145,875,000

Budget Summary*

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<u>Office of the Governor</u>				
General Fund	-	-	\$ 500,000	\$ 500,000
Lottery Funds	-	-	\$ 1,332,517	\$ 1,332,517
<u>Public Employees Retirement System</u>				
Other Funds	-	-	\$ 509,960	\$ 509,960
<u>Department of Revenue</u>				
General Fund	-	-	\$ 3,935,414	\$ 3,935,414
General Fund Debt Service			\$ 3,756,256	\$ 3,756,256
Other Funds	-	-	\$ 28,264,440	\$ 28,264,440
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
General Fund Debt Service	-	-	\$ 4,089,357	\$ 4,089,357
Lottery Funds	-	-	\$ 1,500,000	\$ 1,500,000
Other Funds	-	-	\$ 227,178,216	\$ 227,178,216
Other Funds Nonlimited	-	-	\$ 25,000,000	\$ 25,000,000
<u>Housing and Community Services Department</u>				
Other Funds	-	-	\$ 33,444,789	\$ 33,444,789
<u>Department of Veterans' Affairs</u>				
General Fund	-	-	\$ 500,000	\$ 500,000
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	-	-	\$ 56,490,543	\$ 56,490,543
Lottery Funds	-	-	\$ 66,009,457	\$ 66,009,457
Other Funds	-	-	\$ 126,210,000	\$ 126,210,000

Budget Summary*

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<u>Higher Education Coordinating Commission</u>				
General Fund	-	-	\$ 5,062,300	\$ 5,062,300
Other Funds	-	-	\$ 6,019,882	\$ 6,019,882
Other Funds Nonlimited	-	-	\$ 50,648,642	\$ 50,648,642
<u>Oregon Health & Science University</u>				
General Fund Debt Service	-	-	\$ 8,522,485	\$ 8,522,485
Other Funds Debt Service	-	-	\$ 38,648,268	\$ 38,648,268
Other Funds	-	-	\$ 200,076,038	\$ 200,076,038
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Department of Human Services</u>				
General Fund	-	-	\$ 5,437,494	\$ 5,437,494
General Fund Debt Service	-	-	\$ 839,543	\$ 839,543
Other Funds	-	-	\$ 3,355,000	\$ 3,355,000
Federal Funds	-	-	\$ 160,000	\$ 160,000
<u>Oregon Health Authority</u>				
General Fund	-	-	\$ 11,060,000	\$ 11,060,000
Other Funds	-	-	\$ 137,152	\$ 137,152
<u>Long Term Care Ombudsman</u>				
General Fund	-	-	\$ 100,000	\$ 100,000
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	-	-	\$ 700,000	\$ 700,000
Other Funds	-	-	\$ 40,255,000	\$ 40,255,000

Budget Summary*

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<u>NATURAL RESOURCES PROGRAM AREA</u>				
<u>Department of Agriculture</u>				
General Fund	-	-	\$ 55,000	\$ 55,000
Other Funds	-	-	\$ 1,992,496	\$ 1,992,496
<u>Department of Environmental Quality</u>				
General Fund	-	-	\$ 280,000	\$ 280,000
Other Funds	-	-	\$ 110,092	\$ 110,092
<u>Department of Fish and Wildlife</u>				
General Fund	-	-	\$ 525,000	\$ 525,000
<u>Oregon Department of Forestry</u>				
General Fund	-	-	\$ 809,377	\$ 809,377
<u>Department of Land Conservation and Development</u>				
General Fund	-	-	\$ 494,000	\$ 494,000
<u>Department of State Lands</u>				
Federal Funds	-	-	\$ 161,488	\$ 161,488
<u>Parks and Recreation Department</u>				
Lottery Funds	-	-	\$ 2,190,640	\$ 2,190,640
Lottery Funds Debt Service	-	-	\$ (912,494)	\$ (912,494)
Other Funds	-	-	\$ 11,815,544	\$ 11,815,544
Federal Funds	-	-	\$ (899,575)	\$ (899,575)
<u>Water Resources Department</u>				
Other Funds	-	-	\$ 51,960,889	\$ 51,960,889
Other Funds Debt Service	-	-	\$ 1,201,865	\$ 1,201,865

Budget Summary*

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<u>Oregon Watershed Enhancement Board</u>				
Federal Funds	-	-	\$ 200,000	\$ 200,000
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Department of Corrections</u>				
Other Funds	-	-	\$ 254,568	\$ 254,568
<u>Criminal Justice Commission</u>				
General Fund	-	-	\$ 5,000,000	\$ 5,000,000
<u>Department of Justice</u>				
General Fund	-	-	\$ 240,550	\$ 240,550
General Fund Debt Service			\$ 2,407,587	\$ 2,407,587
Other Funds	-	-	\$ 15,415,000	\$ 15,415,000
Federal Funds	-	-	\$ 29,997,991	\$ 29,997,991
<u>Military Department</u>				
General Fund	-	-	\$ 339,563	\$ 339,563
General Fund Debt Service	-	-	\$ 434,833	\$ 434,833
Other Funds	-	-	\$ 153,000	\$ 153,000
Federal Funds	-	-	\$ 358,253	\$ 358,253
<u>Department of State Police</u>				
Lottery Funds	-	-	\$ 278,788	\$ 278,788
Other Funds	-	-	\$ 1,072,470	\$ 1,072,470
Federal Funds	-	-	\$ 1,163	\$ 1,163

Budget Summary*

	2013-15 Legislatively Approved Budget	2015-17 Legislatively Adopted Budget	2015-17 Committee Recommendation	Committee Change
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Oregon Youth Authority

General Fund Debt Service	-	-	\$ 3,115,428	\$ 3,115,428
Other Funds	-	-	\$ 1,055,565	\$ 1,055,565
Federal Funds Debt Service Nonlimited	-	-	\$ 1	\$ 1

TRANSPORTATION PROGRAM AREA

Department of Transportation

General Fund	-	-	\$ 130,000	\$ 130,000
Other Funds Debt Service	-	-	\$ 1,354,734	\$ 1,354,734
Other Funds	-	-	\$ 55,000,000	\$ 55,000,000

2015-17 Budget Summary

General Fund Total			\$ 299,716,944	\$ 299,716,944
Lottery Funds Total			\$ 69,673,319	\$ 69,673,319
Other Funds Limited Total			\$ 833,627,137	\$ 833,627,137
Other Funds Nonlimited Total			\$ 221,523,642	\$ 221,523,642
Federal Funds Limited Total			\$ 18,916,679	\$ 18,916,679
Federal Funds NonlimitedTotal			\$ 1	\$ 1

* Excludes Capital Construction

2013-15 Supplemental Appropriations

Oregon Health Authority

Other Funds

Department of Land Conservation and Development

General Fund

	<u>2013-15 Legislatively Approved Budget</u>	<u>2013-15 Committee Recommendation</u>	<u>Committee Change</u>
	-	\$ 45,000,000	\$ 45,000,000
	-	\$ (194,000)	\$ (194,000)

2015-17 Position Summary

Department of Administrative Services

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
Authorized Positions	-	-	8	8
Full-Time Equivalent (FTE) positions	-	-	3.47	3.47

Office of the Governor

Authorized Positions	-	-	6	6
Full-Time Equivalent (FTE) positions	-	-	5.92	5.92

Department of Revenue

Authorized Positions	-	-	34	34
Full-Time Equivalent (FTE) positions	-	-	33.92	33.92

Oregon Health Authority

Authorized Positions	-	-	3	3
Full-Time Equivalent (FTE) positions	-	-	2.50	2.50

Department of Agriculture

Authorized Positions	-	-	6	6
Full-Time Equivalent (FTE) positions	-	-	5.76	5.76

Department of Environmental Quality

Authorized Positions	-	-	2	2
Full-Time Equivalent (FTE) positions	-	-	1.25	1.25

Oregon Department of Forestry

Authorized Positions	-	-	1	1
Full-Time Equivalent (FTE) positions	-	-	0.50	0.50

2015-17 Position Summary

	<u>2013-15 Legislatively Approved Budget</u>	<u>2015-17 Legislatively Adopted Budget</u>	<u>2015-17 Committee Recommendation</u>	<u>Committee Change</u>
<u>Department of Land Conservation and Development</u>				
Authorized Positions	-	-	1	1
Full-Time Equivalent (FTE) positions	-	-	1.00	1.00
<u>Department of Justice</u>				
Authorized Positions	-	-	22	22
Full-Time Equivalent (FTE) positions	-	-	21.13	21.13
<u>Oregon Military Department</u>				
Authorized Positions	-	-	3	3
Full-Time Equivalent (FTE) positions	-	-	3.00	3.00
<u>Oregon State Police</u>				
Authorized Positions	-	-	-	-
Full-Time Equivalent (FTE) positions	-	-	(0.50)	(0.50)

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2015 economic and revenue forecast by the Department of Administrative Services, Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in Senate Bill 501, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

Senate Bill 5507 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budgets and position authority as described below.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$30 million General Fund to the Emergency Board for general purposes.

Senate Bill 5507 makes seven special purpose appropriations to the Emergency Board, totaling \$182.3 million General Fund:

- \$120 million General Fund for state employee compensation changes.
- \$40 million General Fund for the Oregon Health Authority or the Department of Human Services for caseload costs or other budget challenges that the agencies are unable to mitigate. Known potential challenges include costs associated with federal fair labor standards act rule changes affecting home care and personal support workers; these are estimated to be around \$17 million but will depend in part on pending litigation and programmatic changes. Another unknown element is the full impact of second fiscal year costs for nursing facility rates that may fluctuate based on bed reduction targets; \$4.9 million of rate inflation was originally set aside as part of the Governor's budget to stimulate a discussion on aligning nursing facility cost increases with Oregon Health Plan inflation rates.
- \$10.7 million General Fund for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees. Allocations related to child care, adult foster care, homecare, and personal support workers are anticipated.
- \$6.5 million General Fund for Department of Administrative Services to be allocated, if necessary, to fund changes in Department of Administrative Services Enterprise Technology Services (ETS) rates and assessments. A budget note in SB 5502, the budget bill for the Department of Administrative Services, required the State Chief Information Officer to recommend during the 2016 Regular Session a new funding formula for ETS that refocuses charges to state agencies on fees for service and deemphasizes the use of assessments, which fund all positions regardless of reductions in services delivered, demonstrate how reductions in services purchased by state agencies would be reflected in reductions in operating expenses, and include price list adjustments needed for implementation of a new revenue formula at the start of second year of the biennium.
- \$3 million General Fund for Education, early learning through post-secondary.
- \$2 million General Fund for Department of Justice, Defense of Criminal Convictions caseload costs.
- \$100,000 General Fund for Department of Human Services (DHS), to be used – if warranted – for completing provider audits, compliance work, or reporting activities. These potential actions are specifically tied to a budget note providing direction regarding wage increases for direct care workers serving people with intellectual and developmental disabilities. The budget note is included in the DHS section of this budget report.

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2016, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2015-17 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect budget changes in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, Audits Division assessments, Attorney General rates, and debt service. Total savings are \$30.1 million General Fund, \$0.7 million Lottery Funds, \$28.5 million Other Funds, and \$11.1 million Federal Funds.

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved a one-time \$951,393 Other Funds expenditure limitation increase and establishment of six limited-duration positions (1.71 FTE) for the Chief Human Resources Office to review the Human Resource Information System project (HRIS). The positions will review and update the preparations in the current project for business processes realignment that will be necessary with the adoption and deployment of any new HR IT system, review and update existing IT modernization plans, and study and improve conversion planning for implementation of HRIS. The Department will report initial findings of this review to the appropriate subcommittees of the Joint Committee on Ways and Means during the 2016 legislative session.

The Subcommittee also approved a \$293,314 Other Funds expenditure limitation increase and the addition of two positions for Shared Financial Services to accommodate service provision for the Department of Geology and Mineral Industries, which will now have financial functions carried out by DAS.

The Subcommittee also approved continuing to give nonlimited authority to DAS to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. Disbursement of future bond sales will be done by the Higher Education Coordinating Commission (HECC), but during the 2013-15 biennium, the Department of Administrative Services (DAS) was given initial authority to disburse these proceeds. As the bond project duties related to issuance of Article XI-F and XI-G general obligation bonds transition from DAS to HECC per House Bill 3199, both agencies were given nonlimited authority to disburse proceeds of bonds issued during 2013-15. The total amount of undisbursed proceeds as of June 30, 2015 from 2013-15 bond sales is \$196,523,642. The initial estimate of the amount of 2013-15 proceeds DAS will disburse in 2015-17 per agreements with public universities is \$145,875,000, with HECC assumed to disburse \$50,648,642. These amounts will likely change once the timing of final transition from DAS to HECC is known.

Senate Bill 5507 includes one-time General Fund appropriations to the Department of Administrative Services for the following purposes:

- \$1,100,000 for disbursement to the National Urban Housing and Economic Community Development Corporation (NUHECDC) for implementation of an affordable homes, skills training, and jobs for unemployed prior-offenders, at-risk youth, and veterans. NUHECDC is directed to provide written status reports to the Department of Administrative Services and the Legislative Fiscal Officer each quarter during the 2015-17 biennium to document progress in meeting the program's objectives of providing affordable housing for low to

moderate income Oregonians; skill training for prior-offenders, at-risk youth, and veterans; and job placement for those with barriers to quality employment.

- \$850,000 for disbursement to the Pine Valley Fire District for a new location and facility to house the Fire Department in the City of Halfway, Oregon.
- \$100,000 for disbursement to the City of Medford to pay for the completion of a feasibility study on development of a conference center in the Medford area. This project could grow beyond a simple conference center and, if feasible, could include sports and recreation components.
- \$90,000 for disbursement to the City of Gold Hill for engineering work needed to construct the Gold Hill Whitewater Park at Ti'lomikh Falls on the Rogue River. The Whitewater Park is being built into the new Gold Hills Parks Master Plan. The goal of the project is to turn Gold Hill into a whitewater destination. The engineering of the whitewater project will be completed in 2015. Permitting and fundraising for construction is expected to take two years. Construction of the whitewater features is expected to take two months. The goal is to finish the park before the 2016 Olympics and to have a local paddler trained at the site competing in the 2020 Olympics.

The Subcommittee added \$15,556,140 Other Funds expenditure limitation for one-time cost of issuance and special payments associated with the disbursement of proceeds from Lottery Bond sales; projects are detailed below and approved in House Bill 5030. Cost of issuance for these projects totals \$456,140. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the Spring of 2017. Total debt service on all the projects described below is estimated at a total of \$2,919,215 Lottery Funds for the 2017-19 biennium.

- \$750,000 Other Funds for disbursement to Concordia University for the construction of the Faubion prekindergarten through grade eight school.
- \$1,250,000 Other Funds for disbursement to the Elgin Health District for a rural health care clinic.
- \$1,000,000 Other Funds for disbursement to Open Meadow for the construction of a new facility for the Open School in Portland.
- \$1,000,000 Other Funds for disbursement to the Boys and Girls Clubs of Portland Metropolitan Area for a new Boys and Girls Club in Rockwood.
- \$500,000 Other Funds for disbursement to the City of Grants Pass for the Riverside Park renovation project.
- \$1,000,000 Other Funds for disbursement to the Mountain West Career Technical Institute for the Career Technical Education Center in Salem.
- \$2,000,000 Other Funds for disbursement to Wheeler County for the construction of an underground fiber optic telecommunication line from Condon to Fossil.
- \$1,500,000 Other Funds for disbursement to the Port of Umatilla for facilities development at the Eastern Oregon Trade and Event Center in Hermiston.
- \$3,000,000 Other Funds for disbursement to Trillium Family Services for improving and expanding the Children's Farm Home near Corvallis which houses the Secure Adolescent Inpatient Program.
- \$1,600,000 Other Funds for disbursement to the Port of Morrow for development of an Early Childhood Development Center at the workforce training center at the Port of Morrow.

- \$1,500,000 Other Funds for disbursement to the City of Tigard for the Hunziker Development Project.

Senate Bill 5507 includes a one-time \$400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The FPP works with the Department of Corrections (DOC) to serve the best interests of the children of incarcerated parents by increasing therapeutic visitation between children and parents. The YWCA of Greater Portland is expected to provide facilitated case management including:

- Participation of a qualified mental health professional with training and experience with persons who have experienced trauma,
- Parenting skills training, including information on child development and attachment,
- Intensive communication between parents and the guardian or caregiver of the child,
- Facilitation of transportation of program participants to and from the prison,
- Facilitation of lodging to program participants when determined to be appropriate,
- Referrals to home visiting services and attorney services,
- Assistance in navigating state agency processes and nonprofit resources, and
- Reporting to the Legislature on measurable outcomes related to the welfare of the participating children and recidivism of participating incarcerated parents.

While the YWCA of Greater Portland will implement the program, DOC also has a role in the program's success. A budget note is included in the DOC section of this report to clarify the DOC role in administering the Family Preservation Program.

Office of the Governor

The Office of the Governor is increased by \$1,332,517 Lottery Funds for the establishment of five regional solutions coordinator (PEM/F) positions (4.92 FTE). Three of these positions were in the Office of the Governor on a limited-duration basis during the 2013-15 biennium. The other two positions were in the Oregon Business Development Department on a limited-duration basis during the 2013-15 biennium.

The Office of the Governor is increased by \$500,000 General Fund for federal programs coordination. The increase includes one PEM/G position (1.00 FTE) for the program, as well as any needed services and supplies. This function had previously been housed in the Oregon Business Development Department.

Public Employees Retirement System

The Subcommittee increased the Other Funds expenditure limitation by \$509,960 for the estimated fiscal impacts of House Bill 3495 (\$284,960) and Senate Bill 370 (\$225,000).

The Department of Administrative Services is expected to unschedule \$509,960 of expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer and the Legislative Fiscal Office and after a more detailed evaluation of the information technology implementation plans for these two measures.

Department of Revenue

The Subcommittee approved funding for the second of a four phase project to replace most of the agency's core information technology systems (Core Systems Replacement project). The second phase includes: personal income, transit, self-employment, Senior Property Deferral, and estate and trust tax programs. The scheduled implementation date for this phase is December 1, 2015.

The Subcommittee approved \$25,929,440 of Other Funds expenditure limitation and the establishment of 33 permanent full-time positions (33.00 FTE), which is to be mostly financed with Article XI-Q bonds approved in House Bill 5005 (\$19 million). Project revenues also include an estimated \$6.9 million in bond proceeds that were authorized and issued during the 2013-15 biennium, but remained unexpended.

The Other Funds budget includes: personal services of \$7 million; \$532,500 for facility costs; \$12.6 million for vendor contract payments; \$1.3 million for an independent quality assurance; \$592,900 for project management costs; \$532,500 for change leadership; \$279,000 for hardware and software; and \$3 million for a contingency reserve.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the Core Systems Replacement (CSR) project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the Core System Replacement program (i.e., CSR summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the Core System Replacement project; and (c) the positions may not be included in any permanent finance plan action.

The Subcommittee approved \$3,935,414 General Fund for the agency's payments to the Department of Administrative Services for State Data Center charges related to phase-I of the project (\$1.3 million), vendor contract maintenance costs to support the ongoing maintenance of the vendor product after installation (\$2.4 million), and non-bondable expenditures related to phase-II of the project (\$240,000).

The Subcommittee approved \$3,684,413 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

Other Funds expenditure limitation of \$375,000 is included for the cost of issuance of the bonds.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the Core Systems Replacement project:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer and the Legislative Fiscal Office throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Report back to the Joint Interim Committee on Ways and Means on project status in the Fall of 2015 (on readiness to proceed with the CSR Project's Rollout 2 in December 2015), and to the Joint Committee on Ways and Means during the 2016 legislative session.

- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, project status, and QA reporting activities throughout the life of the Core Systems Replacement Project, to include information on the new Fraud Analytics and Detection project planning and execution activities funded by package 151.

The Subcommittee also approved funding for the implementation of the Property Valuation System project, which is a commercial-off-the-shelf solution for an integrated appraisal application.

The Subcommittee approved \$1,880,000 of Other Funds expenditure limitation for project costs and the establishment of one permanent full-time position (0.92 FTE), which is to be financed with Article XI-Q bonds approved in House Bill 5005. This includes personal services of \$175,260; \$56,704 for capital outlay; \$1.5 million for vendor contract payments; and \$150,000 for an independent quality assurance.

Other Funds expenditure limitation of \$80,000 is included for the cost of issuance of the bonds.

The Subcommittee approved \$71,843 in General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

The Department of Administrative Services is expected to unschedule \$1.5 million of Other Funds expenditure limitation that may only be scheduled based upon the joint approval of the Office of the State Chief Information Officer, Department of Administrative Services – Chief Financial Office, and the Legislative Fiscal Office.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the Property Valuation project:

- Continue to work closely with and regularly report project status to the OSCIO and LFO throughout the lifecycle of the proposed DOR Property Valuation System (PVS) project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Hire/retain or contract for qualified project management services with experience in planning and managing projects of this type, scope, and magnitude.
- Update the Business Case and foundational project management documents as required.
- Work with OSCIO to acquire Independent Quality Management Services as required to conduct an initial risk assessment, perform quality control reviews on the Business Case and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the OSCIO.
- Submit the updated Business Case, project management documents, initial risk assessment, and QC reviews to the OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2016 legislative session and/or to interim legislative committees as required.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system as it is deployed for all project review, approval, project status, and closeout reporting activities throughout the life of the DOR PVS project.

Secretary of State

The Subcommittee approved omnibus budget adjustments that include a \$1,149,279 total reduction in state agency assessments and billings for the Audits Division. Secretary of State revenues after this reduction remain sufficient to fully support the legislatively adopted budget for the Division and the Secretary of State.

Treasurer of State

The Subcommittee adopted the following budget note related to the intermediate term pool investment program, with the expectation that the State Treasurer also report on what education and training can be provided local governments on the benefits and risks associated with investing in the intermediate term pool. The Subcommittee also expressed an interest in being provided a comprehensive list of state agencies that should be considered candidates for making investments in the existing state intermediate term investment pool:

Budget Note:

The State Treasurer is requested to report to the interim Joint Committee on Ways and Means during Legislative Days in November 2015 on local and tribal government investment opportunities in the intermediate term pool or other intermediate term pooled investment options offered by the State Treasurer.

The report is to define how, and when, the program will be implemented; how investments will be made, overseen, and administered; the status of development of administrative rules; and how the program compares to the existing state intermediate term investment pool.

The cost of administering the program is to be detailed, including both State Treasury and third party costs, and the basis on which local and tribal governments will be charged.

The agency is to identify the potential level of participation, both immediate and over the long-term, as well as the level of potential investment. The agency is to report on the number of pending and signed investment agreements. The agency is to identify how it will accommodate future demand for program growth as well as any short-term program capacity or resource constraints issues.

CONSUMER AND BUSINESS SERVICES

Public Utility Commission

House Bill 2599 (2015) relates to termination of electric or natural gas service. It requires utilities that provide electricity or natural gas service to prepare reports on processes the utilities use to not terminate for non-payment utility service to homes during very hot or very cold weather. To ensure legislative review of these reports, the Subcommittee approved the following budget note:

Budget Note:

The Public Utility Commission is directed to collect reports from the governing boards of all independent utilities in the state on each utility's program to ensure health and safety of vulnerable Oregonians during possible utility shutoffs that might take place during extreme weather situations. The Public Utility Commission will present a summary of the reports to the appropriate committees during the 2016 legislative session.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee increased Oregon Business Development Department expenditures by \$257,767,573, including \$4,089,357 General Fund, \$1,500,000 Lottery Funds, \$227,178,216 Other Funds, and \$25,000,000 Nonlimited Other Funds.

Lottery Funds increases include \$1 million to supplement funding for the Regional Accelerator Innovation Network, and \$500,000 for transfer to the Oregon Growth Fund managed by the Oregon Growth Board. The additional funds for the Regional Accelerator Innovation Network bring total Lottery Funds support for the Network to \$2 million. Lottery Funds expenditures approved in this bill for the two programs are approved on a one-biennium basis and will be phased out in the development of the agency's 2017-19 biennium current service level budget.

Other Funds budget adjustments were approved for bond-funded programs approved in Senate Bill 5005 and House Bill 5030. The Other Funds expenditure limitation increases approved include:

- \$175 million of net Article XI-M general obligation bond Other Funds proceeds for seismic rehabilitation grants for schools. The proceeds are projected to finance approximately 115 school seismic rehabilitation projects during the 2015-17 biennium, and represent a more than eleven-fold increase over the \$15 million level of school seismic rehabilitation grant funding provided in the 2013-15 biennium. The Subcommittee also added \$4,089,357 General Fund to pay debt service on the bonds. The debt service funds are projected to allow the State Treasurer to issue \$50 million of net bond proceeds in the Spring of 2016, and the remaining \$125 million of bond proceeds in Spring of 2017. Debt service costs for the school seismic bonds are expected to total \$28.7 million General Fund, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$1,870,000 Other Funds for the costs of issuing the Article XI-M bonds. These costs are paid from the gross proceeds of the bond sale. The agency may need to add staff to manage grant award activity associated with the Spring 2017 bond sale.
- \$30 million of net Article XI-N general obligation bond Other Funds proceeds for seismic rehabilitation grants for emergency services facilities. The proceeds are projected to finance approximately 50 emergency services facility seismic rehabilitation projects during the 2015-17 biennium, and represent a doubling of the \$15 million level of emergency services facility seismic rehabilitation grant funding provided in the 2013-15 biennium. The bonds will be issued in the Spring of 2017. Debt service costs for the emergency services facility seismic bonds are expected to total \$4.9 million General Fund, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$440,000 Other Funds for the costs of issuing the Article XI-N bonds. These costs are paid from the gross proceeds of the bond sale.
- \$18 million of net Lottery bond Other Funds proceeds for deposit to the Special Public Works Fund, a revolving loan fund. The \$18 million total includes \$5 million specifically dedicated to finance levee inspection and repair projects as authorized by Senate Bill 306. The remaining \$13 million of bond proceeds may be applied to any eligible Special Public Works Fund projects. The funding designated for levees is projected to support approximately 17 levee projects, and the undesignated funding is projected to support an additional 11 projects. Because the bonds will be issued in the Spring of 2017, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total \$3.8 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$323,147 Other Funds for the costs of issuing the Lottery bonds. These

costs are paid from the gross proceeds of the bond sale. The \$18 million of bond proceed expenditures were added to the agency budget as Nonlimited Other Funds, and as such, are not included in the expenditure limitation increases included in the bill.

- \$7 million of net Lottery bond Other Funds proceeds for deposit to the Brownfields Redevelopment Fund, a revolving loan fund. The funding is projected to support approximately 27 brownfields redevelopment projects. Because the bonds will be issued in the Spring of 2017, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total \$1.5 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$129,239 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The \$7 million of bond proceed expenditures were added to the agency budget as Nonlimited Other Funds, and as such, are not included in the expenditure limitation increases included in the bill.
- \$13 million of net Lottery bond Other Funds proceeds for Regional Solutions capital construction priority projects identified by Regional Solutions Advisory Committees. The funding is projected to support approximately 28 capital construction projects in ten of the state's eleven Regional Solutions regions. The projects are funded with a combination of \$995,000 of Lottery bond proceeds remaining from the Spring 2015 bond sale and \$12,005,000 of new bond proceeds from Lottery bonds that will be issued in the Spring of 2017. Because most of the funding will become available late in the biennium, most project activity will occur after the end of the current biennium. Debt service costs for the Lottery bonds are expected to total \$2.6 million Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$243,677 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The Subcommittee approved \$13 million of support to fund projects on the identified Regional Solutions project list that total more than \$14 million in costs. The project list is posted on the Oregon Legislative Information System website with the Capital Construction Subcommittee July 3, 2015 meeting materials. The agency is directed to best apply the available funding toward the project list identified costs, taking into consideration other possible funding sources available for individual projects. If the agency determines that funds would be better utilized to support other projects not on the identified project list, it must obtain legislative approval to do so before the lottery bonds are issued. The agency is also expected to work with the Governor's Office to allow the agency to review proposed Regional Solutions projects to ensure they meet certain criteria, including: supporting job growth and retention, obtaining leverage from other sources, possessing a clear business plan for sustainability without additional state funding, meeting regional priorities recommended by a Regional Solutions Advisory Committee, and, if bond proceeds are requested as the funding source, qualifying as a capital construction project.
- \$4.5 million of net Lottery bond Other Funds proceeds for cultural capital construction projects. The funding is specifically dedicated as follows: \$2 million for the Oregon Shakespeare Festival, \$1.5 million for the Portland Japanese Garden, \$600,000 for Oregon Public Broadcasting, and \$400,000 for the Aurora Colony Museum. The bonds will be issued the Spring of 2017. Debt service costs for the Lottery bonds are expected to total approximately \$956,000 Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$68,184 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The \$4,568,184 of bond proceeds and costs of issuance expenditures were added to the agency's Arts and Cultural Trust Other Funds expenditure limitation.

- \$1,562,157 of net Lottery bond Other Funds proceeds for repairs and upgrades to the Port of Brookings Harbor dock. The bonds will be issued in the Spring of 2017. Debt service costs for the Lottery bonds are expected to total approximately \$300,000 Lottery Funds, per biennium, when the costs fully phase in beginning in the 2017-19 biennium. The Subcommittee added \$41,812 Other Funds for the costs of issuing the Lottery bonds. These costs are paid from the gross proceeds of the bond sale. The \$1,603,969 of bond proceeds and costs of issuance expenditures were added to the agency's Infrastructure Finance Authority Other Funds expenditure limitation.

Housing and Community Services Department

Other Funds expenditure limitation is increased by \$10 million for additional payments anticipated due to the passage of House Bill 3257, which extended until 2018 the period under which an additional \$5 million annually could be collected from residential electricity consumers for low income bill payment assistance. The funds are collected from utilities, transferred to the Housing and Community Services Department, and distributed to eligible Oregonians by local Community Action agencies under contract.

Other Funds expenditure limitation for the Housing and Community Services Department is increased by \$585,000, attributable to cost of issuance for \$40 million in Article XI-Q bonds issued for affordable housing development. The housing to be developed with the bonds will be targeted to low income individuals and families, pursuant to the provisions of House Bill 2198. That bill directs the Department to distribute the resources available based on criteria including geography, market data, need, and other factors, and directs the Department to develop the housing with the advice of the State Housing Council and to work with stakeholders to achieve objectives that include reducing project costs and reaching underserved communities. It is assumed that the investment will result in an estimated 1,600 units of new affordable housing developed. Expenditure limitation for a period of six years for the project amount (\$40 million) is located in House Bill 5006.

Other Funds expenditure limitation in the amount of \$2,551,972 is included to enable the Housing and Community Services Department to expend proceeds from Lottery bonds for preservation of affordable housing with expiring federal subsidies. Of this amount, \$2.5 million is attributable to project costs, and \$51,972 is related to cost of issuance.

Eligible projects for which these funds can be expended are defined as the following:

- Privately owned multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the USDA Rural Development or the US Department of Housing and Urban Development;
- Existing manufactured housing communities to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; or
- Public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization, and which will secure ongoing rental subsidies.

Other Funds expenditure limitation in the amount of \$20,307,817 is included to enable the Housing and Community Services Department to expend proceeds from Lottery bonds for the purpose of financing construction of housing for individuals with mental illness or addiction disorders. Of this amount, \$20 million is attributable to project costs, and \$307,817 is related to cost of issuance. This limitation applies to the 2015-17 biennium only, as the project is not anticipated to be recurring. To the extent that proceeds are not fully expended for mental health

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housing in 2015-17, the 2017-19 agency request budget should include a request that limitation for remaining proceeds be carried forward into the 2017-19 biennium. The Housing and Community Services Department will develop a process similar to but separate from its existing “Notice of Funds Availability” that is currently used to identify partners and financing for affordable housing projects. The Oregon Health Authority will work with the Housing and Community Services Department (HCSD) throughout the process of utilizing the \$20 million of bonding proceeds for the development of housing for individuals with mental illness or addictions disorders. The Oregon Health Authority will continue to work with their partners, including the National Alliance on Mental Illness (NAMI) and the Oregon Residential Provider Association (ORPA), as well as other stakeholders, to set up a workgroup that will be responsible for providing recommendations on project priorities to HCSD.

Department of Veterans’ Affairs

Additional one-time General Fund in the amount of \$500,000 is appropriated to the Oregon Department of Veterans’ Affairs for support for County Veterans’ Service Officers. This is in addition to the \$246,046 General Fund investment above the 2015-17 current service level that was included in the Department’s budget bill, Senate Bill 5539. With this increase, the amount of General Fund directed to County Veterans’ Service Officers for the 2015-17 biennium will total \$4.7 million, \$4.2 million of which is intended to be ongoing in future biennia.

EDUCATION

Department of Education

The Subcommittee approved a net increase of \$51,990,543 General Fund and \$66,009,457 million Lottery Funds for the State School Fund. The increase reflects three separate actions:

- An increase of \$105,782,400 General Fund represents the increase due to the “trigger” included in the State School Fund bill (House Bill 5017) which directed to the State School Fund 40 percent of any General Fund increase in the 2015-17 revenue estimates between the March 2015 and the May 2015 forecasts;
- An additional \$12,217,600 General Fund is made available for the State School Fund beyond the amount resulting from the “trigger”; and
- A decrease of \$66,009,457 General Fund and a corresponding \$66,009,457 Lottery Funds increase is recommended to balance the use of available Lottery Funds across the entire state budget.

The Legislature assumes the State Land Board will increase the distribution from the Common School Fund from the current four percent to a five percent distribution which results in an estimated increase of \$27,544,741 of revenue available to districts through the school funding formula. If the State Land Board takes this action, there will be an equivalent of just over \$7.4 billion in combined General Fund, Lottery Funds, and these additional Common School Funds resources for the 2015-17 biennium.

House Bill 5017, the State School Fund bill, split the amount available to be distributed from the State School Fund between the two school years on an even basis or \$3,629,130,346 in each school year. The Subcommittee approved placing all of the additional State School Fund resources made available in this bill to be distributed in 2016-17, the second school year of the biennium. This results in a split between the two school years of 49.2 percent for 2015-16 and 50.8 percent for 2016-17.

The Subcommittee approved a one-time \$3,300,000 General Fund increase in the appropriation for the Department of Education’s nutrition programs relating to the Farm to School program under ORS 336.431. This increase is over and above the current \$1,219,189 General Fund appropriation included in the Department of Education’s budget bill (House Bill 5016) for this program. It is anticipated that grants under this program will be changed by language in Senate Bill 501 that is intended to increase participation in the program by school districts. The Department of Education may use up to two percent of the total funding for the Farm to School program under ORS 336.431 for the administration of the program. Of the remaining amount, the Department is instructed to allocate approximately 80% of the remaining funding for the noncompetitive grants and approximately 20% of the remaining funding for competitive grants.

The Subcommittee increased the funding for Relief Nurseries in the Early Learning Division by a one-time \$700,000 General Fund appropriation. This brings the total amount of state funding for Relief Nurseries to \$8,300,000 General Fund.

The Subcommittee approved a one-time increase of \$500,000 General Fund for the new leadership program designed to recruit and train “district turnaround leaders” to assist schools and districts to increase their overall achievement measures. This increase and the amount included in the budget bill for the Oregon Department of Education (House Bill 5016) brings the total amount of funding for this program to \$2,000,000 General Fund.

The Subcommittee approved the establishment of an Other Funds expenditure limitation of \$126,210,000 for the proceeds of Title XI-P general obligation bonds, which are for grants to assist school districts with their capital costs of facilities. The grant, funded with bond proceeds, provided to each district must be matched by the district to finance capital costs for projects that have received voter approval for locally issued bonds. State bond proceeds may not be used for operating costs of the district. The bonding bill (House Bill 5005) includes the authorization for issuing \$125,000,000 of Title XI-P bonds. Costs of issuance are estimated at \$1,210,000 Other Funds.

Budget Note:

The Department of Education is instructed to use \$500,000 General Fund from the Early Intervention/Early Childhood Special Education (EI/ECSE) budget to support two to four communities in developing pathways from screening to services to make it easier for families to receive services that screening identifies. Use of this funding is aligned with best practices for how EI/ECSE programs should address the needs of children and their families who do not meet the legal requirements for eligibility and connect them to other services and supports. The Early Learning Council shall report on the progress and outcomes of this work to the appropriate legislative committee and include any recommendations for the 2017 legislative session.

Budget Note:

Given the expanded Healthy Families Oregon home visiting funding added to the Early Learning Division’s budget, the Early Learning Division and the Oregon Health Authority are instructed to:

- Develop a set of outcome metrics connected to evidence of impact for consideration by the Early Learning Council and the Oregon Health Policy Board that any home based service that receives state dollars must meet in order to continue to receive state funds, effective July 1, 2016;
- Develop a plan and timeline for integrating the state’s professional development system for early learning providers with the emerging professional development system for home visitors; and
- Develop a common program agnostic screening tool to identify potential parent/child risk factors and intake form for families who are eligible for home visiting services and require implementation by state funded home visiting programs by July 1, 2016.

The Early Learning Division and the Oregon Health Authority shall report on progress to the appropriate legislative committee.

Budget Note:

The Department of Education is instructed to survey school districts on the financial effects of the: (1) adaptation of new instructional hour minimums, (2) mandated full scheduling of 92 percent of students, and (3) projections for programs and personnel possibly eliminated in order to comply with these mandates at current budget levels. The Department is to report back to the Joint Committee on Ways and Means by February 1, 2016.

Higher Education Coordinating Commission

The Subcommittee approved a one-time \$1,500,000 General Fund appropriation to fund academic counselors at community colleges during the second academic year of the biennium. Community Colleges currently have limited academic counseling services in place. With the potential of more students as a result of the tuition waiver grant program established in Senate Bill 81, there is concern that those limited resources will be stretched even further. Prior to the distribution of these funds, the Higher Education Coordinating Commission is to report to the Joint Committee on Ways and Means during the 2016 legislative session or to the Emergency Board what factors or variables will determine the distribution of these funds.

The Subcommittee approved the establishment of a \$1,542,827 Other Fund expenditure limitation for a grant to the Linn Benton Community College for the construction and capital expenditures for the Advanced Transportation Technology Center. This Center is established to advance statewide transportation energy policy as well as to provide education and training of students at the Community College. The project is to include an automotive technician training center with an alternative fuel area, a heavy transportation/diesel training center, an innovation center, and an anaerobic digester for renewable gas production. The Other Funds expenditure limitation increase represents the \$1,500,000 state share of the project cost and \$42,827 for the cost of issuing the bonds. Both of these items are funded through the sale of Lottery bonds.

The Subcommittee approved \$2,500,000 General Fund for the College of Forestry at Oregon State University to operate a center for the manufacturing and design of advanced wood products in cooperation with the University of Oregon. The \$2.5 million represents a partial biennium of expenses, and as such, state support for the center rolls up to \$3,400,000 in the 2017-19 biennium. The Subcommittee also approved \$300,000 General Fund on a one-time basis for use by Eastern Oregon University for costs associated with starting a collegiate wrestling program.

The Subcommittee approved a one-time \$350,000 General Fund appropriation to the Higher Education Coordinating Commission (HECC) for a grant to the College Inside program. This is a program designed to allow incarcerated students obtain a two-year college degree that is transferable to a four-year university.

The Subcommittee approved a one-time \$350,000 General Fund appropriation to Higher Education Coordinating Commission (HECC) for a grant to the College Possible organization. This program provides mentoring, coaching, and other assistance to low income students to encourage them to go to college and help them apply for college and financial aid.

The Subcommittee approved a \$62,300 General Fund appropriation for use by Oregon Solutions at Portland State University to pay the expenses of the Task Force on the Willamette Falls Navigation Canal and Locks as they conduct the work directed in SB 131.

The Subcommittee clarified that of the \$151,390,838 General Fund increase approved for the Public University Support Fund program area in House Bill 5024, \$41,095,238 was for continuation of the tuition buy down funding provided to public universities in House Bill 5101 (2013 Special Session).

The Subcommittee approved a \$4,477,055 increase in the Other Funds expenditure limitation for payment of the costs of issuing Article XI-F general obligation bonds, Article XI-G general obligation bonds, and Article XI-Q general obligation bonds on the behalf of community colleges and public universities.

The Subcommittee also approved giving the Higher Education Coordinating Commission (HECC) nonlimited authority to make Other Funds expenditures necessary to disburse general obligation bonds sold during the 2013-15 biennium for the benefit of public universities. Disbursement of future bond sales will be done by HECC, but during the 2013-15 biennium the Department of Administrative Services (DAS) was given initial authority to disburse these proceeds. As the bond project duties related to issuance of Article XI-F and XI-G general obligation bonds transition from DAS to HECC per House Bill 3199, both agencies were given nonlimited authority to disburse proceeds of bonds issued during 2013-15. The total amount of undisbursed proceeds as of June 30, 2015 from 2013-15 bond sales is \$196,523,642. The initial estimate of the amount of 2013-15 proceeds HECC will disburse per agreements with public universities in 2015-17 is \$50,648,642, with DAS disbursing \$145,875,000. These amounts will likely change once the timing of final transition from DAS to HECC is known.

Oregon Health & Science University

The Subcommittee approved the establishment of a \$200,035,000 Other Funds expenditure limitation for DAS to disburse Article XI-G bond proceeds to the Oregon Health and Science University (OHSU) to fund Knight Cancer Institute capital construction costs. In addition, the Subcommittee approved an \$8,522,485 General Fund appropriation to pay debt service on XI-G bonds issued during the 2015-17 biennium for the Knight Cancer Institute project.

House Bill 3199 (2015) provided that the Department of Administrative Services (DAS) would continue to make debt service payments on behalf of OHSU on legacy debt issuance, including \$30,909,888 debt service paid with Tobacco Master Settlement Agreement (TMSA) funds. To accommodate this requirement, the Subcommittee approved providing DAS with \$38,689,306 Other Funds expenditure limitation to make debt

service payments. Revenue for making \$7,779,418 debt service payments on non-TMSA supported Article XI-F bond debt will be provided by OHSU.

HUMAN SERVICES

Department of Human Services

To support two pilot projects in the Child Welfare program, the Subcommittee approved \$800,000 General Fund and increased Federal Funds expenditure limitation by \$160,000; funding is approved on a one-time basis with future program support or integration dependent on resources and pilot outcomes. The following budget note, which lays out the goals and expectations for the pilot projects, was also approved:

Budget Note:

The Department of Human Services is directed to work with community-based organizations to develop and implement two pilot programs, one serving a rural part of the state and the other one serving an urban area, to improve the quality and effectiveness of foster care for children and wards who have been placed in the Department's legal custody for care, placement, and supervision. The programs shall target youth who have experienced multiple foster care placements and who are at significant risk of suffering lifelong emotional, behavior, developmental, and physical consequences due to disrupted and unsuccessful placements in the foster care system. The following services for foster parents shall be included in the programs: trauma-informed, culturally appropriate care training; behavioral supports; ongoing child development and parent training; 24-hour, daily on-call caregiver support; respite care; tutoring; and assistance with locating immediate and extended healthy, biological family members.

Each pilot program will have an advisory group that includes at least one individual who has experienced multiple placements in the foster care system and at least one foster parent. The legislative expectation is that at least \$800,000 of the total funding for the pilots will be provided directly to community-based organizations to deliver program services. On or before May 1, 2017, the Department shall report to the legislative committees having authority over the subject areas of child welfare and juvenile dependency regarding the status of the pilot programs and, to the extent possible, placement outcomes for children and wards who participated in the pilot program and children and wards not receiving pilot program supports. The Department will also provide an update on the pilot projects as part of its budget presentation during the 2017 legislative session.

To provide and test targeted community college career pathway training opportunities for Temporary Assistance for Needy Families and Employment Related Day Care clients, the Subcommittee approved \$500,000 General Fund for a one-time pilot project in Jackson and Josephine counties. Eligible clients will be in enrolled training programs that match up with in-demand, high wage job openings, such as in the healthcare or information technology areas. Clients will receive a scholarship/stipend to help augment Pell grants, with average awards expected to be about \$2,000 per client; about 150 clients are estimated to participate in the program over the biennium. The pilot project is a joint effort between the Rogue Workforce Partnership, the Oregon Employment Department, and the Department of Human Services.

The Subcommittee approved \$350,000 General Fund to provide transitional (one-time) funding for the Home Care Commission's private pay registry. This program, which enables private payers to buy home care services through the home care registry, was authorized by House Bill 1542 (2014) and is expected to be fee supported once fully up and running in January 2016.

The Subcommittee approved \$1,800,000 General Fund to restore a reduction made in the primary budget bill for the Department (House Bill 5026). The funding will provide ongoing support for options counseling provided through the Aging and Disability Resource Connection (ADRC). The program helps people identify their long term care needs and preferences, understand the service options available to them, and make decisions about their care.

The Subcommittee approved \$400,000 General Fund, on a one-time basis, to increase support funding for the Oregon Hunger Response Fund (Oregon Food Bank); between funding in both the DHS and the Housing and Community Services Department budgets, a total of \$3.2 million General Fund is now appropriated in the 2015-17 biennium to help the fund fight hunger.

The Subcommittee approved \$150,000 General Fund to provide ongoing support for the Hunger Task Force, which is charged with advocating for hungry persons, and contributing to the implementation and operation of activities and programs designed to alleviate or eradicate hunger in Oregon. House Bill 2442 (2015) designates the Department of Human Services as the entity in administering the state policy on hunger and also requires the agency to support and staff the task force, based upon the availability of legislatively approved funding for such purposes.

To cover Phase II development and implementation of a streamlined and integrated Statewide Adult Abuse and Report Writing System, the Subcommittee approved \$2,277,037 General Fund and \$3,355,000 Other Funds expenditure limitation (\$5.6 million total funds). Phase I planning funding was approved by the Emergency Board in May 2014, based upon demonstrated need for a stable, integrated adult abuse data and report writing system to deal with Oregon's growth in an aging population, an annual increase of 5-8% in abuse referrals, and an increased need for services across all demographics. The Other Funds portion of the project will be financed with Article XI-Q bonds; the General Fund amount includes \$839,543 to cover debt service payments in the second year of the biennium.

The Department will continue its work on the project according to direction from the Joint Ways and Means Subcommittee on Information Technology, which recommended incremental and conditional project approval. Required actions under that guidance include, but are not limited to, working closely with and regularly reporting project status to the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO), while following the joint OSCIO/LFO Stage Gate Review Process. A detailed list of next steps and requirements was transmitted to the agency. The Department of Administrative Services is expected to unschedule the General Fund and Other Funds expenditure limitation for the project pending finalization of a controlled funding release plan that is tied to planning needs and the completion of certain stage gate requirements. Funding may be rescheduled with the joint approval of the OSCIO, the Chief Financial Office, and LFO.

House Bill 5026 included a rate increase for providers serving people with Intellectual and Developmental Disabilities (IDD). To ensure clarity of legislative direction regarding implementation of the rate increase, the Subcommittee adopted the following budget note:

Budget Note:

It is the intent of the Legislature that \$26.7 million total funds in provider rate increases approved in House Bill 5026 (budget bill for the Department of Human Services) result in wage increases for direct care staff serving people with intellectual and developmental disabilities (IDD). The legislative expectation is that compensation (wages and/or benefits) for direct care staff in programs serving people with IDD should be increased by at least 4% during the 2015-17 biennium.

During the 2016 legislative session, an informational hearing will be scheduled for IDD community providers to present the actions they have taken or plan to take to meet budget note requirements. On a parallel track and prior to seeking an allocation from the special purpose appropriation, the Department of Human Services will compile information on any complaints received regarding wage increases and consult with legal counsel and contract staff to determine the best, yet most cost-effective, approach to address potential provider non-compliance. The Department will also report to the Joint Committee on Ways and Means during the 2017 legislative session on activity related to and progress made under this budget note.

For the same program, the Subcommittee approved the budget note set out below on exploring a provider assessment component to help fund IDD programs. Along with the required reporting, and depending on assessment's content or results, the Department may also work with the appropriate interim policy committee on potential statutory changes.

Budget Note:

The Department of Human Services shall work with the intellectual and developmental disabilities (IDD) provider community and appropriate state and federal agencies to assess the feasibility, potential benefits, and potential drawbacks of a provider assessment, or transient lodging tax, on the provider organizations serving adults with IDD, with the goal of maximizing federal matching funds for IDD services and addressing the direct care workforce shortage. The Department shall report the results of its assessment to the Legislature by December 1, 2015.

Oregon Health Authority

Senate Bill 5507 approves \$10,000,000 one-time General Fund resources to provide grants to safety net providers, through the Safety Net Capacity Grant Program. This program will provide grants to community health centers, including Federally Qualified Health Centers and Rural Health Centers, as well as School-Based Health Centers, with the goal of providing services for children not eligible for any current state program. The agency will need to develop an application process for these competitive grants; develop a process to award the grants, including amounts to fund education and outreach to the target population; develop a process for clinics to report services rendered; provide reporting to the Legislature and stakeholders; and include a stakeholder engagement process to advise the program development and implementation. The agency expects to fund two full-time positions out of this total funding, in order to implement the program as described.

Because of the continuing transition of the Oregon Health Plan caseload, the Subcommittee recognized the increased risk of caseload forecast changes. A special purpose appropriation of \$40 million is made to the Emergency Board for caseload costs or other budget challenges in either the Oregon Health Authority (OHA) or Department of Human Services. The Subcommittee included two budget notes related to the Oregon Health Plan:

Budget Note:

The Oregon Health Authority shall engage in a rural hospital stakeholder process to gather input on potential transformation strategies to ensure that Oregon's small and rural hospitals continue to be sustainable in the future. Potential transformation strategies could include grant or bridge funding, transformation pilot programs, or incentive programs to assure funding stability for hospitals and access to health care services for rural Oregonians. Based on the work with stakeholders, OHA will develop a set of recommendations.

OHA shall report to the Joint Committee on Ways and Means Committee during the 2016 legislative session on any hospital assessment revenues received for the 2013-15 biennium and available for use in 2015-17. The revenue may include assumed hospital assessment revenue in the OHA 2015-17 budget or any additional hospital assessment revenue not included in the OHA budget, that could potentially be used to fund one or more of the strategies recommended, but not to exceed \$10 million. The agency should include in that report any information on federal matching resources that may be available for those strategies.

Budget Note:

The Oregon Health Authority is directed to prepare a report in collaboration with the Employment Department stating the number of Oregonians enrolled in the Oregon Health Plan while employed at least 260 hours in any calendar quarter by a company with 25 or more employees. This report should be presented to the interim Joint Committee on Ways and Means, Subcommittee on Human Services no later than January 2016.

The Subcommittee approved a one-time appropriation of \$160,000 General Fund for OHA to contract with the Dental Lifeline Network, or other qualified organization, for development and operation of a Donated Dental Services program to benefit needy, disabled, aged, and medically compromised individuals. The program will establish a network of volunteer dentists, including dental specialists, to donate dental services to eligible individuals, establish a system to refer eligible individuals to appropriate volunteers, and develop and implement a public awareness campaign to educate individuals about the availability of the program. The program will report to OHA at least annually the number of people served, procedures during the year, procedures completed, and the financial value of the services completed. The funding is part of a commitment to spending on senior programs that originated in the 2013 special session.

The Subcommittee approved \$200,000 General Fund for providing fresh Oregon-grown fruits, vegetables, and cut herbs from farmers' markets and roadside stands to eligible low-income seniors under the Senior Farm Direct Nutrition Program. Another \$100,000 General Fund was added for the same purpose for eligible individuals through the Women, Infants and Children Program. Both these program enhancements are one-time.

General Fund was increased by \$600,000 for school-based health centers. This funding will provide state grants of \$300,000 to three new school-based health centers that recently completed their planning processes. It will also allow the agency to provide \$300,000 of funding to existing school-based health centers to bring all centers closer to parity in state funding.

Other Funds expenditure limitation is increased by \$137,152 to increase the staffing level for the Pesticide Analytical Response Center by one half-time position (0.50 FTE). Funding for the position will come as a special payment from the Department of Agriculture supported by an increase in pesticide product registration fees.

The Subcommittee directed the Oregon Health Authority to collaborate with the Department of Consumer and Business Services and the University of Oregon, in the following budget note:

Budget Note:

The Oregon Health Authority, in collaboration with the Department of Consumer and Business Services, shall work with the University of Oregon on the vaccination program for meningitis. The Department of Consumer and Business Services shall ensure timely insurance coverage is covering appropriate costs for those with insurance. The Oregon Health Authority shall, within existing emergency preparedness funds, work with the University of Oregon on funding appropriate costs. The Oregon Health Authority and the University of Oregon shall report to the appropriate legislative committee the final cost of the program including any additional funding needs by December 2015 and any recommendations to ensure effective and efficient response to any future events.

Lottery bond proceeds of \$20 million were approved for the development of housing for individuals with mental illness or addiction disorders, through the Housing and Community Services Department (HCSO). OHA will work with HCSO throughout the process used to identify partners and financing for projects. OHA will continue to work with their partners, including the National Alliance on Mental Illness and the Oregon Residential Provider Association, as well as other stakeholders, to set up a workgroup that will be responsible for providing recommendations on project priorities to HCSO.

Lottery bond proceeds of \$3 million were approved to fund a portion of the costs to build a new sixteen-bed facility for the Secure Adolescent Inpatient Program, run by Trillium Family Services. These funds will be distributed through the Department of Administrative Services. This project will replace old, obsolete facilities at the Children's Farm Home campus near Corvallis. This program serves adolescents at the highest level of mental health acuity in the state, including children on the Oregon Health Plan, and those referred through the Oregon Youth Authority and the Juvenile Psychiatric Security Review Board.

The following budget note was included related to the Addictions and Mental Health programs:

Budget Note:

The Oregon Health Authority shall conduct a minimum of five community meetings in a variety of geographic locations across the state. The goal of the community meetings is to capture, understand, and report to the Legislature on the experience of children, adolescents, and adults experiencing mental illness and their ability to access timely and appropriate medical, mental health and human services to support their success in the community. The meetings shall not be restricted to publicly financed services or individuals eligible for public benefits. The focus will be on the entirety of the Oregon mental health system, both public and private. Issues to be considered should include but not be limited to:

- Access to child and adolescent services
- Boarding in hospital emergency rooms
- Access to housing, addiction, and recovery services
- Family support services
- Waiting periods for services

- Workforce capacity
- Affordability for non-covered individuals to access mental health services
- Coordination between behavioral health and physical health services

The Oregon Health Authority shall consult and coordinate with stakeholders to plan and conduct the community meetings. The Oregon Health Authority is expected to report progress and findings to the appropriate legislative committees and the 2016 Legislature.

The Subcommittee included the following direction in regards to fee-for-service (both Medicaid and non-Medicaid) rate increases to addiction treatment providers:

Budget Note:

The Oregon Health Authority will use \$3.5 million of the \$6 million included in the new investments for A&D services included in the OHA 2015-17 budget to increase rates to addiction treatment providers. OHA will report the final rate increases to the interim Joint Committee on Ways and Means by November 2015.

Long Term Care Ombudsman

The Subcommittee added \$100,000 General Fund on a one-time basis to provide interim support for the agency as it continues to ramp up new programs, including advocacy for residents of independent living sections of Continuing Care Retirement Communities as required under Senate Bill 307 (2015). The agency has also been undergoing a leadership transition and is facing challenges in volunteer recruitment; the additional funding will allow the Long Term Care Ombudsman to contract or to make a short-term hire for program development expertise to focus on these needs over the first year of the biennium.

JUDICIAL BRANCH

Oregon Judicial Department

The Subcommittee increased Judicial Department expenditures by \$40,955,000, including \$700,000 General Fund, and \$40,255,000 Other Funds.

The Subcommittee appropriated \$100,000 General Fund to increase funding for the Oregon Law Commission. This action raises total General Fund support for the Oregon Law Commission in the 2015-17 biennium budget to \$331,319, a 45.3 percent increase over the 2013-15 biennium funding level. The Subcommittee also added a one-time General Fund appropriation of \$600,000, for support of the Oregon State Bar Legal Services Program (a.k.a., Legal Aid). The General Fund appropriation will supplement the \$11,900,000 of Other Funds support for Legal Aid provided in Senate Bill 5514, and is approximately a 5 percent increase over the base funding level.

The Subcommittee approved Other Funds expenditure limitation increases for county courthouse capital construction projects funded through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). The legislatively adopted budget includes \$27,775,000 of Article XI-Q bond proceeds authorized in House Bill 5005 for the courthouse capital construction projections funded through the OCCCIF. The approved

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bond proceeds include \$17.4 million for the Multnomah County Central Courthouse project, \$2.5 million for the Jefferson County Courthouse project, and \$7,875,000 for the Tillamook County Courthouse project.

The Legislature previously authorized Article XI-Q bonds for the Multnomah County and Jefferson County projects in the 2013-15 biennium budget. The Subcommittee increased the OCCCIF Other Funds expenditure limitation by \$39.8 million to allow expenditures of up to \$19.9 million of bond proceeds and of up to \$19.9 million of required county matching funds for these two projects. The Subcommittee did not approve Other Funds expenditure limitation for the Tillamook County Courthouse project. The Judicial Department will report to the Joint Committee on Ways and Means or to the Emergency Board on the Tillamook County Courthouse project, and request Other Funds expenditure limitation for the project, prior to distributing any money from the OCCCIF for the Tillamook County Courthouse project.

The Subcommittee also increased the Judicial Department operations Other Funds expenditure limitation for operations by \$455,000, for the cost of issuance of Article XI-Q bonds for OCCCIF projects.

NATURAL RESOURCES

Department of Agriculture

The Subcommittee approved a \$25,000 General Fund increase to the Predator Control program, bringing the program total to \$447,718 General Fund, as well as, a \$30,000 General Fund increase to the Wolf Compensation and Grant Assistance program, bringing the program total to \$233,000 General Fund.

The Subcommittee also approved a \$1,747,018 Other Funds expenditure limitation increase to support enhancements to the Pesticides program. The enhancements include the addition of 6 positions (5.26 FTE) to the program. The positions will be made up of four pesticide investigators (NRS 3), one customer service representative (NRS 3), and one case reviewer (NRS 4). The additional investigative staff is needed to manage existing caseload requirements. Other enhancements include laboratory testing and sampling of pesticides, as well as, modification of the existing investigation and case management database. An additional \$108,326 Other Funds was approved to increase the ODA staffing level for the Pesticide Analytical Response Center (PARC) by 0.50 FTE. ODA also increased the existing transfer made to the Oregon Health Authority (OHA) by \$137,152 Other Funds to increase the ODA paid OHA staffing level for the Pesticide Analytical Response Center by 0.50 FTE. Revenue to support these various Other Funds increases will come from increases in pesticide product registration fees approved in House Bill 3459.

Department of Environmental Quality

The Subcommittee approved \$280,000 General Fund for a Portland Harbor Statewide Coordination policy position. According to the Governor's requested budget, this is a senior-level policy position that will be housed in DEQ, but will report to the Governor's natural resources policy advisor. This Operations and Policy Analyst 4 position will be phased in on January 1, 2016 (0.75 FTE). In addition, \$110,092 Other Funds expenditure limitation and one half-time NRS 3 position (0.50 FTE) was approved for implementation of the residential asbestos inspection program established by Senate Bill 705, which passed earlier this session.

Department of Fish and Wildlife

The Subcommittee approved allowing the Oregon Department of Fish and Wildlife to retain \$5,000 General Fund savings from Department of Administrative Services' assessment reductions that will be used to pay for the study in Senate Bill 779. This study is to determine whether ORS 497.006 should be amended to allow additional members of the uniformed services to be considered resident persons for the purpose of purchasing licenses, tags, and permits issued by the State Fish and Wildlife Commission.

The Subcommittee approved a one-time General Fund appropriation of \$500,000 to improve and protect sage grouse habitat through actions, such as juniper removal, that improve the resilience of sagebrush habitat to wildfire.

The Subcommittee also approved a \$25,000 General Fund increase in state support for the Predator Control program, bringing the state support total to \$453,365 General Fund.

Department of Forestry

The Subcommittee approved a one-time appropriation of \$809,377 General Fund to the Fire Protection Division of the Oregon Department of Forestry (ODF) for sage grouse habitat protection and improvement. This amount is in addition to amounts contained in the agency's budget bill for the same purposes. The appropriation includes \$109,377 for a limited-duration, half-time (0.50 FTE) Natural Resource Specialist 1 position and associated services and supplies to provide administrative support and technical training to rangeland protection associations. The appropriation also includes \$700,000 for grants to support rangeland wildfire threat reductions. The grant funding is for eligible services, supplies, and equipment expenditures of rangeland fire protection associations and counties in addressing rangeland wildfire management and suppression on unprotected or under-protected lands. The funding is to be implemented consistent with wildfire-related provisions of Oregon's plan for addressing the conservation of the greater sage grouse and rural community vitality. Oregon will provide the funding to the Oregon Watershed Enhancement Board, which will oversee the grant program in conjunction with other ODF grant programs.

Department of Land Conservation and Development

The Subcommittee approved the reduction of the General Fund appropriation made to the Department of Land Conservation and Development for the Southern Oregon Regional Pilot Program (SORPP) in the agency's 2013-15 budget (SB 5530, 2013) in the amount of \$194,000 and the re-establishment of that amount as a one-time General Fund appropriation in the 2015-17 biennium. The funding is a portion of the amount established by policy option package 107 in the agency's 2013-15 budget for the purpose of carrying out Executive Order 12-07 that the agency will not expend during the 2013-2015 biennium and that the grant recipient counties have requested to be moved forward to the 2015-17 biennium to allow additional time for the grant-funded work to be completed.

The Subcommittee approved the appropriation of \$300,000 General Fund to establish a SageCon Coordinator, a limited duration Natural Resource Specialist 5 position, to lead staff participating in the SageCon Governance and Implementation Teams. The position will work closely with and take direction primarily from the Governor's Office to provide overall leadership and direction for state agencies working with public and private stakeholder interests in the energy, agricultural, and conservation sectors.

Department of State Lands

Senate Bill 5507 increases the Federal Funds expenditure limitation in anticipation of an Environmental Protection Agency (EPA) wetlands grant in an amount up to \$133,000. The Department expects notification on the grant in October 2015. The Department of Administrative Services (DAS) is expected to unschedule the limitation until such time as State Lands notifies DAS and the Legislative Fiscal Office that the funds are awarded. There is an additional federal limitation increase for EPA grant carryforward in the amount of \$28,488.

Parks and Recreation Department

Several adjustments are made in the Parks and Recreation Department (OPRD) budget to reflect the June 2015 Parks and Natural Resources (Measure 76) Lottery Funds forecast, an increase of \$3 million over the March 2015 forecast. The distribution is \$300,000 for property acquisition, \$500,000 for facilities maintenance, \$58,314 for direct services, and \$362,326 to satisfy the constitutionally directed 12% to local governments. The remainder of the increase is applied to the ending balance. There is also an increase in Other Funds of \$98,740 in direct services to keep funding and ending balances in proportion with approximate percentages of lottery and other funds expenditures.

A \$970,000 fund shift from Federal Funds to Lottery Funds reimburses OPRD for using M76 Lottery Funds to secure acquisition of the Beltz Farm in 2014-15. A subsequent federal grant frees up the lottery dollars for carry-forward expenditure limitation in park development. The State Historic Preservation Office is provided an increase in Federal Funds expenditure limitation of \$70,425. The limitation will be used to pass through two federal Maritime Heritage grants that local entities have been awarded.

The 2015-17 OPRD budget included \$912,494 non-Measure 76 lottery funds to provide debt service on the Willamette Falls bonding in the 2013-15 budget. The debt service is eliminated as it is not needed; the \$5 million bond request has been satisfied with cash instead.

Other Funds expenditure limitation is increased by \$11,716,805 for three lottery bond-funded purposes. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is \$2.2 million non-Measure 76 Lottery Funds.

The Portland Parks and Recreation Department is to receive \$1,500,000 lottery bond proceeds passed through the Parks and Recreation Department for the Renew Forest Park project. The cost of issuance for this project is \$42,071 Other Funds.

The Main Street Revitalization Grant program is funded with \$2,500,000 lottery bond proceeds. OPRD will design, develop, administer, account for, and monitor the new grant program, beginning late in the 2015-17 biennium. Because new positions will be needed to manage the grants, OPRD will need to request funding for them during the 2016 legislative session. The cost of issuance for this bond sale is \$51,972 Other Funds.

Lottery bond proceeds in the amount of \$7,500,000 will be applied to the Willamette Falls Riverwalk project in Oregon City. The cost of issuance is \$122,761 Other Funds.

Water Resources Department

The Subcommittee approved the establishment of Other Funds expenditure limitation for the Water Resources Department for the expenditure of lottery bond proceeds as follows:

- \$2,000,000 one-time Other Funds expenditure limitation for the purpose of making grants and paying the cost of direct services for the qualifying costs of planning studies performed to evaluate the feasibility of developing a water conservation, reuse, or storage project, as described in ORS 541.566, and \$47,477 one-time Other Funds expenditure limitation for the payment of bond issuance costs from Lottery bond proceeds from the Water Conservation, Reuse, and Storage Investment Fund established under ORS 541.576. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$418,891.
- \$750,000 one-time Other Funds expenditure limitation for the expenditure of Lottery bond proceeds for facilitation of the preparation of place-based integrated water resources strategies as described by Section 2(2) of Senate Bill 266 (2015) from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$156,831
- \$11,000,000 one-time Other Funds expenditure limitation for the purpose of making grants or entering into contracts to facilitate water supply projects in the Umatilla Basin and for the payment of professional services such as third-party contract administration and quality control contracts related to the projects from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$2.3 million.
- \$1,000,000 one-time Other Funds expenditure limitation for the purpose of making one or more grants to individuals or entities to repair, replace, or remediate water wells in the Mosier Creek area from the from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The bonds are anticipated to be issued at the end of the 2015-17 biennium and, therefore, no debt service expenditures are anticipated in the 2015-17 biennium. The cost of debt service for the 2017-19 biennium is estimated to be \$190,071.
- \$280,433 one-time Other Funds expenditure limitation for the payment of bond issuance costs for the three items above from the Water Supply Fund established by Chapter 906, Section 10(1), Oregon Laws 2009. The cost of debt service for the 2017-19 biennium is estimated to be \$2.3 million.
- \$6,362,979 one-time Other Funds expenditure limitation for the purpose of carrying out sections 1 to 15 of Chapter 784, Oregon Laws 2013 and the payment of bond issuance costs from the Water Supply Development Fund established under ORS 541.656. Of the total, \$112,979 is for bond issuance costs.

The Subcommittee approved the establishment of \$30,000,000 one-time Other Funds expenditure limitation for the expenditure of general obligation bond proceeds from bonds issued under of Article XI-I (1) for the purposes provided in ORS 541.700 to 541.855 and for the payment of bond issuance costs from the Water Development Loan Fund.

The Subcommittee approved the establishment of Other Funds expenditure limitation in the amount of \$520,000 for bond issuance costs and \$1,201,865 for debt service payments associated with the issuance of bonds issued under of Article XI-I (1) for the purposes provided in ORS 541.700 to 541.855 from the Water Development Loan Administration and Bond Sinking Fund established under ORS 541.830.

Oregon Watershed Enhancement Board

The Subcommittee approved a \$200,000 Federal Funds expenditure limitation increase to the Grants program from Pacific Coastal Salmon Recovery Fund (PCSRF) monies to increase the amount of PCSRF funding transferred to the Oregon Department of Fish and Wildlife (ODFW) to a total of \$9,511,859, which is the amount anticipated to be transferred by the Oregon Watershed Enhancement Board to ODFW in Senate Bill 5511, the budget bill for the Oregon Department of Fish and Wildlife. Miscommunication during development of the two agencies' request budgets prevented confirmation of matching amounts.

The Subcommittee also directed the Oregon Watershed Enhancement Board to increase the total amount of Lottery Funds from the Watershed Conservation Grant Fund made for weed grants by \$500,000, on a one-time basis. These additional Grant funds are to be used to improve sage grouse habitat through landowner actions to inventory, treat, and reduce plant invasive species threats to sage grouse habitat and rural economic values and restore native plant habitat. OWEB is directed to work with the Department of Agriculture, local weed boards, and other local delivery mechanisms in getting this additional \$500,000 on the ground improving sage grouse habitat in the shortest time possible.

PUBLIC SAFETY

Department of Corrections

Article XI-Q bonding in the amount of \$14.2 million is included in House Bill 5005 and capital construction expenditure limitation is approved in House Bill 5006. The bonding covers continued work at the Department's backlog of deferred maintenance. Specifically the funding addresses 25 priority 1, statewide projects. The bonds will be issued in 2017, with debt service beginning in the 2017-19 biennium at \$3.7 million General Fund. This bill includes Other Funds expenditure limitation for cost of issuance in the amount of \$254,568.

Senate Bill 5507 includes a one-time \$400,000 General Fund appropriation to the Department of Administrative Services for a community-based organization, the YWCA of Greater Portland, to administer the Family Preservation Program (FPP) at Coffee Creek Correctional Facility. The program description is in the Department of Administrative Services section of this report.

While the YWCA of Greater Portland will implement the program, the DOC also has a role in the program's success. The following budget note is intended to clarify the DOC role in administering the FPP:

Budget Note:

The Department of Corrections is directed to work with the YWCA to serve the best interests of the children of incarcerated parents by facilitating enriched visitation, parenting education, and family support. Cooperation will include:

- DOC staff assisting in the referral of high-risk offenders to the program and conferring with the Department of Human Services about referral of possible high-risk children,
- Providing adequate program space for twice-monthly therapeutic, face-to-face parent and child visiting sessions for a minimum of three hours per session,
- Facilitating parent-teacher conferences and parent-caregiver communication and visitation, and
- Providing appropriate outcome data to the YWCA.

Criminal Justice Commission

The 2015-17 budget for the Criminal Justice Commission is increased by \$5,000,000 General Fund to enhance the \$35 million General Fund provided for Justice Reinvestment Initiative grants in the agency's budget bill, Senate Bill 5506. This appropriation brings the total available for the program in 2015-17 to \$40 million.

Department of Justice

The Department of Justice generates the majority of its Other Funds revenue from charges to state agencies for legal services. The 2013-15 biennium Attorney General rate was \$159 per hour and generated an estimated \$139.1 million. The 2015-17 Attorney General rate for the legislatively adopted budget is \$175 and is estimated to generate \$153.3 million. This is a \$14.2 million increase (10.2 percent). The change to the Legal Services rate in agency budgets is addressed as part of this measure.

The Subcommittee approved funding for the second "execution phase" (design, construction, testing, and implementation) of the agency's child support information technology replacement project (Child Support Enforcement Automated System, or CSEAS). While the project is still in the latter stages of the initial planning phase, the agency plans to move into the execution phase of the project during the 2015-17 biennium. Application system source code, database design documentation, system documentation, and other necessary artifacts from California, Michigan, and New Jersey will be acquired to facilitate the development of the new system. The project will also begin requirements validation and conduct Joint Application and Joint Technical Design sessions prior to the designing of the new system. The project will then work on the system design and construction of the new system, including data conversion and migration planning, and eventually application testing and implementation.

However, because the agency has not completed all required planning phase activities and documentation, and because it has not received Stage Gate #3 Office of the State Chief Information Officer endorsement of its foundational project management documentation (including a readiness and ability assessment), the execution phase of the project cannot actually begin until the agency first satisfactorily completes all remaining planning phase activities, including the completion of all the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the CSEAS project (see below). Until these funding conditions are met, almost all "execution phase" funding will remain unscheduled (see below direction that funds be unscheduled).

The Subcommittee approved \$15,209,670 of Other Funds expenditure limitation for project costs, which is to be financed with Article XI-Q bonds approved in House Bill 5005. The Subcommittee also approved \$29,997,991 Federal Funds expenditure limitation and the establishment of 22 permanent full-time positions (21.13 FTE). This includes personal services of \$3.6 million and services and supplies of \$41.8 million. The amount for services and supplies includes \$35.3 million total funds of contractor payments for: project management, including organization change management services; implementation; independent quality assurance; and independent verification and validation.

Project revenues also include an estimated \$2.9 million in bond proceeds that were authorized and issued during the 2013-15 biennium but remained unexpended. Associated Other Funds expenditure limitation, which was not part of the agency's request, may be requested at a future date.

The Department of Administrative Services is expected to unschedule \$10.7 million of Other Funds expenditure limitation and \$20.8 million Federal Funds expenditure limitation that may be scheduled based upon the joint approval of the Office of the State Chief Information Officer and

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the Legislative Fiscal Office. The agency is to submit a report on its compliance, as part of a request to schedule funds, with the Joint Committee on Ways and Means – Information Technology Subcommittee recommendations for the CSEAS project (see below) as well as submit a rebaselined budget for the project.

The Department of Administrative Services is requested to establish a new Summary Cross Reference in the Oregon Budget Information Tracking System for the Child Support Enforcement Automated System program in order to segregate all project costs from the Child Support Division and other Division's operating costs.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent full-time positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any other purpose other than the development to the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

Other Funds expenditure limitation of \$205,330 is included for the cost of issuance of the bonds.

The Subcommittee appropriated \$2,407,587 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5005.

The Subcommittee adopted the Joint Committee on Ways and Means – Information Technology Subcommittee recommendation for the CSEAS project:

- Work with the Office of the State Chief Information Officer (OSCIO) and LFO to finalize a corresponding incremental funding release plan that is based upon completing all remaining foundational documentation deficiencies and stage gate 2 and 3 requirements.
- Regularly report project status to the OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Utilize a qualified project manager with experience in planning and managing programs and projects of this type, scope, and magnitude.
- Work with the OSCIO to obtain independent quality management services. The contractor shall conduct an initial risk assessment and respond to DOJ feedback, perform quality control reviews on the key CSEAS Project deliverables including the business case, individual cost benefit/alternatives analysis documents, and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the OSCIO.
- Provide both OSCIO and LFO with copies of all QA vendor deliverables.
- Submit the updated detailed business case, all project management documents, initial risk assessment, and quality control reviews to the OSCIO and LFO for stage gate review.
- Work with OSCIO and LFO to conduct a formal readiness/ability assessment at stage gate 3 to validate readiness and ability to proceed to the execution phase of the project.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management (PPM) System as it is deployed for all project review, approval, and project status and QA reporting activities throughout the life of the CSEAS Project. Legislative approval to proceed with the

CSEAS Project will be dependent upon OSCIO and LFO concurrence that DOJ is both ready and able to initiate project execution activities.

The Subcommittee established a \$2 million General Fund special purpose appropriation to the Emergency Board for the Defense of Criminal Convictions as a contingency for potential caseload increases.

The Subcommittee also appropriated \$240,550 General Fund to support the Oregon Crime Victims Law Center. This will bring total funding for the program to \$367,800 for the biennium, including \$77,250 General Fund of existing General Fund and \$50,000 Other Funds from the renewal of a state grant.

Oregon Military Department

Senate Bill 5507 includes \$89,563 General Fund and \$358,253 Federal Funds expenditure limitation for three permanent full-time federal operations and maintenance (FOMA) positions (3.00 FTE). These are 3 of 8 positions eliminated from the Portland Air National Guard (PANG) base in 2009 budget cuts, which brought the FOMA workforce to 18, of 26 National Guard authorized positions. In 2013 the Legislature restored the 8 positions as Limited Duration (LD). This funding restores 3 of the LD positions as permanent. The National Guard pays 80% of the cost, General Fund covers the rest. The restored positions will maintain liquid jet fuel receiving, storage, and distribution for all 21 F-15's at PANG; maintain pesticide and herbicide certifications to keep grassy areas in compliance with Port of Portland mandated wildlife standards, which are meant to deter birds from the airfield; and maintain HVAC systems for climate control of critical communications equipment, as well as base fire alarm systems.

Also included is \$250,000 one-time General Fund for the Oregon Military Museum for creation of exhibits and other capital expenditures directly related to the establishment and maintenance of the museum.

Two projects are approved for Article XI-Q bonding (House Bill 5005) and capital construction expenditure limitation (House Bill 5006). The first project is a new Joint Forces Headquarters facility to be located in Salem. Two-thirds of the total bonds will be sold in 2016 and the remainder in 2017. Debt Service in 2015-17 is approved in this bill at \$434,833 General Fund. Second is expansion of the Oregon Youth Challenge Armory in Bend. Those bonds will be issued in 2017, with debt service beginning in the 2017-19 biennium. Cost of issuance is \$153,000 for the two projects; expenditure limitation is included in this bill. Debt service for the two projects in 2017-19 is \$2.3 million General Fund.

Department of State Police

The Subcommittee increased the Other Funds expenditure limitation in the Fish and Wildlife Enforcement Division by \$993,640 for capital equipment replacements costs. Expenditure limitation is increased by \$78,830 Other Funds in the Administrative, Agency Support, Criminal Justice Information systems, and Office of the State Fire Marshal Other Funds limitation to pay for costs associated with reclassifying fourteen positions in the Firearms Background Check program to better address complexity and volume of firearm background checks.

Measure 76 Lottery Funds for Fish and Wildlife Enforcement are increased by \$278,788 for fish and wildlife enforcement. Fish and Wildlife troopers are reduced by (0.50) FTE due to the phase-in of one position approved for patrolling the Columbia River late in the 2015-17 biennium.

The Subcommittee approved nine position reclassifications in the Forensic Services division and one position reclassification in the Administrative Services division. These position reclassifications will better address workload issues associated with evidence handling and chain of custody in the laboratories, will properly align workload and responsibilities in the Administrative Services division, and do not require additional expenditure limitation to accomplish.

Federal Funds expenditure limitation is increased by \$1,163 in the administrative services, agency support, criminal justice information services, and the office of the State Fire Marshal to balance expenditures to federal grant revenues.

Oregon Youth Authority

Article XI-Q bond issuance totaling \$49 million for the 10-Year Strategic Facilities Plan is approved in House Bill 5005. House Bill 5006 authorizes Other Funds capital construction expenditure limitation in the same amount. \$33 million of the bonds will be sold in 2016 and the rest in 2017. General Fund Debt Service in 2015-17 is \$3,115,428, approved in this bill. Other Funds expenditure limitation in the amount of \$1,055,565 for cost of issuance expense is also included in this bill. Debt Service in 2017-19 will be \$8.6 million.

A \$1 placeholder for Federal Funds Debt Service Nonlimited is added; it was not included in the agency's budget report. The dollar acts as a base in the event the state needed to issue taxable bonds. If such bonds were issued, the federal Build America Bonds program could offset part of the additional associated interest costs.

TRANSPORTATION

Department of Aviation

The Subcommittee approved the move of 0.20 FTE from the Operations program to the Search and Rescue program in the Department of Aviation. This shift aligns staff and resources in the Search and Rescue program. Other Funds expenditure limitation is reduced by \$22,537 in the Operations Division and is increased in the Search and Rescue Division in the same amount.

Department of Transportation

The Subcommittee approved the increase of \$130,000 General Fund for the Oregon Department of Transportation's Seniors and People with Disabilities Transportation Program; the funding is part of a commitment to spending on senior programs that originated in the 2013 special session. This program distributes funds to counties, transit districts, and tribes that provide transportation services for older adults and people with disabilities.

The Subcommittee approved an increase in Other Funds expenditure limitation in ODOT's Transportation Program Development section of \$45,000,000 in lottery bond proceeds for ConnectOregon VI. In addition, the limitation is increased by \$653,540 for cost of issuance expenses. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2015-17 is \$8,317,100 Lottery Funds.

Other Funds expenditure limitation is increased in the Rail Division by \$10,000,000 for lottery bond proceeds for the Coos Bay Rail line. In addition, the limitation is increased by \$226,194 for cost of issuance expenses. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is \$1,865,288 Lottery Funds.

The Subcommittee approved an Other Funds expenditure limitation of \$475,000 for cost of issuance of \$35,000,000 in General Obligation bonds for seven highway safety improvement projects. There is no debt service in the 2015-17 biennium as the bonds will not be sold until the Spring of 2017. Debt service in 2017-19 is \$5,135,799 General Fund.

The measure gives approval to the agency to move four positions (4.00 FTE) from the Information Services Branch to the Procurement Branch within ODOT's Central Services Division to align purchasing functions agency-wide.

Adjustments to 2013-15 Budgets

Oregon Health Authority

Other Funds expenditure limitation for the Public Employees' Benefit Board for the 2013-15 biennium was increased by \$45 million. This will allow the agency to pay premiums and claims costs for the rest of the biennium.

Department of Land Conservation and Development

The Subcommittee approved the reduction of the General Fund appropriation made to the Department of Land Conservation and Development for the Southern Oregon Regional Pilot Program (SORPP) in the agency's 2013-15 budget (Senate Bill 5530, 2013) in the amount of \$194,000 and the re-establishment of that amount as a one-time General Fund appropriation in the 2015-17 budget. The funding is a portion of the amount established by policy option package 107 in the agency's 2013-15 budget for the purpose of carrying out Executive Order 12-07 that the agency will not expend during the 2013-15 biennium and that the grant recipient counties have requested to be moved forward to the 2015-17 biennium to allow additional time for the grant-funded work to be completed.

Commission on Judicial Fitness and Disability

The Subcommittee transferred \$5,000 of General Fund from administration to extraordinary expenses in the 2013-15 biennium budget, to fund costs directly associated with the investigation of complaints and the prosecution of cases.

BUDGET REPORT AND MEASURE SUMMARY

CARRIER: Rep. Buckley

Joint Committee On Ways and Means

Action: Do Pass The A-Eng Bill.

Action Date: 02/25/16

Vote:

House

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

Exc: 1 - McLane

Senate

Yeas: 7 - Bates, Devlin, Johnson, Monroe, Roblan, Shields, Steiner Hayward

Nays: 4 - Girod, Hansell, Thomsen, Whitsett

Exc: 1 - Winters

Prepared By: Linda Ames and Theresa McHugh, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Emergency Board; Various Agencies

Biennium: 2015-17

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Emergency Board</u>				
General Fund - General Purpose	\$ 30,000,000	\$ 32,000,000	\$ 2,000,000	6.7%
General Fund - Special Purpose Appropriations				
State Agencies for state employee compensation	\$ 120,000,000	\$ -	\$ (120,000,000)	-100.0%
State Agencies for non-state worker compensation	\$ 10,700,000	\$ 700,147	\$ (9,999,853)	-93.5%
State Agencies for education issues	\$ 3,000,000	\$ 1,626,121	\$ (1,373,879)	-45.8%
Dept. of Education - mixed delivery preschool program	\$ 17,540,357	\$ -	\$ (17,540,357)	-100.0%
HECC - college readiness program implementation	\$ 6,865,921	\$ -	\$ (6,865,921)	-100.0%
Dept. of Forestry - fire protection expenses	\$ 6,000,000	\$ 3,945,177	\$ (2,054,823)	-34.2%
Dept. of Revenue - Property Tax Division	\$ 1,836,836	\$ -	\$ (1,836,836)	-100.0%
Dept. of Corrections - Deer Ridge operations expenses	\$ -	\$ 3,000,000	\$ 3,000,000	100.0%
Dept. of Corrections - expenses related to mentally ill	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
Malheur Nat'l Wildlife Refuge expense reimbursement	\$ -	\$ 2,000,000	\$ 2,000,000	100.0%
<u>ADMINISTRATION PROGRAM AREA</u>				
<u>Department of Administrative Services</u>				
General Fund	\$ 12,468,238	\$ 16,073,778	\$ 3,605,540	28.9%
Other Funds	\$ 898,482,207	\$ 911,637,817	\$ 13,155,610	1.5%
<u>Advocacy Commissions Office</u>				
General Fund	\$ 602,262	\$ 626,557	\$ 24,295	4.0%
<u>Employment Relations Board</u>				
General Fund	\$ 2,393,033	\$ 2,460,956	\$ 67,923	2.8%
Other Funds	\$ 2,014,991	\$ 2,066,561	\$ 51,570	2.6%
<u>Oregon Government Ethics Commission</u>				
Other Funds	\$ 2,720,429	\$ 2,789,379	\$ 68,950	2.5%
<u>Office of the Governor</u>				
General Fund	\$ 12,448,211	\$ 12,773,672	\$ 325,461	2.6%
Lottery Funds	\$ 4,058,418	\$ 4,209,051	\$ 150,633	3.7%
Other Funds	\$ 3,152,058	\$ 3,249,297	\$ 97,239	3.1%

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Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Oregon Liquor Control Commission</u>				
Other Funds	\$ 178,713,603	\$ 181,706,250	\$ 2,992,647	1.7%
<u>Public Employees Retirement System.</u>				
Other Funds	\$ 95,161,904	\$ 107,769,491	\$ 12,607,587	13.2%
		\$ -		
<u>Racing Commission</u>				
Other Funds	\$ 6,193,966	\$ 6,276,229	\$ 82,263	1.3%
<u>Department of Revenue</u>				
General Fund	\$ 186,702,371	\$ 193,187,720	\$ 6,485,349	3.5%
Other Funds	\$ 130,931,438	\$ 134,486,949	\$ 3,555,511	2.7%
<u>Secretary of State</u>				
General Fund	\$ 9,422,659	\$ 9,949,390	\$ 526,731	5.6%
Other Funds	\$ 54,607,321	\$ 56,279,809	\$ 1,672,488	3.1%
Federal Funds	\$ 6,242,689	\$ 6,277,676	\$ 34,987	0.6%
<u>State Library</u>				
General Fund	\$ 3,536,497	\$ 3,626,974	\$ 90,477	2.6%
Other Funds	\$ 6,227,861	\$ 6,440,443	\$ 212,582	3.4%
Federal Funds	\$ 5,061,853	\$ 5,121,642	\$ 59,789	1.2%
<u>State Treasurer</u>				
General Fund	\$ 1,658,284	\$ 1,687,988	\$ 29,704	1.8%
Other Funds	\$ 61,114,368	\$ 62,170,171	\$ 1,055,803	1.7%
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>				
<u>State Board of Accountancy</u>				
Other Funds	\$ 2,454,268	\$ 2,506,638	\$ 52,370	2.1%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Chiropractic Examiners Board</u>				
Other Funds	\$ 1,889,260	\$ 1,931,737	\$ 42,477	2.2%
<u>Consumer and Business Services</u>				
Other Funds	\$ 243,170,782	\$ 246,301,771	\$ 3,130,989	1.3%
Federal Funds	\$ 16,431,616	\$ 17,320,682	\$ 889,066	5.4%
<u>Construction Contractors Board</u>				
Other Funds	\$ 14,659,027	\$ 15,051,664	\$ 392,637	2.7%
<u>Board of Dentistry</u>				
Other Funds	\$ 2,985,971	\$ 3,043,804	\$ 57,833	1.9%
<u>Health Related Licensing Boards</u>				
Other Funds	\$ 5,707,058	\$ 5,876,450	\$ 169,392	3.0%
<u>Bureau of Labor and Industries</u>				
General Fund	\$ 12,563,620	\$ 12,892,771	\$ 329,151	2.6%
Other Funds	\$ 10,831,529	\$ 11,296,258	\$ 464,729	4.3%
Federal Funds	\$ 1,476,462	\$ 1,539,652	\$ 63,190	4.3%
<u>Licensed Professional Counselors and Therapists. Board of</u>				
Other Funds	\$ 1,505,938	\$ 1,540,904	\$ 34,966	2.3%
<u>Licensed Social Workers, Board of</u>				
Other Funds	\$ 1,471,646	\$ 1,500,640	\$ 28,994	2.0%
<u>Board of Medical Examiners</u>				
Other Funds	\$ 11,269,353	\$ 11,605,454	\$ 336,101	3.0%
<u>Board of Nursing</u>				
Other Funds	\$ 15,265,753	\$ 15,573,363	\$ 307,610	2.0%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Board of Pharmacy</u>				
Other Funds	\$ 6,856,245	\$ 7,057,070	\$ 200,825	2.9%
<u>Psychologist Examiners Board</u>				
Other Funds	\$ 1,284,790	\$ 1,323,155	\$ 38,365	3.0%
<u>Public Utility Commission</u>				
Other Funds	\$ 44,128,339	\$ 45,429,873	\$ 1,301,534	2.9%
Federal Funds	\$ 698,049	\$ 726,238	\$ 28,189	4.0%
<u>Real Estate Agency</u>				
Other Funds	\$ 6,897,314	\$ 7,159,101	\$ 261,787	3.8%
<u>Tax Practitioners Board</u>				
Other Funds	\$ 1,235,571	\$ 1,260,908	\$ 25,337	2.1%
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
General Fund	\$ 16,845,486	\$ 15,565,790	\$ (1,279,696)	-7.6%
Lottery Funds	\$ 111,789,423	\$ 113,289,994	\$ 1,500,571	1.3%
Other Funds	\$ 293,644,535	\$ 295,973,576	\$ 2,329,041	0.8%
Other Funds Nonlimited	\$ 225,972,465	\$ 231,792,465	\$ 5,820,000	2.6%
Federal Funds	\$ 39,967,883	\$ 40,101,139	\$ 133,256	0.3%
<u>Employment Department</u>				
General Fund	\$ 6,112,818	\$ 6,133,655	\$ 20,837	0.3%
Other Funds	\$ 141,800,701	\$ 146,138,599	\$ 4,337,898	3.1%
Federal Funds	\$ 157,985,169	\$ 162,716,380	\$ 4,731,211	3.0%
<u>Housing and Community Services Department</u>				
General Fund	\$ 15,679,188	\$ 28,421,768	\$ 12,742,580	81.3%
Other Funds	\$ 212,088,734	\$ 223,456,192	\$ 11,367,458	5.4%
Federal Funds	\$ 119,926,854	\$ 120,114,238	\$ 187,384	0.2%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Department of Veterans' Affairs</u>				
General Fund	\$ 12,748,351	\$ 13,002,777	\$ 254,426	2.0%
Other Funds	\$ 83,768,166	\$ 84,275,562	\$ 507,396	0.6%
Federal Funds	\$ 2,805,304	\$ 3,305,303	\$ 499,999	17.8%
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	\$ 544,682,780	\$ 577,542,813	\$ 32,860,033	6.0%
Other Funds	\$ 273,993,743	\$ 277,228,514	\$ 3,234,771	1.2%
Federal Funds	\$ 1,026,393,576	\$ 1,038,273,634	\$ 11,880,058	1.2%
<u>State School Fund</u>				
General Fund	\$ 6,964,849,484	\$ 6,925,296,093	\$ (39,553,391)	-0.6%
Lottery Funds	\$ 408,150,516	\$ 447,703,907	\$ 39,553,391	9.7%
<u>Higher Education Coordinating Commission</u>				
General Fund	\$ 32,035,777	\$ 34,981,675	\$ 2,945,898	9.2%
Other Funds	\$ 30,509,613	\$ 31,541,490	\$ 1,031,877	3.4%
Federal Funds	\$ 111,680,983	\$ 111,923,269	\$ 242,286	0.2%
<u>State Support for Community Colleges</u>				
General Fund	\$ 589,305,847	\$ 596,555,847	\$ 7,250,000	1.2%
<u>State Support for Public Universities</u>				
General Fund	\$ 941,746,515	\$ 944,646,515	\$ 2,900,000	0.3%
<u>Chief Education Office</u>				
General Fund	\$ 6,239,594	\$ 12,857,142	\$ 6,617,548	106.1%
<u>Teacher Standards and Practices</u>				
Other Funds	\$ 6,155,894	\$ 6,511,902	\$ 356,008	5.8%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Commission for the Blind</u>				
General Fund	\$ 2,892,992	\$ 3,691,540	\$ 798,548	27.6%
Other Funds	\$ 992,094	\$ 1,183,539	\$ 191,445	19.3%
Federal Funds	\$ 12,319,703	\$ 15,827,037	\$ 3,507,334	28.5%
<u>Oregon Health Authority</u>				
General Fund	\$ 2,120,607,875	\$ 2,139,964,413	\$ 19,356,538	0.9%
Lottery Funds	\$ 11,292,544	\$ 11,348,753	\$ 56,209	0.5%
Other Funds	\$ 5,683,377,776	\$ 5,782,295,632	\$ 98,917,856	1.7%
Federal Funds	\$ 11,400,938,911	\$ 12,389,291,524	\$ 988,352,613	8.7%
<u>Department of Human Services</u>				
General Fund	\$ 2,700,922,689	\$ 2,765,044,703	\$ 64,122,014	2.4%
Other Funds	\$ 500,033,526	\$ 532,329,349	\$ 32,295,823	6.5%
Federal Funds	\$ 4,488,244,260	\$ 4,802,435,818	\$ 314,191,558	7.0%
<u>Long Term Care Ombudsman</u>				
General Fund	\$ 6,172,203	\$ 6,303,638	\$ 131,435	2.1%
Other Funds	\$ 719,522	\$ 737,480	\$ 17,958	2.5%
<u>Psychiatric Security Review Board</u>				
General Fund	\$ 2,604,005	\$ 2,688,017	\$ 84,012	3.2%
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	\$ 424,653,443	\$ 433,042,702	\$ 8,389,259	2.0%
Other Funds	\$ 138,932,144	\$ 147,988,947	\$ 9,056,803	6.5%
Federal Funds	\$ 1,598,284	\$ 1,606,769	\$ 8,485	0.5%
<u>Commission on Judicial Fitness and Disability</u>				
General Fund	\$ 230,040	\$ 405,777	\$ 175,737	76.4%

Budget Summary*

	2015-17 Legislatively Approved Budget		2016 Committee Recommendation		Committee Change from 2015-17 Leg. Approved		
					\$ Change	% Change	
<u>Public Defense Services Commission</u>							
General Fund	\$	275,010,417	\$	275,454,479	\$	444,062	0.2%
Other Funds	\$	3,833,764	\$	3,846,904	\$	13,140	0.3%
<u>LEGISLATIVE BRANCH</u>							
<u>Legislative Administration Committee</u>							
General Fund	\$	34,865,791	\$	37,515,179	\$	2,649,388	7.6%
Other Funds	\$	2,225,416	\$	5,435,025	\$	3,209,609	144.2%
<u>Legislative Assembly</u>							
General Fund	\$	39,090,875	\$	38,146,349	\$	(944,526)	-2.4%
Other Funds	\$	225,352	\$	223,530	\$	(1,822)	-0.8%
<u>Legislative Commission on Indian Services</u>							
General Fund	\$	401,349	\$	410,168	\$	8,819	2.2%
<u>Legislative Counsel</u>							
General Fund	\$	10,841,717	\$	10,646,638	\$	(195,079)	-1.8%
Other Funds	\$	1,515,091	\$	1,552,105	\$	37,014	2.4%
<u>Legislative Fiscal Office</u>							
General Fund	\$	4,324,440	\$	4,315,993	\$	(8,447)	-0.2%
Other Funds	\$	3,443,858	\$	3,530,895	\$	87,037	2.5%
<u>Legislative Revenue Office</u>							
General Fund	\$	2,414,923	\$	2,496,087	\$	81,164	3.4%
<u>NATURAL RESOURCES PROGRAM AREA</u>							
<u>State Department of Agriculture</u>							
General Fund	\$	23,396,301	\$	24,613,559	\$	1,217,258	5.2%
Lottery Funds	\$	6,289,958	\$	6,491,591	\$	201,633	3.2%
Other Funds	\$	60,578,804	\$	62,478,730	\$	1,899,926	3.1%
Federal Funds	\$	15,563,845	\$	17,630,167	\$	2,066,322	13.3%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Columbia River Gorge Commission</u>				
General Fund	\$ 903,983	\$ 915,291	\$ 11,308	1.3%
Other Funds	\$ 5,000	\$ -	\$ (5,000)	-100.0%
<u>State Department of Energy</u>				
Other Funds	\$ 34,288,279	\$ 35,076,986	\$ 788,707	2.3%
Federal Funds	\$ 3,128,423	\$ 3,187,299	\$ 58,876	1.9%
<u>Department of Environmental Quality</u>				
General Fund	\$ 33,948,448	\$ 37,732,047	\$ 3,783,599	11.1%
Lottery Funds	\$ 3,945,160	\$ 4,084,177	\$ 139,017	3.5%
Other Funds	\$ 149,103,999	\$ 152,995,169	\$ 3,891,170	2.6%
Federal Funds	\$ 28,970,775	\$ 29,567,515	\$ 596,740	2.1%
<u>State Department of Fish and Wildlife</u>				
General Fund	\$ 30,081,289	\$ 31,046,604	\$ 965,315	3.2%
Lottery Funds	\$ 4,752,746	\$ 4,917,581	\$ 164,835	3.5%
Other Funds	\$ 174,604,641	\$ 178,016,434	\$ 3,411,793	2.0%
Federal Funds	\$ 138,976,588	\$ 142,316,627	\$ 3,340,039	2.4%
<u>Department of Forestry</u>				
General Fund	\$ 63,414,691	\$ 88,388,302	\$ 24,973,611	39.4%
Lottery Funds	\$ 7,481,960	\$ 7,554,096	\$ 72,136	1.0%
Other Funds	\$ 224,734,577	\$ 286,598,792	\$ 61,864,215	27.5%
Federal Funds	\$ 34,758,694	\$ 35,063,741	\$ 305,047	0.9%
<u>Department of Geology and Mineral Industries</u>				
General Fund	\$ 4,138,836	\$ 4,246,695	\$ 107,859	2.6%
Other Funds	\$ 6,092,210	\$ 6,207,283	\$ 115,073	1.9%
Federal Funds	\$ 5,356,535	\$ 5,465,149	\$ 108,614	2.0%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Department of Land Conservation and Development</u>				
General Fund	\$ 13,152,774	\$ 13,483,719	\$ 330,945	2.5%
Other Funds	\$ 484,999	\$ 725,419	\$ 240,420	49.6%
Federal Funds	\$ 6,254,991	\$ 6,392,432	\$ 137,441	2.2%
<u>Land Use Board of Appeals</u>				
General Fund	\$ 1,772,887	\$ 1,817,836	\$ 44,949	2.5%
<u>Oregon Marine Board</u>				
Other Funds	\$ 26,181,068	\$ 26,498,709	\$ 317,641	1.2%
Federal Funds	\$ 7,464,524	\$ 7,467,774	\$ 3,250	0.0%
<u>Department of Parks and Recreation</u>				
Lottery Funds	\$ 81,406,896	\$ 82,917,301	\$ 1,510,405	1.9%
Other Funds	\$ 108,236,201	\$ 110,367,264	\$ 2,131,063	2.0%
Federal Funds	\$ 12,306,810	\$ 12,345,047	\$ 38,237	0.3%
<u>Department of State Lands</u>				
General Fund	\$ 328,228	\$ 346,082	\$ 17,854	5.4%
Other Funds	\$ 35,792,955	\$ 36,617,973	\$ 825,018	2.3%
Federal Funds	\$ 1,795,917	\$ 2,067,484	\$ 271,567	15.1%
<u>Water Resources Department</u>				
General Fund	\$ 29,622,753	\$ 31,160,564	\$ 1,537,811	5.2%
Other Funds	\$ 73,945,808	\$ 74,253,832	\$ 308,024	0.4%
Federal Funds	\$ 1,302,403	\$ 1,312,338	\$ 9,935	0.8%
<u>Watershed Enhancement Board</u>				
Lottery Funds	\$ 62,250,303	\$ 62,482,687	\$ 232,384	0.4%
Other Funds	\$ 3,545,968	\$ 3,553,093	\$ 7,125	0.2%
Federal Funds	\$ 37,179,454	\$ 37,274,113	\$ 94,659	0.3%

Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Department of Corrections</u>				
General Fund	\$ 1,555,904,536	\$ 1,593,133,894	\$ 37,229,358	2.4%
Other Funds	\$ 53,232,352	\$ 55,776,993	\$ 2,544,641	4.8%
<u>Oregon Criminal Justice Commission</u>				
General Fund	\$ 55,035,612	\$ 55,130,454	\$ 94,842	0.2%
Other Funds	\$ 494,015	\$ 864,015	\$ 370,000	74.9%
Federal Funds	\$ 7,304,929	\$ 6,937,604	\$ (367,325)	-5.0%
<u>District Attorneys and their Deputies</u>				
General Fund	\$ 11,610,450	\$ 11,868,624	\$ 258,174	2.2%
<u>Department of Justice</u>				
General Fund	\$ 76,083,264	\$ 78,841,305	\$ 2,758,041	3.6%
Other Funds	\$ 284,955,845	\$ 295,519,057	\$ 10,563,212	3.7%
Federal Funds	\$ 142,401,423	\$ 157,871,008	\$ 15,469,585	10.9%
<u>Oregon Military Department</u>				
General Fund	\$ 25,019,969	\$ 25,350,514	\$ 330,545	1.3%
Other Funds	\$ 110,312,549	\$ 113,312,859	\$ 3,000,310	2.7%
Federal Funds	\$ 278,357,971	\$ 280,784,232	\$ 2,426,261	0.9%
<u>Oregon Board of Parole</u>				
General Fund	\$ 7,807,978	\$ 8,040,916	\$ 232,938	3.0%
<u>Oregon State Police</u>				
General Fund	\$ 271,442,947	\$ 279,647,826	\$ 8,204,879	3.0%
Lottery Funds	\$ 7,841,010	\$ 8,010,065	\$ 169,055	2.2%
Other Funds	\$ 100,483,764	\$ 109,285,417	\$ 8,801,653	8.8%
Federal Funds	\$ 9,760,242	\$ 9,780,941	\$ 20,699	0.2%
<u>Department of Public Safety Standards and Training</u>				
Other Funds	\$ 37,238,170	\$ 42,092,883	\$ 4,854,713	13.0%
Federal Funds	\$ 4,148,299	\$ 6,666,167	\$ 2,517,868	60.7%

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Budget Summary*

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			\$ Change	% Change
<u>Oregon Youth Authority</u>				
General Fund	\$ 291,989,720	\$ 298,387,030	\$ 6,397,310	2.2%
Other Funds	\$ 63,325,954	\$ 63,399,605	\$ 73,651	0.1%
Federal Funds	\$ 36,097,766	\$ 36,316,493	\$ 218,727	0.6%

TRANSPORTATION PROGRAM AREA

Department of Aviation

Other Funds	\$ 11,979,625	\$ 12,370,913	\$ 391,288	3.3%
Federal Funds	\$ 8,504,014	\$ 8,514,798	\$ 10,784	0.1%

Department of Transportation

General Fund	\$ 27,827,995	\$ 22,585,257	\$ (5,242,738)	-18.8%
Other Funds	\$ 3,275,943,658	\$ 3,313,477,220	\$ 37,533,562	1.1%
Federal Funds	\$ 110,110,886	\$ 110,175,491	\$ 64,605	0.1%

2015-17 Budget Summary

General Fund Total	\$ 17,716,499,549	\$ 17,780,417,528	\$ 63,917,979	0.4%
Lottery Funds Total	\$ 709,258,934	\$ 753,009,203	\$ 43,750,269	6.2%
Other Funds Total	\$ 14,023,753,360	\$ 14,377,069,073	\$ 353,315,713	2.5%
Other Funds Nonlimited Total	\$ 225,972,465	\$ 231,792,465	\$ 5,820,000	2.6%
Federal Funds Total	\$ 18,281,516,085	\$ 19,633,717,421	\$ 1,352,201,336	7.4%

* Excludes Capital Construction

Position Summary	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
ADMINISTRATION PROGRAM AREA				
<u>Department of Administrative Services</u>				
Authorized Positions	827	841	14	1.7%
Full-time Equivalent (FTE) positions	813.17	826.40	13.23	1.6%
<u>Oregon Liquor Control Commission</u>				
Authorized Positions	261	268	7	2.7%
Full-time Equivalent (FTE) positions	251.16	255.33	4.17	1.7%
<u>Department of Revenue</u>				
Authorized Positions	1,082	1,087	5	0.5%
Full-time Equivalent (FTE) positions	1,012.41	1,020.68	8.27	0.8%
<u>Secretary of State</u>				
Authorized Positions	212	213	1	0.5%
Full-time Equivalent (FTE) positions	210.71	210.96	0.25	0.1%
CONSUMER AND BUSINESS SERVICES PROGRAM AREA				
<u>Consumer and Business Services</u>				
Authorized Positions	962	960	(2)	-0.2%
Full-time Equivalent (FTE) positions	952.57	952.76	0.19	0.0%
<u>Public Utility Commission</u>				
Authorized Positions	128	129	1	0.8%
Full-time Equivalent (FTE) positions	125.97	126.60	0.63	0.5%
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
<u>Oregon Business Development Department</u>				
Authorized Positions	137	139	2	1.5%
Full-time Equivalent (FTE) positions	134.74	135.74	1.00	0.7%

Position Summary	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
EDUCATION PROGRAM AREA				
<u>Chief Education Office</u>				
Authorized Positions	17	20	3	17.6%
Full-time Equivalent (FTE) positions	14.64	18.25	3.61	24.7%
<u>Department of Education</u>				
Authorized Positions	552	555	3	0.5%
Full-time Equivalent (FTE) positions	519.01	520.90	1.89	0.4%
HUMAN SERVICES PROGRAM AREA				
<u>Oregon Health Authority</u>				
Authorized Positions	4,428	4,449	21	0.5%
Full-time Equivalent (FTE) positions	4,361.01	4,383.89	22.88	0.5%
<u>Department of Human Services</u>				
Authorized Positions	8,038	8,054	16	0.2%
Full-time Equivalent (FTE) positions	7,897.81	7,905.04	7.23	0.1%
NATURAL RESOURCES PROGRAM AREA				
<u>Department of Environmental Quality</u>				
Authorized Positions	739	752	13	1.8%
Full-time Equivalent (FTE) positions	722.57	730.15	7.58	1.0%
<u>Department of Fish and Wildlife</u>				
Authorized Positions	1,474	1,474	-	0.0%
Full-time Equivalent (FTE) positions	1,198.26	1,199.26	1.00	0.1%
<u>Department of Forestry</u>				
Authorized Positions	1,197	1,201	4	0.3%
Full-time Equivalent (FTE) positions	875.54	878.04	2.50	0.3%

Position Summary

	2015-17 Legislatively Approved Budget	2016 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
			Change	% Change
<u>Department of Land Conservation and Development</u>				
Authorized Positions	57	58	1	1.8%
Full-time Equivalent (FTE) positions	55.90	56.57	0.67	1.2%
<u>Water Resources Department</u>				
Authorized Positions	164	165	1	0.6%
Full-time Equivalent (FTE) positions	162.58	163.25	0.67	0.4%
PUBLIC SAFETY PROGRAM AREA				
<u>Department of Corrections</u>				
Authorized Positions	4,523	4,534	11	0.2%
Full-time Equivalent (FTE) positions	4,479.62	4,487.41	7.79	0.2%
<u>Department of Justice</u>				
Authorized Positions	1,305	1,324	19	1.5%
Full-time Equivalent (FTE) positions	1,291.70	1,298.27	6.57	0.5%
<u>Oregon State Police</u>				
Authorized Positions	1,287	1,299	12	0.9%
Full-time Equivalent (FTE) positions	1,255.24	1,261.87	6.63	0.5%
<u>Department of Public Safety Standards and Training</u>				
Authorized Positions	28	43	15	53.6%
Full-time Equivalent (FTE) positions	26.00	35.74	9.74	37.5%

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the February 2016 economic and revenue forecast by the Department of administrative Services Office of Economic Analysis.

Summary of Capital Construction Subcommittee Action

Senate Bill 5701 is the omnibus budget reconciliation bill for the 2016 legislative session, implementing the statewide rebalance plan that addresses changes in projected revenues and expenditures since the close of the 2015 session. The Subcommittee approved Senate Bill 5701 with amendments to reflect budget adjustments as described below.

Statewide Adjustments

EMPLOYEE COMPENSATION DISTRIBUTION

The Subcommittee approved allocation of \$120 million General Fund to state agencies for employee compensation. The General Fund appropriation is expected to cover about 93% of the statewide estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements. Total compensation adjustments include \$120 million General Fund, \$3.2 million Lottery Funds, \$111.7 Other Funds, and \$55.9 million Federal Funds. Lottery Funds, Other Funds, and Federal Funds expenditure limitations are calculated at fully-funded amounts.

OTHER STATEWIDE ADJUSTMENTS

Other statewide adjustments include adjustments for Pension Obligation Bond (POB) payments and fully funding the General Fund need of employee compensation for small agencies. POB adjustments generated a net savings of \$4.3 million Total Funds, including General Fund savings of \$487,281. A portion of the savings was used to fully fund the General Fund collective bargaining agreement costs (\$243,932) of small agencies.

Section 116 of the budget bill reflects the changes, as described above, for each agency. These adjustments are not addressed in the agency narratives, although they are included in the table at the beginning of the budget report.

Emergency Board

As part of the 2015-17 biennium statewide rebalance plan, Senate Bill 5701 adjusts the Emergency Board's general purpose and special purpose appropriations as described as follows:

- Increases the General Purpose Emergency Fund by \$2,000,000 for general governmental purposes, increasing the total amount available to the Emergency Board for the remainder of the 2015-17 interim to \$32,000,000.
- Eliminates a special purpose appropriation for state agencies of \$120 million, and makes corresponding General Fund appropriations to various state agencies for state employee compensation changes.
- Reduces the special purpose appropriation for state agencies of \$10.7 million, with General Fund appropriations of \$10.0 million to the Department of Human Services (\$9,502,291) and the Oregon Health Authority (\$497,562) for compensation changes driven by collective bargaining for workers who are not state employees.
- Reduces the \$3,000,000 special purpose appropriation for education by \$1,373,879 and uses these funds as part of the \$1,900,000 General Fund appropriation to the Higher Education Coordinating Commission to help fund 2015-17 compensation agreements for classified staff at Portland State University, Eastern Oregon University, Southern Oregon University, Western Oregon University, and the Oregon Institute of Technology. Details on how much each university receives is found under the Higher Education Coordinating Commission section of this budget report.
- Eliminates the \$17,540,357 General Fund special purpose appropriation to the Emergency Board for the mixed delivery preschool program established in House Bill 3380 (2015), with a corresponding appropriation to the Oregon Department of Education for the same purpose.
- Eliminates a \$6,865,921 special purpose appropriation for college readiness and appropriates most of these resources to the Oregon Department of Education, Chief Education Office, and the Higher Education Coordinating Commission for transitional services and supports, between secondary and post-secondary education.
- Reduces the special purpose appropriation of \$6 million for fire costs, and appropriates \$2,054,823 to the Department of Forestry for that purpose.
- Eliminates the \$1.8 million special purpose appropriation for the Department of Revenue and appropriates \$1,360,125 to the Property Tax Division of the Department of Revenue, primarily due to cover a revenue shortfall in the County Assessment Function Funding Assistance Account.
- Establishes a \$3,000,000 special purpose appropriation to be allocated to the Department of Corrections for operations support. The Department may request funds to finance continued activation of minimum security beds at the Deer Ridge Correctional Institution.
- Establishes a \$2,000,000 special purpose appropriation to be allocated to the Department of Corrections. The Department may request funds to finance continued activities and positions associated with improvements to housing and treatment for the seriously mentally ill.
- Establishes a special purpose appropriation for the Emergency Board of \$2,000,000 to be allocated to state and local governments that incurred costs not reimbursed by the federal government related to the armed occupation of the Malheur National Wildlife Refuge. The Department of Administrative Services and the Legislative Fiscal Office are directed to work with state and local government units to identify and validate reimbursable costs related to the incident.

Adjustments to 2015-17 Agency Budgets

ADMINISTRATION

Department of Administrative Services

The Subcommittee approved a technical adjustment to move Other Funds expenditure limitation, intended to pay for treasury fees that had been spread to programs in the 2015-17 legislatively adopted budget, back into the Other Funds expenditure limitation established in Senate Bill 5502 for Treasury Fees. These adjustments net to a zero overall change in the total Other Funds budget approved for the Department of Administrative Services (DAS).

The Subcommittee approved a number of budget adjustments related to a multi-part reorganization of DAS and the Oregon State Chief Information Officer (OSCIO) information technology (IT) related functions. A budget note required DAS to report on proposed changes to operations and rates for Enterprise Technology Services (ETS), which includes the state data center. During the 2015 session, the Legislature also passed House Bill 3099, which transferred substantial authority and responsibility surrounding statewide IT operations and policies from the DAS Director to the OSCIO. To implement House Bill 3099, the OSCIO has proposed significant changes in organizational structures. Under this reorganization there will be five sections: ETS; Enterprise Security Office; Office of Strategic IT Governance; Enterprise Shared Services; and the DAS Chief Information Office (CIO), which will be responsible for meeting DAS's IT needs, such as help desk support. While the DAS CIO will remain under the authority of the OSCIO, it will report to the DAS Deputy Chief Operating Officer. In addition, three administrative positions that did budget work in ETS were transferred to DAS Business Services and seven other ETS administrative positions were moved to the CIO.

The budget adjustments required to implement the IT reorganization and new OSCIO responsibilities, as well as to address the ETS budget note, affected a number of DAS program areas. These net adjustments by program area include: ETS decreased Other Funds by \$39,863,385 and 70 positions (64.00 FTE); CIO increased Other Funds by \$29,841,240 and 37 positions (34.06 FTE); Chief Operating Office increased Other Funds by \$12,171,544 and 38 positions (37.58 FTE); DAS Business Services increased Other Funds by \$644,351 and 3 positions (3.00 FTE); and Enterprise Goods and Services increased Other Funds by \$474,682 and 4 positions (2.32 FTE).

As part of the IT reorganization, a new structure was proposed for IT procurement and vendor management with dual responsibility between Enterprise Goods and Services and OSCIO. This new structure was reviewed by the Joint Committee on Ways and Means as well as the Joint Legislative Committee on Information Management and Technology (JLCIMT). The JLCIMT recommended conditional, temporary approval of the request for the remainder of the biennium. Specifically, the JLCIMT recommended that DAS and OSCIO:

1. Conduct an assessment to identify and evaluate the alternative State IT procurement-related organizational/operating models in use by other states across the nation. The assessment report should provide the raw findings and include, but not be limited to, the roles, responsibilities, accountability, staffing levels, and costs associated with:
 - (a) The most predominant organizational/operating models in use across the nation as compared to the shared IT vendor management program proposed within this request, and

- (b) A full transfer of state IT procurement duties, functions, and powers from DAS and the DAS Director to the State Chief Information Officer.
2. Submit the assessment report and a status report on IT vendor management program progress to date to the Legislative Fiscal Office in November 2016.
3. Jointly present the assessment report and status report on IT vendor management program progress to the JLCIMT and the Emergency Board during the December 2016 Legislative Days.

The Subcommittee approved six new positions associated with the new IT vendor management arrangement as limited duration to ensure the new arrangement was temporary and that DAS/OSCIO would need to return to the Legislature for funding for the 2017-19 biennium.

Other Funds expenditure limitation established in Senate Bill 55 (2015) was reduced by \$196,206 and the three positions established by the bill were reduced by a combined 0.99 FTE due to delays in implementing the legislation. None of the three positions will be hired until after the 2016 legislative session.

The Subcommittee also added two limited duration positions to implement House Bill 4135 to accomplish the coordination requirements and manage the production of electronic records as directed by the bill. An Information Systems Specialist 8 position (0.63 FTE) was added to provide the initial outreach, education, and coordination of the new policies with state agencies. An Operations and Policy Analyst 2 (0.63 FTE) was added to handle the query writing and production of records for DAS and to assist agencies in the querying and production of their records. The positions are added as limited duration to allow DAS to assess appropriate work load and classification. Positions needed to manage ongoing work will be proposed as part of the Governor's Budget for 2017-19. The Subcommittee determined that DAS can pay for the two positions in 2015-17 with existing Other Funds expenditure limitation and revenue.

The Subcommittee also approved one-time General Fund appropriations to DAS for the following purposes:

- \$1,000,000 for disbursement to the Holly Theater in Medford for the Holly Theater Restoration Project.
- \$650,000 for disbursement to the Salem Area Mass Transit District to provide free bus passes to state employees working in the Capitol Mall area and to operate an Airport Road Express Shuttle between the State Motor Pool and the Capitol Mall.
- \$500,000 for disbursement to Clackamas County for repairs at the Willamette Falls Locks and Canal.
- \$500,000 for disbursement to the City of Cornelius to help build the multi-use Cornelius Place project which includes a library, low income senior housing, and a YMCA.
- \$300,000 for disbursement to Verde for the Cully Park project in Northeast Portland's Cully neighborhood.
- \$250,000 for disbursement to Worksystems Inc. to recapitalize a tuition loan program first funded in 2011 for loans to students participating in commercial driver license training. These loans are not part of a state program and funding is provided only to establish the private program. This is the second one-time General Fund appropriation made for this purpose; the same entity received a one-time grant of \$400,000 for this purpose in 2011.
- \$200,000 for disbursement to Douglas County to partially reimburse public safety costs associated with the October 1, 2015 incident at Umpqua Community College.

- \$200,000 for disbursement to Portland Playhouse for renovation and restoration of Portland Playhouse's theater in Portland's King neighborhood.

The Subcommittee added \$3,059,680 Other Funds expenditure limitation for one-time costs of issuance and special payments associated with the disbursement of proceeds from the sale of \$3,000,000 in lottery bonds for the City of Warrenton to rebuild a dock used by Pacific Seafood at the site of a seafood processing facility that burned down in June 2013. The processing facility was built in 1941 and acquired, along with the dock, by Pacific Seafood in 1983. The lottery bonds are approved in House Bill 5201. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the spring of 2017. Debt service for 2017-19 is estimated at \$675,152 Lottery Funds. The Subcommittee also increased Other Funds expenditure limitation by \$55,000 to pay the cost of issuing \$2,500,000 Article XI-Q bonds for repairs and improvements at the Oregon State Fair.

Other Funds limitation was increased by \$453,681 to allow planning for the Human Resources Information System (HRIS) replacement project to continue through May 2016. DAS is to bring any request for additional funding needed to complete stage gate 3 planning through the end of the current biennium to the May 2016 meeting of the Emergency Board. In addition, DAS shall bring a plan to adjust rates and assessment charges for the second year of the biennium to fund both the HRIS planning project and new positions established as a part of the IT reorganization operationalized in Senate Bill 5701. A \$6,500,000 General Fund special purpose appropriation to the Emergency Board for this purpose may be allocated to pay General Fund increases associated with assessment and rate increases.

Oregon Liquor Control Commission

The Subcommittee approved an Other Funds expenditure limitation in the amount of \$1,117,762 for the Oregon Liquor Control Commission to implement the provisions of House Bill 4014, Senate Bill 1511, and Senate Bill 1598. Three permanent regulatory specialist positions and four permanent administrative specialist positions are anticipated to be needed due to an increase in the assumed number of licensees as medical marijuana producers are authorized to transfer excess marijuana to recreational retail outlets, and to cover costs associated with the additional number of people working in the marijuana industry that will be required to have work permits and training. Services and supplies expenditures include \$350,000 for updates to the agency's "What's Legal" public information platform and associated outreach. Of the total amount, \$350,665 Other Funds expenditure limitation is for costs associated with Senate Bill 1598; if that bill is not enacted, this expenditure limitation is to be unscheduled by the Department of Administrative Services Chief Financial Office.

A technical adjustment was approved to convert four limited duration liquor regulatory specialists approved as part of House Bill 5047 to permanent status. This adjustment will have no effect on expenditure limitation in the 2015-17 biennium.

Public Employees Retirement System

The Subcommittee increased expenditure limitation for the Financial and Administrative Services Division by \$100,000 Other Funds for a shortfall in the Secretary of State audit charges assessment budget. In addition, increased expenditure limitation in the amount of \$6,601,170 Other Funds was approved for the Financial and Administrative Services Division for the Office of the State Chief Information Officer Enterprise Technology Services assessment.

The Subcommittee approved a one-time increase in Other Funds expenditure limitation of \$1,255,601 for the Public Employees Retirement System (PERS) Individual Account Program (IAP) information technology project. In addition, the Department of Administrative Services is to schedule all currently unscheduled Other Funds expenditure limitation for the project. The project is to move the administration of the IAP from a third-party administrator to the agency. A re-baselining of the project shows that initial project development costs have increased from \$2.9 million to \$6.1 million. The agency anticipates requesting an estimated \$1.9 million during the 2017-19 biennium to complete project development. The Joint Legislative Committee on Information Management and Technology (JLCIMT) recommendations were also approved.

A one-time increase in Other Funds expenditure limitation of \$1,659,976 was approved for information technology enhancements to the jClarety retirement system. JLCIMT recommendations were also approved. The Subcommittee directed the Department of Administrative Services to un-schedule the entire \$1.7 million until the conditions set forth by JLCIMT are satisfied.

Department of Revenue

The Subcommittee reduced the expenditure limitation for the Core Systems Replacement project by \$500,000 Other Funds (recreational marijuana tax proceeds) to account for contract savings for the recreational marijuana module. The original development cost was estimated at \$1 million in House Bill 5047 (2015).

Other Funds expenditure limitation for the Property Tax Division was reduced by \$500,000 because the limitation is in excess of the operational needs of the program and is without an underlying revenue source.

The Subcommittee approved a \$373,841 General Fund reduction and a reduction of 2.60 FTE for the Senior Citizens' and Disabled Citizens' Property Tax Deferral program. This technical adjustment will have no impact on the program, which is statutorily funded with Other Funds (Senior and Disabled Property Tax Deferral account). This is part of an effort to better align the agency's budget with actual program funding.

The General Fund appropriation for the Property Tax Division was increased by \$1.4 million in personal services and FTE on existing positions was increased by 7.20. This appropriation is to backfill Other Funds revenue shortfalls in the County Assessment Function Funding Assistance Account, but only for Department of Revenue Valuation Section (\$1.1 million), and for a reduction in county contract mapping services (\$240,986). A \$1.8 million reduction in Other Funds expenditure limitation was previously included in the agency's legislatively adopted budget. The 2017-19 biennial cost is estimated to be \$1.9 million General Fund.

The Subcommittee approved an increase of \$2,052,807 in Other Funds expenditure limitation (recreational marijuana tax) and the establishment of four permanent full-time Accounting Technician 2 positions (2.92 FTE) and one limited duration Principal Executive Manager B position (0.75 FTE) for the recreational marijuana program. In addition, an Economist 3 position, approved as part of House Bill 5047 (2015), is moved from permanent full-time to limited duration. Personal services costs total \$481,063, with \$653,792 in services and supplies and \$917,952 in capital outlay. Of the \$2.1 million expenditure limitation, \$633,920 is one-time limitation for program start-up and facility construction costs. The 2017-19 biennial cost is estimated to be \$1.4 million Other Funds. This request is for the processing of cash payments related to the recreational marijuana program; however, the Subcommittee's expectation is that this is to be done in an integrated fashion with the agency's current banking, Electronic Funds Transfer, and miscellaneous cash receipting of non-recreational marijuana taxes.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$874,747 for the Core Systems Replacement project. It was estimated that there were \$6.9 million in bond proceeds for the project carried forward from the 2013-15 biennium; however, that figure was only recently revised to \$7,804,187. The Department of Administrative Services is directed to unschedule the entire \$874,747 pending the review and approval of the need for the expenditure limitation by the Legislative Fiscal Office.

Secretary of State

The Subcommittee established a \$347,900 General Fund appropriation and one limited-duration position (0.25 FTE) to replace the Oregon Elections System for Tracking and Reporting (ORESTAR) Election Night Reporting module. The agency will use the funds to acquire a commercially-available off-the-shelf (COTS) product to replace an existing ORESTAR Election Night Reporting module that was developed in-house. The replacement system will offer expanded capabilities, including tabulation of local election vote counts and graphical and map-based display capabilities. A temporary project manager position was approved. The new system is expected to be fully operational in time for the 2016 General Election. The appropriation is approved on a one-time basis and will be phased out in the agency's 2017-19 biennium budget.

State Treasurer

The Subcommittee reduced Other Funds expenditure limitation for the Debt Management Division by \$500,000 for a Rockefeller Foundation grant that the agency no longer receives.

CONSUMER AND BUSINESS SERVICES

Department of Consumer and Business Services

The Subcommittee approved an increase in the Other Funds limitation for the reclassification of positions in three divisions. The individual changes impacted ten positions. The adjustments included increased Other Funds expenditure limitation of \$32,660 in the Building Codes Division, \$30,878 in the Workers' Compensation Division, and \$108,488 in the Insurance Division, for a total of \$172,026. The additional expenditure limitation allows the agency to make position adjustments as approved by the Office of the Chief Human Resources Officer at the Department of Administrative Services without compromising the maintenance of the agency's ratio of supervisory to non-supervisory positions, as required under House Bill 4131 (2012).

The Subcommittee approved an increase in the Other Funds expenditure limitation of \$379,219 for the establishment of four new positions (2.52 FTE) in the Building Codes Division. These positions include a Plans Examiner 2 position to be housed in Salem and three Inspector positions (Mechanical, Plumbing, and Electrical) to be housed at the Eastern Region Office located in Pendleton. The positions will address ongoing workload increases of the Building Codes Division as the economy continues to recover.

A net decrease in Other Funds expenditure limitation of \$321,655 was made as a result of position adjustments in the Marketplace and Shared Services Divisions related to the operation of the Health Insurance Marketplace. Thirteen limited duration Program Analyst 2 positions were eliminated (-7.52 FTE) and six permanent, full-time positions (4.02 FTE) were established (one Outreach and Education Manager and five Program Analyst 2 positions). These changes result in a reduction of seven positions and \$558,617 Other Funds expenditure limitation in the

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Marketplace Division. This reduction was partially offset by an increase in Other Funds expenditure limitation of \$236,962 in the Shared Services Division to cover the costs of converting one part-time, limited duration Operations and Policy Analyst 4 position to a full-time, permanent position (0.50 FTE) and to add an additional Procurement and Contract Specialist 3 position (0.67 FTE).

The Subcommittee approved a \$6.4 million reduction in Other Funds expenditure limitation in order to reconcile the budget of the Health Insurance Marketplace with actual and anticipated expenditures of the program, which have been significantly different than what was anticipated in the legislatively adopted budget. The changes include reductions in anticipated expenditures due to pre-payment of contracts prior to the transfer of the insurance marketplace from Cover Oregon to the Department of Consumer and Business Services (DCBS), changes in information technology contracts, lower than anticipated personal services costs, and a reduction in anticipated payments for tax reporting errors. These reductions are partially offset by increases in legal fees and new information technology contracts.

A \$1,732,528 Other Funds expenditure limitation increase was approved for additional marketing and outreach activities of the Oregon Health Insurance Marketplace. This additional expenditure limitation will be unscheduled until DCBS completes its review and analysis of the 2016 open enrollment year campaign and its plan for the 2017 open enrollment year campaign. The legislatively adopted budget included a budget note instructing the agency to complete a plan and report on each of the publicity and publication campaigns either upcoming or implemented for the Health Insurance Marketplace Program. DCBS submitted a publicity and publication plan and report to the Interim Joint Committee on Ways and Means in January 2015; however, that plan and report did not contain detailed information for the 2017 open enrollment year campaign since the agency had not yet completed its review of the 2016 plan. The additional funding, once rescheduled, will allow the agency to maintain the same level of expenditures during the 2017 open enrollment year as in 2016.

Discussions also took place regarding pharmacy benefit managers. The Subcommittee approved the following budget note.

Budget Note:

The purpose of this budget note is to clarify the Department of Consumer and Business Services' (DCBS) authority to regulate pharmacy benefit managers (PBMs). DCBS is directed to convene a workgroup to develop recommendations for rulemaking regarding PBM compliance. Based on those recommendations, the agency will draft rules regarding PBM compliance and report to the appropriate legislative policy committees by November 1, 2016. The report should include the draft rules, as well as any statutory changes or clarifications necessary to fully implement the draft rules, including fee recommendations for administration of the program.

Draft rules must include, but are not limited to:

- Notification system that includes a method for informing PBMs of new regulations, and for informing PBMs of complaints, investigations, and possible sanctions
- Investigation procedures
- Fees, fines, and resolution process that includes:
 - Overall schedule of fees and fines
 - Provisions for warnings before fines, based on circumstances

- Possible escalation of fine for multiple occurrences including combining multiple occurrences into a single complaint or enforcement action, or multiple claims related to a single reason or cause
- Setting a maximum annual per PBM fine
- Exceptions based on type of violation or other criteria
- A reasonable time to re-enter compliance
- Other provisions consistent with DCBS' existing enforcement authority and procedures

Bureau of Labor and Industries

Technical adjustments are included to reflect the budget recommended to the Joint Committee on Ways and Means by the Transportation and Economic Development Subcommittee during the 2015 regular session. Multiple amendments to Senate Bill 5517 were considered during the legislative review process, and the amendment that was submitted to and adopted by the Joint Committee on Ways and Means did not properly reflect the budget recommended by the Subcommittee. The adjustments reduce the General Fund appropriation to the agency by \$113,604, increase Other Funds expenditure limitation by \$206,871, and increase Federal Funds expenditure limitation by \$2,696, for a total funds adjustment of \$95,963.

Oregon Public Utility Commission

The Subcommittee increased the agency's Other Funds expenditure limitation by \$170,226 and authorized one permanent position (0.63 FTE) to increase analytic capacity to address additional agency responsibilities resulting from legislative changes to the Renewable Portfolio Standard made during the 2016 Legislative session.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

The Subcommittee reduced the General Fund appropriation for debt service by \$1,328,407, and established a \$1,330,500 Other Funds expenditure limitation for general obligation bond debt service. Debt service for general obligation bonds is paid by the General Fund; however, the agency will substitute \$1,330,500 of Article XI-M and Article XI-N bond proceeds, and interest earned on those proceeds, to pay debt service, in lieu of General Fund. The proceeds are from bonds originally issued for the Seismic Rehabilitation Grant program in 2010, 2011, and 2012. These proceeds were not used for seismic projects and will instead be used to offset debt service costs in the current biennium.

The Subcommittee increased Lottery Funds support by \$1.5 million. This includes an increase for employee compensation changes and \$960,514 Lottery Funds, approved on a one-time basis, for new or expanded programs. The Subcommittee increased Lottery Funds support for the Oregon Wave Energy Trust by \$200,000, bringing current-biennium support to \$450,000 Lottery Funds. Lottery Funds were increased by \$400,000 to reapprove funding for replacement of the Port of Port Orford Cannery Building for one more biennium. Funding for this project was initially approved in the 2013-15 biennium. The Subcommittee also approved \$100,000 of Lottery Funds to conduct a Willamette Valley Intermodal Hub Feasibility Study, to evaluate the viability of a strategic intermodal hub to optimize container shipment of Oregon agricultural products.

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Lottery Funds totaling \$260,514 and two positions (1.00 FTE) were approved to address administrative costs associated with the expansion of grant activity in the Seismic Rehabilitation Grant Program. The Department will need to fill the newly-established positions for three years beginning July 1, 2016, and will include a policy option package in its 2017-19 biennium budget request to convert the two approved positions from permanent to limited-duration status. The Department is also instructed to report to the Legislative Fiscal Office, following each sale of Article XI-M or Article XI-N general obligation bonds, on the projects and dollar amounts of project grants financed by the bond sale, as well as on the amount of bond proceeds budgeted for agency administrative costs.

The Subcommittee established a \$1 Other Funds expenditure limitation for the American Manufacturing Innovation District, and increased Other Funds by \$54,868 for cost of issuance of lottery revenue bonds for this project. The American Manufacturing Innovation District is a collaborative effort between government, industry, and academic institutions to invest in manufacturing infrastructure to promote advanced manufacturing. A total of \$2.5 million of lottery revenue bond proceeds are authorized for this project in House Bill 5202, which also authorizes \$5 million of Article XI-G bond proceeds for distribution to Portland Community College (PCC) in support of this project. The Subcommittee limited expenditure of bond proceeds to \$1, pending a joint presentation with PCC of a business plan for developing the District. Debt service costs for the lottery revenue bonds authorized for this project are projected to total approximately \$535,000 Lottery Funds per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until spring 2017, there will be no debt service payments due in the current biennium.

The Subcommittee also approved a technical correction to the budget for the State Small Business Credit Initiative (SSBCI) program. This correction increases Other Funds expenditure limitations in the Business, Innovation and Trade Division by \$388,773, and reduces the Division's Federal Funds expenditure limitations by the same amount. The SSBCI is funded from a federal grant the agency secured in 2011 that provided Federal Funds for revolving loan programs. It was noted when the grant was received that administrative costs for the program would transition to Other Funds over time, as the grant money was loaned out and the loan repayments were re-categorized as Other Funds. The Subcommittee added this anticipated fund shift, which had not been included in the agency's budget, to the bill.

Federal Funds expenditure limitation was increased for the Business, Innovation and Trade Division by \$450,000 for expenditure of funds received under the Year 4 State Trade and Export Promotion grant program. This increase more than offsets the \$388,773 Federal Funds expenditure limitation decrease for SSBCI and results in a net increase of \$61,227 for the Business, Innovation and Trade Division Federal Funds expenditure limitation.

Finally, the Subcommittee approved a budget adjustment to increase Nonlimited Other Funds expenditures by \$5,820,000. This adjustment reflects a greater level of loan repayments than originally anticipated in the budget. Loan repayments are not limited in the agency budget. The adjusted level of Nonlimited Other Funds in the Infrastructure Finance Authority will include approximately \$24.2 million of loan repayments.

Employment Department

A technical adjustment is included for the Employment Department to more accurately reflect the amount expected to be utilized by the agency from \$85 million in modernization funds appropriated to the agency through the federal Social Security Act. Close of session budget reconciliation adjustments resulted in more dollars being available from the Supplemental Employment Department Administrative Fund for

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Department operating expenditures. This adjustment does not change the overall amount of the agency's recommended budget, merely the source from which the Department can make expenditures. As such, the appropriation of modernization funds made to the Department is decreased by \$17 million; sufficient Other Funds expenditure limitation exists to enable the Department to make equivalent expenditures from a combination of Supplemental Employment Department Administrative Funds and the Special Administrative Fund.

Housing and Community Services Department

The Subcommittee approved an increase in General Fund of \$2,727,660 for counseling services associated with the Oregon Foreclosure Avoidance Program. The 2015-17 legislatively adopted budget included \$1.4 million General Fund, which was estimated to be sufficient through February 2016. The Housing and Community Services Department was directed to report back to the Legislature on program utilization, foreclosure rates, and actual monthly expenditures to counseling agencies. The additional General Fund is included for program expenditures for the remainder of the 2015-17 biennium, as follows: \$2.36 million for counseling services provided on a fee-for-service basis as indicated via contract with the Housing and Community Services Department; \$233,333 for legal aid services for counseling clients with particularly complicated circumstances; and \$127,480 for agency program administration, with the understanding that the Department of Administrative Services will unschedule \$275,000 of the amount. Funding for the program is not anticipated to be ongoing, although the agency may request funding for consideration during the 2017-19 budget process.

Also included is a one-time General Fund appropriation in the amount of \$10 million to the Housing and Community Services Department to be utilized as follows: \$8 million is for homelessness assistance and prevention services through the Emergency Housing Assistance (EHA) program and \$2 million is to the State Housing Assistance program (SHAP) for operational support for emergency shelters and supportive services to shelter residents. Funding for the EHA program is spent as Other Funds by the Department, and is reflected in an additional \$8 million in Other Funds expenditure limitation.

Other Funds expenditure limitation in the amount of \$2,554,868 is included to enable the Housing and Community Services Department to expend proceeds from the sale of lottery bonds for preservation of affordable housing with expiring federal subsidies. Of this amount, \$2.5 million is attributable to project costs and \$54,868 is related to cost of issuance. Eligible projects for which these funds can be expended are defined as the following:

- Privately owned multi-family rental properties where at least 25% of the units are subsidized by a project-based rental assistance contract through the U.S. Department of Agriculture Rural Development or the U.S. Department of Housing and Urban Development;
- Existing manufactured housing communities to be acquired by a mission-based non-profit organization, resident cooperative, tenants' association, housing authority, or local government; or
- Public housing projects undergoing a preservation transaction which involves a comprehensive recapitalization and which will secure ongoing rental subsidies.

Oregon Department of Veterans' Affairs

The Subcommittee approved an increase in Federal Funds expenditure limitation of \$499,999. The Oregon Department of Veterans' Affairs (ODVA) received a 2015 grant from the U.S. Department of Veteran's Affairs in the amount of \$500,000 for transportation of Oregon veterans in highly rural areas to medical appointments. Awards of \$50,000 per county will be used to preserve and maintain transportation programs established with the 2014 federal grant award. The counties receiving funds are Baker, Gilliam, Grant, Harney, Lake, Malheur, Morrow, Sherman,

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Wallowa, and Wheeler. ODVA acts as the applicant and grantee on behalf of the counties, and will pass through funds and monitor compliance with grant requirements. The grant is for a period of one year and requires no matching funds or additional positions for administration. A placeholder amount of \$1 in Federal Funds expenditure limitation was included in the legislatively adopted budget for the agency.

EDUCATION

State School Fund

The Subcommittee approved a decrease of \$39,553,391 General Fund and an increase of \$39,553,391 Lottery Funds for the State School Fund. These changes reflect the balance of available General Fund and Lottery Funds for the overall state budget and maintains the amount of \$7,376 million total funds for the State School Fund for the 2015-17 biennium.

Department of Education

The Subcommittee approved changes in the Federal Funds expenditure limitations for agency operations for federal grants received by Department of Education as described below:

- An increase of \$7,130,223 for a three-year federal grant from the U.S. Department of Education's Office of Innovation and Improvement. The purpose of the grant is to increase the number of high-quality charter schools by providing assistance to potential charter schools for planning, program design, and initial operations. Funds will also be used to share best practices among all charter schools and sponsoring districts. One limited duration position (0.63 FTE) was approved relating to the grant.
- An increase of \$1,160,860 for three separate child nutrition grants from the U.S. Department of Agriculture. The three grants were the Professional Standards Training grant (\$138,915), the Team Nutrition grant (\$203,563), and the Tier 2 Direct Certification Improvement grant (\$818,382). A limited duration position (0.63 FTE) was approved for the Tier 2 Direct Certification Improvement grant.

The Subcommittee approved an increase of \$515,200 Other Funds expenditure limitation to cover costs of an increase in the number of students participating in the Hospital Program. The agency is required to provide and pay for the costs of educational services for children, through age 21, who are expected to be hospitalized for an extended period of time. This increase will be funded through an increased distribution from the State School Fund. Also approved was a transfer of \$51,458 General Fund from the breakfast and summer food programs under Grant-in-Aid to agency Operations for the administration of the Farm-to-School program. A one-time increase in the Other Funds expenditure limitation of \$2,030,515 for the Oregon School for the Deaf was approved for deferred maintenance, including replacement of the School's Heating Ventilation Air Conditioning, or HVAC, system. The source of funds for this includes moneys set aside from the sale of the School for the Blind property, income from the rental of school facilities, and the anticipated sale of a vacant parcel of school property. The Department of Administrative Services is instructed to unschedule this increase until the final cost of the project is determined and the sale of the vacant property is completed.

To ensure that debt service payments on education-related Lottery Bonds are funded from the proper sources, the Subcommittee approved changes to the amount of Lottery Fund resources allocated to the Department of Education. House Bill 5016, the 2015 appropriation bill for the agency, allocated the entire \$1,434,927 required for debt service payments from the Oregon Education Fund. The actual allocation is \$593,395 from the Oregon Education Fund and the remaining \$841,532 is from the Administrative Services Economic Development Fund.

The Subcommittee approved an increase of \$3,130,000 General Fund for the Oregon Department of Education's agency operations to fully fund the Assessment and Accountability unit. The 2015-17 budget for this unit was inadvertently underfunded by \$3,771,938 General Fund and needs these funds to meet its responsibilities and commitments. This budget gap is resolved by transferring \$930,000 General Fund from the Grant-in-Aid budget in unallocated resources and an increase of \$2,200,000 in new General Fund resources. The remaining \$641,938 is to be found by the agency in savings in its existing agency operations budget, including holding positions vacant in the unit. There is also a transfer of \$2,000,000 in excess Federal Funds expenditure limitation from the Grant-in-Aid budget to Operations, and an additional increase of \$1,971,397 in Federal Funds expenditure limitation to match the amount of federal funding available for this function.

General Fund increases for existing programs were approved as described below:

- Funding for the Oregon Pre-Kindergarten program was increased by \$5.3 million, bringing the total General Fund resources for this program to \$145.3 million.
- Funding for the Early Intervention and Early Childhood Special Education programs was increased by \$5,393,340 General Fund. This increase reflects, in part, the growth in these two programs at a rate greater than estimated at the end of the 2015 session. Total General Fund resources for these programs, including this increase, is \$155.8 million.
- The Relief Nurseries program was increased by \$300,000 General Fund, bringing the total General Fund available for the 2015-17 biennium to \$8.6 million. This additional funding and the \$700,000 General Fund appropriated by chapter 837, section 109, Oregon Laws 2015 should be considered permanent for the purposes of developing the 2017-19 budget.

One-time General Fund appropriations were approved by the Subcommittee for new programs and grants as described below:

- \$260,000 General Fund for a grant to the Burnt River School District for the Burnt River Integrated Agriculture/Science Research Ranch program. This program provides educational opportunities to students from outside the district, including from the Portland area, and provides a number of educational services outside of the core curriculum common to all high school students, including natural resource studies, agricultural experience, water quality monitoring, animal husbandry, sustainable rangeland science, forest restoration, and organic food production.
- \$400,000 General Fund for grants to organizations which provide training and assistance relating to culturally relevant educational practices authorized as eligible services under the Network for Quality Teaching and Learning under House Bill 4033. Grants of equal value are to be provided to two organizations: (1) Center for Culturally Responsive Practices and (2) Teaching with Purpose.
- \$95,000 General Fund appropriation for a grant to the World of Speed organization for the High School Automotive Career Technical Education program. The organization partners with Clackamas Community College and area high schools to provide automotive related career technical education (CTE). Other high schools have expressed interest and the \$95,000 would be used to match other contributions to the program, assisting with cost of transporting students to the facility for classes, and other program costs.

The Subcommittee eliminated the \$17,540,357 General Fund special purpose appropriation to the Emergency Board for the mixed delivery preschool program established in House Bill 3380 (2015) and directly appropriated the same amount to the Oregon Department of Education for

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the same purpose. The intent is for this funding to be distributed to four to six Early Learning Hubs that demonstrate that the Hub and the providers in their service area are prepared to implement the mixed delivery preschool model beginning in September 2016. In developing the 2017-19 current service level budget for this program, only the full two-year costs of this appropriation should be factored into the calculation. Any further expansion to add new Early Learning Hubs should be a separate policy decision made by the Legislature during the 2017 session. In addition to the annual report to the Legislature required in House Bill 3380 (2015), the agency is instructed to report to the Emergency Board prior to June 1, 2016 on which Early Learning Hubs were selected, the number of preschool providers estimated to be delivering the program, the estimated number of children that will be served under the program, and an update on the various cost components of the program.

One permanent Research Analyst 3 position (0.63 FTE) was approved to manage and analyze information collected through the Class Roster data from school districts under House Bill 2644 (2013). The agency will identify the funding from existing resources for the 2015-17 biennium.

Higher Education Coordinating Commission

The Subcommittee approved a one-time \$1,800,000 General Fund appropriation to the Higher Education Coordinating Commission (HECC) for a grant to Umpqua Community College (UCC) to address the issues resulting from the shooting incident on the UCC campus on October 1, 2015. The funding may be used for: (1) staff, including security staff; (2) upgrading security communications equipment, door locks, and campus lighting; (3) upgrading the campus's network fiber system to accommodate the new communications equipment; and (4) other costs related to the October 1st incident. HECC is to report back to the Legislature as part of its budget presentation to the Joint Committee on Ways and Means in 2017 on how these resources were expended. Also approved was a one-time \$4,250,000 General Fund appropriation to HECC for a grant to UCC for the construction or renovation of a replacement for Snyder Hall where the shooting incident took place. The College is currently not using the classroom space in the building and is relying on temporary structures to replace some of the space.

The Subcommittee recognized the Community Colleges' needs regarding campus and student security and safety issues which were illustrated, in part, by the shooting incident at UCC. The Governor has appointed a workgroup to recommend actions and investments for security and safety at Community College and other Post-Secondary institutions. Based on the recommendations of the workgroup and the Community Colleges, the Legislature will address this issue during the 2017 session.

An \$804,506 increase in Other Funds expenditure limitation was approved by the Subcommittee for payment of the costs of issuing General Obligation bonds on behalf of community colleges and public universities. This increase represents the estimated amount required if all of the bonds authorized for the 2015-17 budget cycle are issued by the end of the current biennium.

The Subcommittee also approved three one-time General Fund appropriations to HECC to be allocated to Oregon State University. The first appropriation is \$800,000 for the Northwest National Marine Renewable Energy Center to serve as match for federal funds for the Pacific Marine Energy Center South Energy Test Site. The federal government has made an initial \$5 million available to fund a competitive grant to further develop a wave energy test facility, with the expectation that a 25% local match will be provided. HECC is only to release the funds if Oregon State University is awarded the grant. The second appropriation is \$100,000 for endophyte research which is to be matched by private dollars. These funds are to be used only for endophyte research in support of Oregon's fiber and straw export industry. A report to the Legislative Fiscal Office on how the funds were used in support of endophyte research and what was made possible by this additional influx of funds should be made by December 31, 2016. The third is \$100,000 for the purpose of establishing an endowed scholarship fund through the Oregon State

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University Foundation. The scholarship must be used to support students engaged in research associated with Amyotrophic Lateral Sclerosis (ALS).

The Subcommittee approved a one-time General Fund appropriation of \$1,900,000 for the four technical and regional universities, along with Portland State University, to help fund new compensation agreements for classified staff. HECC is directed to distribute the following amounts to the following universities: Portland State University - \$400,000; Eastern Oregon University - \$251,559; Southern Oregon University - \$468,591; Western Oregon University - \$485,646; and Oregon Institute of Technology - \$294,204.

Budget Note:

The Subcommittee recognizes that the Current Service Level (CSL) is intended to estimate the cost of legislatively approved programs in the upcoming biennium. In 2009, the Joint Committee on Way and Means approved the adoption of a CSL model for the Community College Support Fund (CCSF) to reflect health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate.

To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model.

DAS and LFO will provide the estimated cost to implement the Community College Support Fund CSL model for Public University state support to the Emergency Board, through the Legislative Fiscal Office, by July 1, 2016.

Chief Education Office

The Chief Education Officer, in cooperation with other education agencies, has completed the steps necessary to receive Stage Gate 3 approval to move forward on the development of the Statewide Longitudinal Data System (SLDS). This means the project staff have completed the required project management documents with approval from the State's Chief Information Officer. As a result, the Subcommittee approved \$5,505,280 General Fund for the project development and staff for this biennium. Based on the project's schedule, this will leave one quarter's worth of development costs for 2017-19. Ongoing costs for the Data System, starting in 2017-19, are estimated to be roughly \$3.0 million per biennium, including staff for the operation, data integration, and maintenance, as well as the network-related costs due to the Department of Administrative Services (DAS). Also approved were 3 new permanent positions (1.75 FTE) and an additional 1.86 FTE to continue three existing limited duration positions for the remainder of the biennium. Two of these three limited duration positions, the Project Director and Systems Integration positions, are made permanent. DAS is instructed to unschedule \$495,000 of this appropriation, which represents the project contingency funds. The agency can make a request to DAS and the Legislative Fiscal Office to reschedule these contingency funds if need arises before the end of the biennium. The Chief Education Office is instructed to report to the Emergency Board prior to October 1, 2016 on the project's progress and expenditures.

Teacher Standards and Practices Commission

Senate Bill 78 (2015) appropriated \$200,000 General Fund to the Teacher Standards and Practices Commission to be transferred to the Teacher Education Program Accreditation Account. This funding was intended to support grants for teacher education programs that incur costs associated with national teacher accreditation. According to current accounting practices, the agency needs to expend the \$200,000 as “Other Funds,” requiring an Other Funds expenditure limitation increase of \$200,000 so these grants may be awarded.

Various Agencies

The Subcommittee approved the transfer of \$2.0 million General Fund from the Oregon Department of Education (ODE) to the Higher Education Coordinating Commission (HECC). These funds had been part of a larger investment in Career and Technical Education (CTE) and Science Technology Engineering and Mathematics (STEM) programs appropriated to ODE in House Bill 5016 (2015). One component of this CTE and STEM investment was a program related to post-secondary success to provide start-up funding and support services for the recruitment, retention, and attainment of underserved students in post-secondary programs related to high-demand fields including, but not limited to, health sciences, computer science, engineering, high tech manufacturing, precision agriculture, and advanced food processing. This program is more appropriately administered by HECC.

The Subcommittee approved one-time increases in the General Fund appropriations for the Chief Education Office, HECC, and ODE for student transitional services and supports between secondary and post-secondary education. This distribution reflects, in part, the product of a workgroup organized by HECC to recommend what services should be funded by a \$6,865,921 General Fund special purpose appropriation made in Senate Bill 418 (2015). This bill eliminates the special purpose appropriation and uses some of these resources to fund transitional services under House Bill 4076. Additionally, a total of \$4,025,000 is appropriated for transitional services and supports between secondary and post-secondary education as outlined below.

	General Fund Appropriation
Chief Education Office	
Summer summit for high school and post-secondary staff including counselors and financial aid staff	\$ 300,000
Local collaboration between high school counselors and post-secondary advisors	\$ 700,000
Higher Education Coordinating Commission (HECC)	
Community College support for improved Developmental Education models	\$ 600,000
Community College support for development and alignment of Career Pathways	\$ 600,000
Expansion of eMentoring for Oregon Promise students	\$ 120,000
Statewide expansion of FAFSA Plus	\$ 105,000
Subscription of Signal Vine connecting with students via two-way texting	\$ 100,000
Evaluation and tracking implementation of transitional supports and services in this bill	\$ 50,000
Oregon Department of Education	
License for College and Career Readiness counselor training modules	\$ 50,000
Expansion of AVID or similar program for high schools	\$ 1,400,000
Total	\$ 4,025,000

HUMAN SERVICES

Oregon Commission for the Blind

The Subcommittee approved one-time increases of \$680,109 General Fund, \$199,049 Other Funds, and \$3,248,343 Federal Funds to purchase vending machine equipment for the agency's Business Enterprise Program. The Department of Administrative Services is expected to unschedule these amounts, which may only be rescheduled based upon the successful request of federal reallocation funds from the U.S. Department of Education.

Oregon Health Authority

Senate Bill 5701 adjusts the Oregon Health Authority (OHA) budget for updated pricing of program caseloads, costs, and revenues to "rebalance" the budget. This information was presented at the January 2016 meeting of the Interim Joint Committee on Ways and Means. The agency's rebalance plan resulted in an overall General Fund shortfall of \$37.6 million. This net position included budget problems of \$129.7 million General Fund related to increases in caseload and other program costs. Savings of \$67.1 million General Fund resulted from a change in the federal match rate, as well as from additional revenues from a number of sources. In addition, the agency is planning to implement management actions to decrease costs by \$25 million General Fund. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts, including fraud detection.

The rebalance plan increases Federal Funds expenditure limitation by almost \$1 billion, mostly related to the increased caseload forecast. There are also a number of technical adjustments included in the rebalance. While these normally net to zero for the agency as a whole, in this case there is a transfer of 14 positions from the Department of Human Services to OHA.

As discussed during the 2015 legislative session, the agency has implemented an agency restructure as a part of this rebalance. The new structure is designed to promote health care transformation, including integration of physical, behavioral, and dental health. This structure better reflects the new work of coordinated care organizations, as well as public health programs aligned with system transformation. Most significantly, the old Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) are eliminated in the restructure, with MAP and community mental health and addictions programs moving to the new Health Systems Division (HSD). The Oregon State Hospital (OSH) will now be its own budget structure.

As a part of the agency restructure, a thorough review of positions was conducted. Partly historical, dating back a number of years, and partly as a result of the implementation of health care transformation and the Affordable Care Act when many staff were brought on to perform time-sensitive tasks, the agency found itself with many staff but without appropriate position authority. In addition, as health care transformation moved forward, the agency needed fewer positions in some areas but more and/or different kinds of positions in other areas. The true-up included in the rebalance resolves issues of permanent staff not having position authority, as well as limited duration staff that had been used for on-going functions and priorities now becoming permanent positions. Overall, the changes are budget neutral and result in a reduction of two positions and an increase of 9.52 FTE.

The agency continues to face a number of budget risks that were not explicitly included in the rebalance plan. These include changes to caseloads, prescription drug costs, increased Aid and Assist population in the Oregon State Hospital, and costs of pending litigation. The special purpose appropriation of \$40 million that was established during the 2015 legislative session for OHA or the Department of Human Services will remain in place to address caseload costs or other budget challenges that the agencies are unable to mitigate.

The Subcommittee approved the agency's rebalance plan, with one notable exception. Costs of \$17 million General Fund related to the Medicaid Oregon eligibility (ONE) system were not funded at this time. These are costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. In addition to rebalance adjustments, the Subcommittee approved \$25 million of additional hospital assessment revenue that is remaining from the program ending September 30, 2015, which will be used in the budget in place of General Fund.

Overall, the adjustments made in Senate Bill 5701 result in an increase in the agency's total funds budget of \$1.1 billion, a reduction of General Fund of \$1.5 million, and an increase of 21 positions (22.88FTE). These numbers do not include budget changes related to employee compensation cost changes, which total \$20.8 million General Fund and \$37.8 million total funds, and are also included as part of Senate Bill 5701.

A more detailed description by program area follows.

Health Systems Division

The budget adjustments in Senate Bill 5701 reflect a net \$8.3 million decrease in General Fund in the Health Systems Division (HSD), with a \$75.4 million increase in Other Funds expenditure limitation and a \$964.7 million increase in Federal Funds expenditure limitation.

The rebalance plan for HSD approved by the Subcommittee includes increased caseload costs of \$84.4 million General Fund. Caseload forecasts are up primarily because redeterminations have been delayed several times over the past year. With the recent implementation of the new ONE eligibility system, the agency anticipates catching up on redeterminations over the next year. While the caseload forecasts have attempted to build in the timing of these redeterminations, forecast risks will remain higher than usual until the data has settled down over an extended period of time and there is good historical information on which to base the forecasts. Other costs include \$10.7 million General Fund for an increase in the Medicare Part D clawback required by the Centers for Medicare and Medicaid Services (CMS). Medicare Part B premiums have also increased, resulting in a General Fund need of \$7.2 million. Oregon pays these premiums for clients that are eligible for both Medicare and Medicaid. Eight additional Federally Qualified Health Centers (FQHCs) are moving to the alternative payment methodology, resulting in a one-time cost of \$3.1 million General Fund.

The rebalance plan includes a General Fund need of \$20.9 million General Fund for the new ONE eligibility system. Additional refinement of operational and maintenance costs for the system have resulted in a need for \$3.9 million General Fund above what is currently budgeted. The remaining \$17 million represents the costs to maintain the old eligibility system for litigation purposes after the contract with Oracle expires in March 2016. The Subcommittee did not approve that \$17 million General Fund in the final budget.

The rebalance plan includes a total of \$63.4 million General Fund savings in HSD. This includes a \$10.2 million savings resulting from an increase in the federal match rate for Oregon, and \$11.8 million freed up by an increase in the tobacco tax revenue forecast for the biennium. In addition, \$25 million of Other Funds are left over from 2013-15 and can be used to replace General Fund for the current biennium. Settlements and drug rebate revenues are coming in about \$15 million above budget and will replace General Fund as well. Finally, caseloads related to forensics patients living in the community went down slightly for a savings of \$1.4 million.

The rebalance plan includes management actions to decrease costs by \$25 million General Fund, all in HSD. These include an acceleration of the redetermination process next year, a delay in fee-for-service rate adjustments, and enhanced savings from program integrity efforts, including fraud detection. Finally, the rebalance includes an additional \$964.7 million in Federal Funds expenditure limitation, primarily because of the increased caseload. An addition of \$40.4 million Other Funds expenditure limitation results from the additional revenues discussed above.

In addition to rebalance adjustments, the Subcommittee adjustments include the addition of \$35 million of additional hospital assessment revenue that remains from the assessment program that ended September 30, 2015. Of the total, \$25 million will be used to replace General Fund in the 2015-17 budget, while the remaining \$10 million Other Funds has been approved for one-time investments in rural hospital transformation and sustainability as outlined below. These recommendations were brought forward by a workgroup required by a Senate Bill 5507 (2015) budget note.

For investment in rural health provider workforce capacity, it is expected that at least \$1.5 million Other Funds will be used to support the work of Oregon's Graduate Medical Education Consortium.

Investments in small and rural hospital transformation strategies include: establish transitional post-acute care programs (cost of \$4 to \$7 million over three years), establish virtual clinics in communities with acute primary care shortages (cost of up to \$1.1 million), and provide education for rural providers on population health (cost of \$100,000). Costs associated with each option available to rural hospitals will depend on the number of hospitals that pursue each option. Rural hospitals have the flexibility to select one or more options depending on local needs. The funding for hospital programs will be distributed through OHA, to the Oregon Association of Hospitals Research and Education Foundation, which will collaborate with OHA to identify related baseline and outcome data on each project and report that data to OHA as well as provide the funding to implement each of the projects available to rural hospitals.

The following budget note was approved by the Subcommittee.

Budget Note:

The Oregon Health Authority shall identify and track related outcomes on each project that is implemented as a result of the \$10 million investment in rural hospital transformation and sustainability, shall provide regular updates to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office, and shall report back to the Joint Committee on Ways and Means during the 2017 legislative session on the implementation and status of the projects, outcomes to date, costs to date, as well as recommended policies which will improve population health outcomes in rural Oregon.

The Subcommittee included \$2 million General Fund for the Medicaid Primary Care Loan Repayment Program. This program was funded in the 2013-15 biennium, but not in the current biennium. The budget also includes \$0.5 million General Fund for negotiated compensation cost changes for non-state employees. As discussed above, most of the special purpose appropriation of \$10.7 million, which had been set aside for this purpose, was distributed to OHA and the Department of Human Services.

The Subcommittee included \$900,000 of one-time General Fund for planning and start-up costs related to providing medical assistance for additional children in Oregon. The following budget note was approved.

Budget Note:

The Oregon Health Authority is directed to develop a plan and recommendations for extending medical assistance to children not eligible under ORS 414.231(3) including: eligibility criteria, coverage options, enrollment estimates, issues of equity and inclusion, integration with other programs, outreach, administrative and staffing changes, phasing options, and cost estimates. In developing the recommendations, the agency is expected to engage stakeholders and legislators, and utilize information on experiences in other states. The agency will report back to the appropriate committees during the 2017 legislative session on their plan and recommendations.

Oregon State Hospital

The rebalance plan approved by the Subcommittee for the Oregon State Hospital (OSH) includes \$2.7 million General Fund to finish the implementation of the Avatar system, the electronic health record system at the hospital. Much of the Avatar system has been completed and adopted into the normal workflow processes. This includes the Clinician Work state, Lab Management, and Food and Nutrition Services.

However, the Medication Management and the Billing modules have not yet been fully implemented and adopted into the workflow processes. Implementation of the medication management module will allow the use of automated dispensing of medication, as well as electronic medication administration records. A recent Secretary of State audit noted the importance of finishing this work, both from an efficiency and patient safety perspective. The Billing module will assist in more accurate and timely reimbursement requests to Medicare, Medicaid, and third party insurance providers. The agency has contracted with a company to assist with the final adoption and implementation of these parts of the system.

The rebalance plan also includes the transfer of \$10 million General Fund from OSH to Statewide Assessments and Enterprise-wide Costs (SAEC). This funding was put in the OSH budget to be used for cost allocation purposes once the agency had done a thorough review of cost allocation issues within OSH and agreed with CMS on a new cost allocation plan. Once cost allocation is actually implemented, the funding will need to be in SAEC.

Although the agency believed it was too early to bring forward as a formal request, there is risk to the Oregon State Hospital budget. The Aid and Assist population at the hospital continues to grow and may ultimately result in the need to open an additional ward. The agency is in the process of implementing several investments that are expected to ease the pressure from this population, and so at this point is not requesting any funding. OSH is also closely monitoring the use of overtime, particularly as it relates to staff use of the federal Family and Medical Leave Act, and may eventually request additional positions to deal with these issues.

Public Health

The Subcommittee approved an Other Funds expenditure limitation of \$4.0 million and two permanent positions (1.00 FTE) for a youth marijuana-use prevention pilot project as required in House Bill 4014. The one-time funding for this program will be transferred from the Oregon Liquor Control Commission Account, to be repaid out of marijuana tax revenues. This evidence-based pilot project will serve as a basis for establishing a statewide program during the 2017-19 biennium. The distribution of marijuana taxes during the 2017-19 biennium may be adequate to fund the statewide program, but if not, the agency will need to request additional funding to operate an ongoing program.

The agency anticipates establishing a new fee for medical marijuana processors, and increasing the fee on growers, effective April 1, 2016. These fees are necessary to pay for the increased costs to the program with the changes that resulted during the 2015 session. The increased expenditure limitation was included in the agency's 2015-17 legislatively adopted budget.

The agency anticipates a fiscal impact from House Bill 4014 and Senate Bill 1511, which make changes to both the medical marijuana and recreational marijuana systems. In addition to the pilot project discussed above, House Bill 4014 requires the agency to issue receipts to medical marijuana registry applicants on the same day that they are received. This is expected to require additional staff. Senate Bill 1511 allows producers, processors, and distributors that currently are limited to medical marijuana only to choose to operate in both the medical and recreational markets. In that case, both the licensing revenue and the regulatory functions related to those entities will move to the Oregon Liquor Control Commission (OLCC). In the short run, this will create additional workload for program staff in Public Health, as paperwork is completed to allow the entities to shift. In the long run, OHA estimates up to a \$5.6 million loss of revenue during the 2015-17 biennium, as producers, processors, and dispensaries opt to be licensed and registered by OLCC. While the agency would also experience some cost reductions as less regulatory work would be required, it is likely that the revenue reduction would occur sooner than the costs can be reduced. The overall effects cannot be estimated accurately at this time.

The agency expects to include the necessary adjustments to expenditure limitation, as well as adjustments to numbers and classifications of positions needed, in the rebalance they will submit during the fall of 2016. In their rebalance report, the agency will also report on the estimated revenue loss and its program impact. A number of on-going core public health programs are funded with fee revenue generated through the medical marijuana program. If revenues are inadequate to fund these programs, General Fund could be required to continue these programs, or the programs would need to be reduced or discontinued. These programs include state support for local public health departments, the Safe Drinking Water Program, Emergency Medical Services, and others.

One full-time position (0.38 FTE) was approved for the Prescription Drug Monitoring Program for workload associated with House Bill 4124.

Central and Shared Services/Statewide Assessments and Enterprise-Wide Costs

The rebalance plan approved by the Subcommittee for the administrative units of the agency includes \$0.6 million General Fund for mass transit costs and treasury fees that were not included in the original budget. In the future, these need to be incorporated in the budget build process.

Debt service is also included within these budget units. The Oregon State Hospital Replacement Project is expected to close out with a surplus of \$3.7 million in bond proceeds. This surplus will be used to pay down debt service and free up General Fund. Another \$0.4 million Other Funds expenditure limitation has been identified by the Department of Administrative Services as available to pay debt service on these bonds, also freeing up General Fund.

Department of Human Services

The 2015-17 budget for the Department of Human Services (DHS) is built around nine budget structures and five appropriations. The budget structures reflect five direct program areas: Self Sufficiency (SS); Child Welfare (CW); Vocational Rehabilitation (VR); Aging and People with Disabilities (APD); Intellectual and Developmental Disabilities (IDD); and four program support functions: Program Design Services (PDS), Central Services (CS), Shared Services (Shared), and State Assessments and Enterprise-wide Costs (SAEC).

The majority of the DHS budget adjustments approved by the Subcommittee are driven by actions needed to rebalance the agency's budget. At the January 2016 meeting of the Interim Joint Committee on Ways and Means, the agency presented a rebalance report indicating a significant funding need – \$71.7 million General Fund – to sustain programs for the remainder of the biennium. This projection incorporates a number of issues affecting the agency's budget, including caseload changes, increases in cost per case, and other program changes or issues arising since the 2015 legislative session.

The biggest drivers of the budget deficit are caseload costs in the APD and IDD programs, some of which are compounded by collective bargaining actions and federal regulations. While these issues were identified as budget risks during the 2015 session and handled either directly in the budget or through special purpose appropriations, some costs were not adequately estimated. In addition to costs, the DHS rebalance calculation does factor in caseload savings in Temporary Assistance for Needy Families (TANF) and from federal match rate changes. The approved rebalance plan addresses part of the budget gap by directly adding \$37.4 million General Fund to the budget; however, this leaves about \$34.9 million General Fund associated with APD and IDD caseload costs unfunded (as of the current projection; the unfunded amount may change as expenditures are recorded and projections evolve).

The special purpose appropriation of \$40 million that was established during the 2015 legislative session for DHS or OHA has been left untouched and continues to be available for the Emergency Board to allocate to help cover caseload costs or other budget challenges that the agencies are unable to mitigate. However, if demand ends up being greater than the amount of funding set aside, other legislative action may be required early in the 2017 session. DHS will continue to closely monitor caseload counts and costs in all programs, while continuing to develop long term solutions to ensure budget sustainability.

Regarding sustainability, the budget report for House Bill 5026 (2015), contained a budget note directing the agency to report, during the 2016 legislative session, on ways to ensure program sustainability specifically for the APD and IDD programs. This direction was in response to concerns about budget growth and increases in both caseload volume and costs. The agency engaged an external consultant to support the development of independent and unbiased options for program sustainability. The final report, produced by the Lewin Group, was received on February 10, 2016, and identifies potential strategies for “bending the cost curve” in these programs. Suggestions primarily revolve around changing eligibility, modifying services, and increasing participant cost-share. Input from stakeholders was included in the report; while they acknowledge that projected program costs are unsustainable, there are varying perspectives on how best to deal with costs.

Legislative members expressed frustration with the report, as it had a limited amount of modeling, was unable to capture all potential budget drivers, and did not result in a list of succinct options for potential action. Both the Lewin Group and DHS indicated this was primarily due to time and data constraints. A group of legislators, primarily from the policy and budget committees overseeing human services issues, is committed to working with the agency and stakeholders to develop policy and program change options discrete enough to be fully vetted and priced for potential budget action in the 2017 legislative session. DHS has also identified some areas where it can start to make some changes, mostly around best practices for assessing client needs and validating that the most appropriate services/service levels are being authorized. To formalize these efforts, the Subcommittee adopted the following budget note:

Budget Note:

- 1) The Department of Human Services is directed to take steps to provide policy and budget options for decision making that will be required during the 2017 legislative session to ensure future sustainability of the APD and IDD programs. Steps include further refinement, analysis, and pricing of viable options or ideas brought forth by the agency, stakeholders, and other interested parties; the focus should be on ways to control caseload growth and utilization. The agency will reach out to legislators, stakeholders, and partners to assist in this effort. In developing sustainability proposals, the Department shall prioritize options that minimize impacts on consumers and providers. The Department will also formally report, at a minimum, to the Emergency Board during Legislative Days in May and December 2016 on progress made under both parts of this budget note. The agency may also be requested to report to interim legislative policy committees on human services.
- 2) In addition to the work described above, the Department is also directed to take immediate actions that may help contain costs without changing the current service system structure and that do not require statutory changes. The agency’s action plan includes:
 - Review and correct, if needed, the relationship between assessment tools and program eligibility criteria;
 - Take action to more efficiently align service authorization with people’s needs, also consider appropriate limits;

- Work to limit use of overtime in service plans; but the agency should take into account workforce shortage areas, the needs of consumers, and changes to current consumer provider relationships;
- Continue discussions with CMS to prevent the conversion of natural support to paid support, with consideration for parental responsibility; and
- Further restrict the live-in program to prohibit live-in service plans when the individual lives in their family's home or the family lives with the individual and is served by that relative (they would still be served in the hourly program).

Overall, the adjustments made in Senate Bill 5701 increase agency's budget by just under \$350.0 million total funds; comprised of \$36,651,673 General Fund, \$27,557,059 Other Funds expenditure limitation, and \$285,760,479 Federal Funds expenditure limitation. The associated staffing changes result in a net increase of 16 positions (7.23 FTE). These numbers do not include budget changes related to statewide employee compensation, which total \$27.5 million General Fund (\$60.6 million total funds), and are also included as a part of Senate Bill 5701.

In addition to caseload cost underfunding and caseload forecast/cost volatility, there are other budget risks. These include costs associated with the approved settlement agreement for the *Lane v. Brown* lawsuit (reduce number of clients in sheltered workshops) and other legal expenses; federal changes to funding streams, program requirements, and possible sequestration; and impacts of economic changes, such as a recession.

A more detailed description of each program area's budget adjustments follows. For context regarding caseload changes, the 2015-17 legislatively adopted budget was based on the spring 2015 caseload forecast; the rebalance adjustments in Senate Bill 5701 factor in caseload and cost changes tied to the fall 2015 forecast, published in January 2016.

Self Sufficiency

The budget adjustments approved by the Subcommittee for the Self Sufficiency (SS) program reflect a decrease of \$36.7 million General Fund (and total funds) and 1 position (no FTE change).

The fall 2015 forecast projects the 2015-17 overall Supplemental Nutrition Assistance Program (SNAP) caseload to be 5.3% lower than earlier estimates. Embedded in the net decrease is a decrease in the number of SS households receiving SNAP, while the number of Aging and People with Disabilities households receiving SNAP continues to grow. Caseloads in the TANF cash assistance programs are down 11.6% from the spring numbers, at a biennial average of 24,787 families. Overall caseload savings of \$37.0 million General Fund are included in the agency's rebalance calculation and used to offset costs in other programs.

While the 2015-17 budget included significant investments in, and changes to, the Employment Related Day Care (ERDC) program, the agency estimates an additional \$709,327 General Fund is needed to fully cover costs of collective bargaining for day care providers. This amount includes \$600,000 for AFSCME child care providers that was not part of the agency's original rebalance request. The costs are covered with an allocation from the \$10.7 million General Fund special purpose appropriation for collective bargaining costs for workers who are not state employees.

Technical adjustments and transfers account for a decrease of \$0.5 million total funds for this program, most of which aligns the budget between SS and support functions. This action is consistent with past budgeting practices which have made these budget changes as part of the first rebalance after the budget was approved; similar adjustments are approved in other programs. Two part-time positions are also combined into one full-time position to better meet program needs.

The Subcommittee approved \$130,000 General Fund, on a one-time basis, for distribution to the Oregon Food Bank. Through purchase of a refrigerated truck, the funding will support expansion of the Fresh Alliance initiative. This food recovery program picks up donations of perishable food (nearing end of shelf life) from grocery stores and then makes that food available to hunger-relief agencies.

Child Welfare

For Child Welfare (CW), the Subcommittee approved a decrease of \$0.5 million General Fund, an increase of \$0.3 million Other Funds expenditure limitation, an increase of \$1.8 million Federal Funds expenditure limitation, and a decrease of 1 position (no FTE change).

Forecasts for individual caseloads within CW have fluctuated slightly between the spring and fall forecasts, with associated budget changes primarily due to an increase in cost per case. A net increase of \$1.9 million General Fund and \$4.4 million total funds is identified as being needed to fund caseloads, most of which is attributed to the Well Being program. The rebalance does include savings from a change in the Federal Medical Assistance Percentage (FMAP), decreasing the need for General Fund. Based on the latest federal estimates, the 2015-17 biennial average FMAP rate will increase from 64.21% to 64.37%, which reduces the state contribution and draws down additional federal dollars. This change will also affect other agency programs.

The agency's rebalance proposal included the establishment of a budget mechanism (\$19.5 million Other Funds expenditure limitation) to fully convert the General Fund budget for the Supporting, Preserving and Reunifying Families (SPRF) program into Other Funds. To avoid overstating the overall budget for this program, the approved rebalance plan does not include this adjustment. If, closer to the end of the 2015-17 biennium, DHS estimates it will underspend its General Fund budget for SPRF, the agency can request the legislature to approve paying those excess dollars into the SPRF fund (converted into Other Funds).

Technical adjustments and transfers are approved for this program, which generally align the budget between CW and support functions. A position action is included to combine two part-time positions into one full-time position to better meet program needs.

Vocational Rehabilitation

The budget approved by the Subcommittee for Vocational Rehabilitation (VR) reflects increases of \$3.3 million General Fund, \$8.5 million Federal Funds expenditure limitation, and 8 positions (9.89 FTE).

The fall 2015 forecast projects the 2015-17 VR caseload to be about 1% lower than the spring estimate. Any potential savings associated with fewer clients is masked by higher than projected costs per case, which have grown by 16.3% from the spring 2015 forecast. Higher costs continue to be driven by an increase in the number of clients with cognitive and psychosocial disabilities who have complex needs that are more challenging to meet.

To maintain the program and cover these costs without activating the Order of Selection (priority wait list), the program estimates needing about \$7.5 million General Fund, since base federal dollars are capped. However, the rebalance plan uses \$8.5 million in one-time federal reallocation dollars to cover these costs for the 2015-17 biennium; these resources would need to be backfilled with General Fund in the 2017-19 budget to sustain program services. Another \$1.0 million of the one-time monies would cover costs associated with implementation of the federal Workforce Innovation and Opportunities Act (WIOA).

Technical adjustments and transfers account for an increase of \$3.3 million total funds and 11 positions (9.92 FTE); the dollars and the positions are associated with moving work tied to the Governor's Executive Order 15-01 and the Employment First policy package from Intellectual and Developmental Disabilities to VR. This position increase is partially offset by other actions converting part-time positions to full-time.

Aging and People with Disabilities

For the Aging and People with Disabilities (APD) program, the Subcommittee approved budget increases of \$33.5 million General Fund, \$17.2 million Other Funds expenditure limitation, and \$119.3 million Federal Funds expenditure limitation; no position changes were needed. The increases cover all but about \$8.7 million General Fund (plus corresponding Federal Funds expenditure limitation) of the agency's current projected budget shortfall associated with caseload costs. As noted previously, it is expected that most of these costs can be addressed via an allocation from the special purpose appropriation to the Emergency Board.

Caseloads in long-term care facilities are slightly above the level funded in the legislatively adopted budget. In-home and community-based facilities' caseloads are essentially flat, while nursing facilities' caseloads are 3.2% higher. Since nursing care is more expensive, that increase is driving a need for \$7.0 million General Fund and \$23.0 million total funds. A portion of these costs are offset by net savings in nursing facility rates of \$1.8 million General Fund (\$6.0 million total funds). Rates are anticipated to be lower in the second year of the biennium based on projected bed reduction targets; rates were pegged to those targets under House Bill 2216 (2013).

A key budget driver related to APD caseloads are costs per case associated with in-home care. Labor agreements and actions required by federal regulations are increasing hourly costs, while higher acuity and need levels are influencing service levels (hours per client). For some program services, cost per case has grown by as much as 15% over the spring forecast estimate. The approved rebalance plan covers \$13.8 General Fund for overtime pay for home care workers that is being driven by federal labor regulations. Due to wage increases for these same workers, \$3,351,396 General Fund is added and is supported by an allocation from the \$10.7 million General Fund special purpose appropriation for compensation changes driven by collective bargaining for workers who are not state employees. In the approved rebalance plan, savings in community-based care are used to offset some of the in-home need.

Collective bargaining (rate increases) for adult foster care is behind an increase of \$1,241,568 General Fund (\$4.2 million total funds); this increase is also covered by an allocation from the special purpose appropriation for non-state worker collective bargaining. After allocations made in both the DHS and OHA budgets as part of Senate Bill 5701, there is \$700,147 remaining in that special purpose appropriation. It is anticipated that DHS and OHA will request this funding once outstanding bargaining issues are resolved; actual costs may vary based on outcomes.

APD's rebalance plan also includes \$4.0 million General Fund in savings due to the FMAP change noted previously, and another \$5.0 million General Fund savings tied to accessing more federal dollars for newly eligible clients.

To meet federal program requirements, the agency needs \$16.6 million Other Funds expenditure limitation for waived case management services. The approved limitation will help separately track program expenditures and receive the allowed higher match rate.

An expenditure limitation of \$7.0 million Federal Funds is included in the plan to reflect expenditures allowed under OHA's Designated State Health Program (DSHP) waiver associated with Oregon Project Independence.

Technical adjustments and transfers account for a net decrease of \$2.3 million total funds.

Intellectual and Developmental Disabilities

The rebalance changes approved by the Subcommittee for the Intellectual and Developmental Disabilities (IDD) program are increases of \$33.2 million General Fund and \$112.3 million Federal Funds expenditure limitation; positions were reduced by 11 (9.92 FTE). The increases cover all but about \$26.2 million General Fund (plus corresponding Federal Funds expenditure limitation) of the agency's current projected budget shortfall associated with caseload costs. As noted previously, it is expected that most of these costs can be addressed via an allocation from the special purpose appropriation to the Emergency Board.

Both caseloads and cost per case in IDD programs are expected to be higher than the previous forecast, driving an overall increase of \$64.6 million General Fund (\$210.3 million total funds). Caseload counts, particularly for children, are well over the spring 2015 forecast. This continues to be directly related to the K Plan, as under that state plan option services must be provided to all eligible applicants. Costs per case also continue to grow as they are driven by assessed client needs and no longer subject to any monetary caps.

The approved rebalance plan includes \$3.0 million General Fund to restore a reduction action taken during 2015-17 budget development. This amount was offered up by the agency as a reduction during session, but was attributed to the wrong program; if left in place the cut eliminates staff supporting children's programs. Participation rate changes for brokerage case management are driving an increase of \$2.1 million General Fund; the Department has a plan to improve participation rates going forward through provider training.

Labor agreements and federal rule changes also drive costs for IDD. Collective bargaining (rate increases) for adult foster care drives an increase of \$2,066,520 General Fund (\$7.0 million total funds). This change is covered by an allocation from the special purpose appropriation for non-state worker collective bargaining. Another allocation from the same source of \$2,133,480 General Fund (\$7.0 million total funds) is also approved to pay bargained wage increases for personal support workers. To address overtime rules also affecting personal support workers, \$3.2 million General Fund is added; this is part of a \$17 million General Fund need (APD and IDD combined) for this issue identified during the 2015 legislative session.

Some savings are available to help partially offset costs. In some parts of the program, Medicaid participation rates have improved and are projected to reduce General Fund spending by \$5.6 million. The change in the FMAP rate is anticipated to save \$4.6 million General Fund.

Technical adjustments and transfers reduce the IDD budget by \$4.6 million General Fund (\$6.2 million total funds) and 11 positions (9.92 FTE), most of which is moving the VR portion of the additional Employment First resources approved for 2015-17 from IDD to VR.

Program Design Services

In Program Design Services (PDS), the Subcommittee approved a decrease of \$0.2 million General Fund, an increase of \$7.6 million Other Funds expenditure limitation, an increase of \$40.9 million Federal Funds expenditure limitation, and an increase of 32 positions (13.70 FTE). These adjustments include some small technical adjustments, but the changes mostly consist of budget increases needed to cover the next phase of the agency's Integrated Eligibility (IE) information technology project.

In House Bill 5026 (2015), DHS received \$750,000 General Fund (\$7.5 million total funds) for planning to improve eligibility determination systems for non-MAGI (Modified Adjusted Gross Income) Medicaid programs. These programs primarily serve clients in the APD and IDD programs. However, after planning work and a changing information technology landscape due to implementation of OHA's OregonONEligibility (ONE) system, the project approved by the Subcommittee will enhance ONE to support eligibility determinations for the non-MAGI Medicaid programs, plus the Supplemental Nutrition Assistance Program (SNAP), Temporary Assistance for Needy Families (TANF), and Employment Related Day Care (ERDC) programs.

The additional project funding in Senate Bill 5701 is \$47.9 million total funds. When coupled with the previously authorized planning money, the overall 2015-17 project budget represents about 43% of the overall estimated project cost of \$130 million total funds. Based on current federal match estimates, about 85% of project costs will be covered by federal dollars. In House Bill 5202, the Joint Ways and Means Subcommittee on Capital Construction approved \$7.5 million in proceeds from Article XI-Q Bonds to cover the state share of the project for the current biennium. DHS estimates that the project will take 33 months to execute, with completion targeted for the end of 2018. The 2017-19 state share of the project is estimated at about \$15 million and includes debt service on the 2015-17 bonds. The staffing component of the project is 35 limited duration positions (15.83 FTE), primarily consisting of project managers and operations/policy analysts. These resources would supplement permanent employees (information technology, fiscal, policy, management) that are located in both DHS and OHA; some of these resources had been previously approved for work on other system improvement initiatives and the ONE project.

Both the Joint Committee on Ways and Means Subcommittee on Human Services and the Joint Legislative Committee on Information Management and Technology (JLCIMT) reviewed the project. The JLCIMT recommended incremental, conditional approval of the request and set out several action items, in its recommendation to the Joint Committee on Ways and Means, which were adopted. The Subcommittee approved the project with the understanding that the funding will be unscheduled until the Legislative Fiscal Office and the Chief Financial Office of the Department of Administrative Services approve rescheduling; agency compliance with the JLCIMT recommendations will be key to making expenditure limitation available. Depending on project progress and timing, the Department may be asked to report during the interim to the Emergency Board and/or JLCIMT.

Central Services

The budget adjustments, associated with technical change and transfers, included in Senate Bill 5701 for Central Services, are net decreases of \$0.3 million total funds and one position (1.00 FTE).

Shared Services

The Subcommittee approved a net decrease of \$0.8 Other Funds expenditure limitation and 10 positions (5.44 FTE) for Shared Services. Included in this adjustment is the transfer of 11 positions (7.37 FTE) from the Provider Audit Unit within the Office of Payment Accuracy and Recovery

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into OHA Central Services. This change is consistent with guidance from the federal Centers for Medicare and Medicaid Services regarding this unit's responsibility for auditing Medicaid providers.

Statewide Assessments and Enterprise-wide Costs

The budget adjustments approved by the Subcommittee include technical adjustments and transfers accounting for an increase of \$5.6 million General Fund (\$9.1 million total funds), primarily to align the assessment budget with 2015-17 policy package changes in program budget structures. There is also an adjustment to align with positions being moved to OHA from DHS Shared Services.

The approved rebalance plan includes \$118,318 General Fund (\$277,566 total funds) to cover Treasury fees. Due to an oversight during 2015-17 budget development, this line item, which is driven by the cost of banking services, was not adequately funded in the base budget. Also accounted for is an adjustment to capture and spend lease revenue, which reduces the need for both General and Federal Funds resources. To match up with the APD budget, \$2.5 million Other Funds expenditure limitation is added to support the budget mechanism for recording waived case management expenditures.

The agency's 2015-17 budget includes \$839,543 General Fund for debt service associated with the Central Abuse Management (formerly known as the Statewide Adult Abuse Data and Report-Writing System) and assumes a bond sale early in the biennium. Current project timing indicates the sale will not need to occur until spring 2017. Based on that timeframe, the debt service is eliminated because it is not needed; this savings amount is not included as a resource within the DHS rebalance plan.

JUDICIAL BRANCH

Commission on Judicial Fitness and Disability

The Subcommittee increased the General Fund appropriation for extraordinary expenses by \$172,000, equivalent to a 74.8% increase over the level of General Fund in the Commission's 2015-17 legislatively adopted budget. The funds were appropriated to pay the Commission's costs incurred from the investigation and prosecution of two charges of judicial misconduct. The action increases the General Fund appropriation for extraordinary expenses to \$189,753. The revised funding level covers the costs-to-date identified by the Commission, and provides an additional amount of approximately \$20,000 for projected Commission costs associated with the Supreme Court review of the cases. The agency will need to request additional funding later in the biennium, if the costs of completing the two current cases exceed projection, or if the Commission approves any additional cases for formal investigation. If the full appropriation is not needed, any remaining funds will be available to cover extraordinary expenses in the 2017-19 biennium. The General Fund increase was approved on a one-time basis and will be phased out in the development of the agency's 2017-19 budget.

Judicial Department

The Subcommittee approved increases in total Judicial Department expenditures of \$17,454,547. The expenditure changes include a General Fund increase of \$8,389,259. Budget adjustments include employee compensation adjustments plus the specific items identified below.

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The Subcommittee increased the General Fund appropriation for judicial compensation by \$630,000 for the 2015-17 biennium cost of providing a \$5,000 per year salary increase to all statutory judges, beginning on January 1, 2017. The salary increase is enacted by Senate Bill 1597, the 2016 session program change bill. The fiscal impact of the salary increase will increase to \$2,520,000 General Fund beginning with the 2017-19 biennium, when it will be in effect for the full biennium.

A \$200,000 General Fund increase was approved for the Oregon State Bar Legal Assistance Program (Legal Aid) for legal assistance in housing-related issues. As is the practice with unrestricted General Fund appropriations for Legal Aid, this supplemental funding is approved on a one-time basis and will be phased out in the development of the 2017-19 budget. The General Fund appropriation increases combined total 2015-17 biennium state support for Legal Aid, from both Other Funds (court filing fees) and General Fund sources, to \$12,700,000.

The Subcommittee increased the Other Funds expenditure limitation for the State Court Technology Fund (SCTF) by \$5,330,000 for costs of maintaining and supporting state court electronic systems and providing electronic service and filing services. The expenditure limitation increase largely reflects a higher rate of electronic filing of court documents than was anticipated when the Chief Justice's recommended budget was developed. The Department uses SCTF moneys to pay electronic filing charges and does not charge participating parties who file the documents. The SCTF is projected, following this authorization and the mid-biennium transfer of legacy technology fee revenues to the SCTF as required by Senate Bill 1597, to have a 2015-17 biennium ending balance exceeding \$860,000. SCTF resources are not, however, projected to cover costs in subsequent biennia without action to either increase SCTF revenues or reduce ongoing operating costs.

A \$2,800,000 Other Funds expenditure limitation increase was approved for the planning and design of a new Lane County Courthouse facility through the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). This expenditure limitation amount allows for expenditures of up to \$1.4 million of Article XI-Q bond proceeds and of up to \$1.4 million of required county matching funds for the Lane County Courthouse project. Project bonds are authorized in House Bill 5202. The approved bond authority is in addition to the bond proceeds that were previously authorized for the 2015-17 biennium: \$17.4 million for the Multnomah County Central Courthouse project, \$2.5 million for the Jefferson County Courthouse project, and \$7,875,000 for the Tillamook County Courthouse project. Debt service costs for the Article XI-Q bonds authorized for the Lane County Courthouse project are projected to total approximately \$233,000 General Fund per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until the spring of 2017, there will not be debt service payments due in the current biennium.

The approval of Article XI-Q bonds for planning and design of the Lane County Courthouse does not create or imply any commitment to provide state funds for the construction of the facility. The Subcommittee also increased the Judicial Department operations Other Funds expenditure limitation by \$45,000 for the cost of issuance of Article XI-Q bonds for planning and design of the Lane County Courthouse facility.

The Subcommittee approved the following budget note concerning courthouse funding through the Oregon Courthouse Capital Construction and Improvement Fund:

Budget Note:

The Chief Justice or his designee is requested to present a report to the Emergency Board, no later than December 2016, with a priority ranking and the projected costs of courthouse capital construction projects for which he may, within the next twelve years, request state funding support from the Oregon Courthouse Capital Construction and Improvement Fund. The report shall include recommendations for stabilizing biennial funding request amounts over the ten-year period beginning with the 2019-21 biennium.

Public Defense Services Commission

The Subcommittee increased the General Fund appropriation for the Contract and Business Services Division by \$18,834. The appropriation funds payment of a Secretary of State service charge that was omitted from the agency budget in error.

LEGISLATIVE BRANCH

The Subcommittee approved a net-zero General Fund rebalance. The adjustments include reductions to agency budgets to account for higher than anticipated reversions from the 2013-15 biennium, a \$180,000 increase for chamber improvements, and an increase of \$6.7 million in Legislative Administration for facilities projects. Unused bond proceeds of \$2.4 million are used to pay debt service in lieu of General Fund. The facilities projects will be the beginning of a \$50 million Capitol project that will make improvements to the mechanical, electrical, and plumbing systems; address security and life safety issues; and increase accessibility for people with disabilities. It is expected to take three years for all of the improvements to be completed. House Bill 5202 includes \$30 million in Article XI-Q bonds to continue the project into the 2017-19 biennium. The expenditure limitation for those bond proceeds are included in House Bill 5203, which is the bill for all capital construction limitations. The Subcommittee approved an Other Funds expenditure limitation of \$460,000 for the cost of issuance for the bonds. There is no debt service in the current biennium.

The Subcommittee also approved two new Other Funds expenditure limitations related to the Oregon Capitol Foundation. The Foundation is now a separate entity from the Legislative Administration Committee. The limitations include \$300,000 for the History Gateway and \$25,000 for expenses related to operations for the Foundation.

NATURAL RESOURCES

Department of Agriculture

The Subcommittee established a Federal Funds expenditure limitation of \$175,000 in the Administrative and Support Services program area to accommodate the awarding of a federal grant to be used for wolf depredation compensation claims, and for nonlethal preventative techniques.

The Subcommittee also increased Federal Funds expenditure limitation by \$1,700,000 and made a one-time \$539,338 General Fund appropriation as state match to pay for eradication efforts related to the Asian Gypsy Moth, a non-native invasive species, which was found in northwest Portland. The majority of the eradication project would occur during May and June of this year. On January 14, 2016, the U.S. Department of

Agriculture (USDA) notified the Department that \$1.7 million in federal funding would be made available for the eradication project. In the past, USDA has provided only 50% of eradication funding.

The Subcommittee also acknowledged that the Department anticipates increasing the wholesale seed dealer license from \$500 to \$750 in May 2016, and increasing the veterinary product registration fee from \$75 to \$100 in June 2016. The Other Funds revenues from these increases will be used, in part, to fund program compensation increases.

Columbia River Gorge Commission

The Subcommittee increased the General Fund appropriation made to the Columbia River Gorge Commission by \$11,308 to match the amount provided to the Commission by the State of Washington for the 2015-17 biennium for operational costs. Included in the \$11,308 increase is \$6,000 for costs related to a once every five year audit; this amount is considered to be one-time and is not to be included in the base budget for 2017-19 budget development. The Subcommittee also eliminated the Commission's \$5,000 Other Funds expenditure limitation provided in the adopted Oregon budget since any non-General Fund revenues received by the Commission are expended through the Washington budget.

Department of Environmental Quality

The Subcommittee approved a one-time \$100,000 General Fund appropriation for sampling, testing, and monitoring Harmful Algae Blooms. Of the total, \$30,000 will be used to purchase testing equipment so that samples do not need to be sent out of state for processing.

The Subcommittee also approved \$230,000 General Fund, on a one-time basis, to provide information for the 2017 legislative session on how a market-based carbon reduction system would work in Oregon. The money would be used to hire a full-time limited duration Operations and Policy Analyst 4 position (0.58 FTE). In addition, \$50,000 is to cover costs for an economic consultant to assist with research data and analysis. The DEQ work is to include:

- (1) Identify the type, scope, and design of the greenhouse gas emissions cap necessary to link with other jurisdictions and meet the state's greenhouse gas emissions reduction goals.
- (2) Assess how a market-based program would interact with existing programs, such as the Renewable Portfolio Standard, the Clean Power Plan, and the Clean Fuels program, and achieve the state's greenhouse gas emissions reduction goals.
- (3) Study and evaluate how existing market-based programs in other jurisdictions control leakage and how those methods might be adapted to align with Oregon's economy and business sectors.
- (4) Study and evaluate how existing market-based programs address potential impacts and benefits to disadvantaged populations and rural communities and how those methods might be adopted to Oregon.

The Subcommittee approved a \$2,500,000 General Fund appropriation to expand the Department's current Oregon Air Toxics Program. This will allow the immediate focus of increased air toxics monitoring efforts on cadmium, arsenic, and chromium hotspots in Portland, as well as, expand air toxics monitoring across the state. In addition, the increased funding will allow DEQ to develop a risk-based approach to air permitting for industrial sources through rulemaking. Over time this will allow DEQ to modify existing air permits to be risk-based. The air toxics monitoring funded through this appropriation uses moss collection and analysis to map pollution levels in Portland communities and develop maps of hot spots. This funding will allow the Department to purchase and set up two additional full air toxics monitoring stations that can be directed at areas with high levels of air toxics that are identified. A Natural Resources Specialist 3 position, three Natural Resources Specialist 2 positions, a

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Chemist 2 position, and a Chemist 3 position are added as permanent positions for the monitoring and analysis work. DEQ will also use the funding to develop, through rulemaking, an Oregon specific air toxics program that ensures industrial hot spots are sufficiently controlled. During this process, discussions with local governments about their potential roles and involvement, either formally or informally, may occur. To work on this part of the program, six permanent positions were added (Principal Executive Manager E, Program Analyst 3, Natural Resources Specialist 4, Natural Resources Specialist 3, Operations and Policy Analyst 1, and Public Affairs Specialist 2). In all, 12 permanent positions (7.00 FTE) were added, with total Personal Services costs of \$1,266,789, Services and Supplies costs, including Professional Services, of \$883,211 and \$350,000 in Capital Outlay for monitoring equipment. This program is estimated to have a 2017-19 roll-up cost of \$3,626,239 General Fund.

Department of Fish and Wildlife

The Subcommittee approved a one-time increase of \$180,000 Other Funds expenditure limitation to continue two limited-duration Natural Resource Specialist 2 positions authorized for one year in Senate Bill 5544 (2015). These two positions work with landowners to improve and protect sage grouse habitat.

Department of Forestry

The Subcommittee approved an increase of \$23,115,122 in the General Fund appropriation made to the Department of Forestry, Fire Protection Division for the payment of emergency firefighting costs associated with the 2015 forest fire season. This amount is dedicated to the following specific uses:

- Unbudgeted emergency fire costs (\$19,558,783)
- Fire protection district deductibles (\$677,886)
- Training provided to Oregon National Guard troops (\$500,000)
- Oregon State Treasury loan interest (\$323,630)
- Severity resources (\$2,054,823)

The portion of the General Fund appropriation to the Department of Forestry included above for severity resources is offset by a reduction of the same amount in the special purpose appropriation that had been established for this purpose. In addition, Other Funds expenditure limitation is increased by \$56,334,408, which includes \$55,172,387 for unbudgeted emergency fire costs and \$1,162,021 for fire protection district deductibles.

The Subcommittee approved a decrease in the General Fund appropriation of \$238,581 and a decrease in the Other Funds expenditure limitation of \$726,392 made to the Oregon Department of Forestry for the payment of debt service. These amounts were originally included in the agency's budget for the payment of debt service obligations on bonds that were anticipated to be issued at the end of the 2013-15 biennium, but were not. This is a technical adjustment to remove the excess General Fund and Other Funds expenditure limitation from the agency's budget. An increase of \$45,000 Other Funds expenditure limitation was approved for the payment of bond issuance costs related to Article XI-Q General Obligation bonds to replace an equipment warehouse for the East Lane Fire Protection District.

The Subcommittee approved a General Fund appropriation of \$704,286 and an increase in the Other Funds limitation of \$813,594 for the implementation of a procurement and payment system replacement. The new system is intended to be an end-to-end solution for the agency, replacing its current ad-hoc system of manual and semi-automated information systems and processes. The funding includes the establishment of

four, 15-month, limited-duration positions (Project Manager 3, Information Systems Specialist 6, Accountant 1, and Procurement and Contract Specialist 3). The Subcommittee approved the project with the understanding that the funding will be unscheduled until the Legislative Fiscal Office (LFO) and the Chief Financial Office of the Department of Administrative Services approve rescheduling and that the agency comply with recommendations made by the Joint Legislative Committee on Information Management Technology (JLCIMT).

Recommendations include direction that the agency proceeds through the standard Stage Gate 3 process, including updated business case and other foundational documents. The agency will ensure that the independent quality management services contractor conducts an updated risk assessment and perform quality control reviews on the documents noted above. The agency will report back to JLCIMT or Emergency Board on project status in September 2016.

Department of Land Conservation and Development

The Subcommittee approved an increase in the Other Funds expenditure limitation of \$216,000 to allow the agency to expend sub-grant funding received from the Oregon Office of Emergency Management made available through the Federal Emergency Management Agency. These funds will be used to aid in the development of local pre-disaster mitigation plans of local governments, including the cities of Albany, Medford, and Beaverton, Tillamook County, and cities within Tillamook County. A portion of this amount will be used to establish a limited duration Planner 2 position for 16 months (0.67 FTE).

Department of State Lands

In the fall of 2015, sump pumps and the associated drainage pipe failed at the Department of State Lands' headquarters building in Salem. The Department made emergency, stop-gap repairs. The Subcommittee approved a one-time \$85,919 increase to the Capital Improvement Other Funds expenditure limitation for the repairs to date. Additional permanent repairs will be needed next summer; the Department will seek another expenditure limitation increase at an Emergency Board meeting.

The Department was awarded a U.S. Environmental Protection Agency grant for Wetland Program Development in the amount of \$347,502. During the 2015 legislative session, \$133,000 in one-time Federal Funds expenditure limitation was approved and unscheduled for this grant, pending retroactive approval to apply for the grant. This amount was intended to provide sufficient expenditure limitation for work through March, 2016. The Subcommittee approved the additional \$214,502 in one-time Federal Funds expenditure limitation to enable the Department to complete the work.

A reduction in Attorney General charges to reflect reduced rates in the legislatively adopted budget was inadvertently made to the Capital Improvement limitation and should have been made to the Common School Fund limitation. Other Funds expenditure limitation is decreased by \$176,890 for the Common School Fund and an increase of the same amount is made to Capital Improvements.

Water Resources Department

The Subcommittee approved an increase in General Fund of \$705,288 to facilitate a groundwater study for the greater Harney Valley in coordination with the U.S. Geological Survey. The funding will support the establishment of a permanent Natural Resource Specialist position (\$130,288), one-time funding of \$400,000 for the drilling and construction of ten observation wells for data collection, and one-time funding of \$175,000 for the cost-sharing provisions of the groundwater study.

Oregon Watershed Enhancement Board

The Subcommittee increased the Measure 76 Lottery Funds expenditure limitation for operations by \$40,123 to pay the costs of reclassifying the Administrative Manager position from an Administrative Specialist 2 to a Principal Executive Manager A and reclassifying the Capacity Coordinator from an Operations Policy Analyst 3 to an Operations Policy Analyst 4. The reclassifications are due to increased duties that resulted from an agency reorganization. These reclassifications were reviewed and supported by Department of Administrative Services Human Resources. In addition, Measure 76 Lottery Funds expenditure limitation was increased by \$17,329 to correct an error that omitted capital mall security assessments in the legislatively adopted budget for 2015-17.

PUBLIC SAFETY

Department of Corrections

The October, 2015 male prison population forecast was as much as 200 beds higher than the April 2015 forecast, which was the basis for the 2015-17 budget. In response to the higher forecast, the Subcommittee approved \$2,558,694 General Fund and 6 new correctional officer positions (4.46 FTE) to shift the 787 Deer Ridge Correctional Institution minimum security inmates to the medium security facility, which will be operated as minimum housing. Of this amount, \$1,821,701 is a one-time expense. As the additional recently-forecasted inmates enter the system, there will be other housing units within the facility available to accommodate them. The additional costs for 200 more beds for the rest of the biennium is about \$6.9 million.

A special purpose appropriation to the Emergency Board in the amount of \$3 million can fund part of the remaining need. There will be two more forecasts before the end of the biennium, April and October 2016. Whatever unfunded amount remains can be considered as part of the Department's agency-wide budget rebalance that typically occurs during the long legislative session as part of the current biennium final statewide budget reconciliation.

In response to an investigation of housing and treatment conditions for seriously mentally ill inmates by the federal protection and advocacy entity, Disability Rights Oregon, the Department requested \$8.2 million General Fund for architectural and staffing changes. The Subcommittee approved \$3,139,557 General Fund for construction and staffing that will provide the identified inmates more out-of-cell time and increased mental health therapy and counseling. The direct appropriation includes \$1,031,676 for permanent staff, including 4 registered nurses and a project manager (3.33 FTE); reclassification of a corporal to a sergeant; and associated services and supplies. The remaining \$2,107,881 General Fund is for one-time construction expenses for a modular building for treatment and office space on the Oregon State Penitentiary grounds and for changes inside the mental health unit of the penitentiary.

In addition, a special purpose appropriation to the Emergency Board in the amount of \$2 million will be available for the Department to request as they need additional staff. Any unfunded balance can be considered as part of the Department's agency-wide budget rebalance that typically occurs during the long legislative session as part of the current biennium final statewide budget reconciliation.

The Subcommittee approved redirecting unused Junction City Correctional Institution bond funding and unneeded cost of issuance funds for various Department of Corrections bond sales to Other Funds debt service. The total Other Funds limitation is \$2,094,636.

Pilot project General Fund that was intended to be one-time is phased out from the Offender Management and Rehabilitation unit within the Department. The reduction is \$1,009,135.

Criminal Justice Commission

The Criminal Justice Commission was awarded \$370,000 in one-time grant funding from the U.S. Department of Justice, Office of Justice Programs and Bureau of Justice Assistance for technical assistance financing in support of Oregon's Justice Reinvestment implementation. The funds were made available to Oregon by a pass-through agreement with the Vera Institute of Justice, a private nonprofit research center for justice policy and practice. The funding was included in the agency's 2015-17 Federal Funds expenditure limitation, but because the Vera Institute is not a federal agency, the funding should have been included as Other Funds expenditure limitation. This technical adjustment increases Other Funds and decreases Federal Funds expenditure limitations by \$370,000.

Oregon Department of Justice

The Subcommittee approved an increase of \$254,493 Other Funds expenditure limitation for the Department of Justice (DOJ) Criminal Justice Division and the authorization of two limited duration positions (1.08 FTE) for the Fusion Center. Funding for the positions would come from two separate federal grants received by the Oregon Military Department Office of Emergency Management (State Homeland Security Program for \$121,334 and the Urban Area Security Initiative for \$133,159). The grants are one-time in nature and require no state matching funds.

The Subcommittee approved an increase of \$129,405 Other Funds expenditure limitation for the DOJ Criminal Justice Division and the authorization of one limited duration position (0.25 FTE) for a traffic safety resource prosecutor with an emphasis on marijuana. The position is funded for six months beginning in April of 2016. The source of the grant is the U.S. Department of Transportation National Highway Traffic Safety Administration received by the Oregon Department of Transportation.

The Subcommittee approved an increase of \$184,714 Other Funds expenditure limitation for the DOJ General Counsel Division and the authorization of one permanent full-time position (0.63 FTE) for a marijuana civil legal services attorney. The revenue source to support the attorney is the legal services rate billed to state agencies. The 2017-19 biennial cost of the position is \$316,891.

An increase of \$12,613,368 Federal Funds expenditure limitation for the DOJ Crime Victims Services Division, as well as the authorization of two limited duration positions (1.42 FTE) for an increase in Victim of Crime Act (VOCA) assistance funding was approved. The grant increase will add one-time funding to existing direct service/non-profit providers, district attorney prosecutor-based victim assistance programs, child assessment centers, and other system investments. These are formula grants that require no state matching funds; however, a federal requirement does require sub-grantees to provide 20% matching funds. According to the Department, for this request, no additional state funds will be required to help sub-grantees meet their matching funds requirement.

The Subcommittee approved \$676,971 General Fund for the establishment of an elder abuse program in the Criminal Justice Division. The program will be staffed by one permanent full-time Senior Assistant Attorney General (Elder Abuse Resource Prosecutor) (0.63 FTE) and two

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Criminal Investigator positions (1.25 FTE). The positions will assist local law enforcement with elder abuse cases, as well as provide statewide outreach and training. Personal services costs for the positions total \$457,573 and services and supplies costs total \$219,398. The 2017-19 biennial cost of the program is estimated to be \$1.2 million General Fund.

A change in the preliminary schedule for the DOJ Child Support Division's Child Support Enforcement Automated System (CSEAS) information technology project, which was completed after the close of the 2015 session, has increased the total cost of ownership and impacted the project's 2015-17 legislatively adopted budget, resulting in a shortfall of bonding authority, expenditure limitation(s), and cash liquidity.

The original feasibility study for the CSEAS project estimated total development costs at \$92.7 million and recurring costs after development of \$23.6 million for a total cost of ownership (TCO) of \$116.3 million (through fiscal year 2026). The rebaselined TCO is now estimated at \$122.7 million, which includes \$12 million in ongoing operations and maintenance costs. The Subcommittee approved \$3,086,760 of Other Funds expenditure limitation for project costs, which is to be financed with Article XI-Q bonds approved in House Bill 5202, and the establishment of 10 permanent part-time positions (1.31 FTE). Four reclassifications of existing permanent full-time positions was also approved.

Unless otherwise approved by the Legislature or the Emergency Board, the positions budgeted for the project are established as permanent fulltime positions under the following conditions: (a) the positions will be abolished on or before the completion of the project; (b) the positions are to remain in the CSEAS program (i.e., CSEAS summary cross reference) and may not be transferred to any other program or used for any other purpose than the development of the CSEAS project; and (c) the positions may not be included in any permanent finance plan action.

The Subcommittee appropriated \$1,161,194 in additional General Fund Debt Service to support repayment of Article XI-Q General Obligation bond proceeds approved in House Bill 5202. Other Funds expenditure limitation of \$123,240 is included for the cost of issuance of the bonds. The Subcommittee approved \$34,683 General Fund for repayment of interest costs for a short-term Treasury loan. The Department of Administrative Services was directed to unschedule \$3,086,760 Other Funds expenditure limitation (Article XI-Q bond project proceeds) and to schedule \$3,632,932 Other Funds and \$6,864,723 Federal Funds for the second quarter of calendar year 2016.

In absence of a comprehensive, integrated, and rebaselined master schedule, which is necessary to determine the project budget, and final Stage Gate 3 approval, the Subcommittee recommended a conservative, controlled release funding approach for the project. The recommendation provides full project funding through June 30, 2016, at which point the agency will need to request additional expenditure limitation from the Emergency Board. This recommendation will allow the agency to initially proceed to Stage Gate 3; however, the project should not operate for an extended period of time until "Stage Gate 3" review is officially completed and full endorsement granted. The Subcommittee adopted the Joint Legislative Committee on Information Management and Technology recommendations for the project.

The Subcommittee also approved the following budget note:

Budget Note:

The Department of Justice is to report at each meeting of the Emergency Board and the Interim Joint Committee on Information Management and Technology at each interim meeting with detailed project status reports (performance against plan) on the Child Support Enforcement Automated System (CSEAS). As part of the agency's report for the Emergency Board meeting in May of 2016, the agency is

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to: (a) justify why an advisory steering committee is an appropriate form of governance; (b) provide a detailed cost-benefit analysis of the decision to use a private vendor vs. Department of Administrative Services State Data Center; (c) provide a justification for the indirect agency administrative charges to the CSEAS project, which may need to be repurposed and used for a general project contingency fund; and (d) report on improvements to quality assurance and agency status reporting.

Oregon Military Department

The Other Funds expenditure limitation for the Community Support program was increased, on a one-time basis, by \$2,442,000 for the reimbursement of firefighting expenditures incurred during the 2015 fire season.

The 2015-17 legislatively adopted budget inadvertently made a General Fund reduction to services and supplies that should have been applied to personal services. The reduction is \$57,929 within the Administration division. Moving it to the right budget category will enable the agency to correctly build the 2017-19 budget.

The Subcommittee approved \$80,000 Other Funds expenditure limitation for the purpose of paying cost of issuance expenses associated with Article XI-Q bond authority approved for rehabilitating facilities at the Umatilla Depot site to prepare it for use as a Regional Training Center. The Umatilla site will replace the facility currently used on the Western Oregon University campus.

Department of Public Safety Standards and Training

The Subcommittee approved an increase in Other Funds expenditure limitation of \$959,000 and the addition of three limited-duration positions (1.74 FTE) to support programs and activities in the Department of Public Safety Standards and Training's (DPSST) Center for Policing Excellence, funded by an Edward Byrne Memorial Justice Assistance Grant through the Criminal Justice Commission.

The agency's Federal Funds expenditure limitation was increased by \$2,497,563. This net-zero technical correction changes a revenue-only transfer between DPSST and the Department of Justice to a pass-through expenditure, a budgetary change required in order to ensure full reimbursement of costs related to the federal High Intensity Drug Trafficking Area program operated by the state Department of Justice.

The Subcommittee increased the agency's Other Funds expenditure limitation by \$2,790,195, and authorized twelve permanent positions (8.00 FTE) to add four basic police and two basic corrections classes to the agency's training calendar to meet demand during the 2015-17 biennium.

Oregon State Police

The Subcommittee increased the agency's General Fund appropriation by \$1,320,216 and increased its Other Funds expenditure limitation by \$6,911,613 for Federal Emergency Management Agency-reimbursable expenses incurred during numerous mobilizations coordinated by the State Fire Marshal during the 2015 fire season in Oregon.

The Subcommittee increased the agency's General Fund appropriation by \$1,000,000 and authorized 12 positions (6.63 FTE) to increase staff capacity and reduce wait times and backlogs in the Firearm Instant Check System program.

TRANSPORTATION

Department of Aviation

The Subcommittee approved an increase of \$265,000 in Other Funds expenditure limitation for the Operations Division to purchase grant management software to implement and manage the agency's grant-making program established by House Bill 2075 (2015).

Department of Transportation

The Subcommittee increased the agency's Other Funds expenditure limitation by \$6,231,467 to fund road repairs and clean-up expenses at seventeen sites across the state where wildfires damaged and forced the closure of roadways during the 2015 fire season. Other Funds expenditure limitation was increased in the Local Government program by \$2,000,000 toward reconstruction of the Juntura Cut-Off Road in Harney County, and by \$51,804 for cost of issuing the Lottery Bonds to finance the project.

A net-zero technical adjustment of \$1,354,734 was approved to move cost of issuance expenditure limitation for debt associated with highway safety improvements, the Coos Bay Rail Link, and ConnectOregon VI into the correct program budgets. A second net-zero technical adjustment of \$138,433 was approved to move legislatively-approved state government service charge reductions into the correct program budgets for the 2015-17 biennium.

The Subcommittee reduced the General Fund appropriation for debt service to the Department of Transportation by \$5,194,781. A bond sale anticipated for May, 2015 was postponed until May, 2016, reducing the debt service required in the 2015-17 biennium. General Fund was also reduced by \$47,835 to reflect the completion of the Driver and Motor Vehicles' veteran information sharing project with the Department of Veterans' Affairs.



Summary of Emergency Board Action

September 2016

The Legislative Emergency Board met on September 23, 2016 and considered an agenda of 40 items. The Emergency Board approved one allocation from the general purpose Emergency Fund and established a new reservation within the general purpose Emergency Fund in the amount of \$5 million. No allocations from special purpose appropriations made to the Emergency Board were requested. Additional details on these actions are described below. After the Emergency Board actions, the unallocated and unreserved balance in the general purpose Emergency Fund is \$24.3 million. An additional \$51.8 million remains in various special purpose appropriations, including \$40 million for caseload costs or other unbudgeted expenses of the Oregon Health Authority and the Department of Human Services. Unused special purpose appropriations become available for any lawful use by the Emergency Board on December 1, 2016.

The agenda included 16 items that requested additional 2015-17 biennium authority to spend Other Funds and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$10.6 million Other Funds and \$4.2 million Federal Funds. The Emergency Board also authorized the establishment of 23 positions (10.59 FTE) and the extension of five currently existing positions (2.10 FTE).

The agenda also included nine agency reports which the Emergency Board acknowledged receiving. The Emergency Board heard 14 requests for the submission of federal grant applications (10 of which were on a consent agenda).

The following is a summary of significant Emergency Board actions taken at the September 2016 meeting:

EDUCATION

- Established a reservation of \$5 million within the general purpose Emergency Fund for the Department of Education to be distributed to school districts and Education Service Districts for the costs related to testing for elevated levels of lead in water fixtures which are used for drinking, food preparation, and other uses leading to human consumption. The distribution is anticipated to be made at the December 2016 meeting of the Emergency Board after data on the number of tests submitted is collected.
- Approved, retroactively, the submission of a federal grant application by the Higher Education Coordinating Commission to the U.S. Department of Labor in the amount of \$1,010,000 to improve Information Technology services to dislocated workers.

- Approved, retroactively, the submission of a federal grant application by the Higher Education Coordinating Commission to the U.S. Department of Labor in the amount of \$3,200,000 to grow and diversify opportunities for apprenticeship programs.

HUMAN SERVICES

- Approved, retroactively, the submission of a federal grant application by the Department of Human Services to the U.S. Department of Education in the amount of up to \$5,000,000 over five years to help prepare students with disabilities for postsecondary education and competitive integrated employment.
- Approved, retroactively, the submission of a federal grant application by the Oregon Health Authority to the Centers for Disease Control and Prevention in the amount of up to \$3,000,000

over three years to supplement the existing currently funded Prescription Drug Overdose Prevention for States Grant.

- Approved the submission of a federal grant application by the Oregon Health Authority to the U. S. Department of Agriculture in the amount of \$7,500,000 to update the Oregon Women, Infants, and Children program information technology platform.

PUBLIC SAFETY and JUDICIAL BRANCH

- Acknowledged receipt of a report by the Department of Corrections on female and male population trends and system bed capacity.
- Increased the Federal Funds expenditure limitation for the Department of Justice by \$824,282 for the Child Support Enforcement Automated System (CSEAS) project to cover expenditures through December 2016.
- Increased the Other Funds expenditure limitation for the Department of Justice by \$7,189,961 for various agency costs and approved the transfer of \$1,500,000 Other Funds expenditure limitation from the Crime Victims' Services Division to the Civil Enforcement Division, and authorized the establishment of four limited duration positions (1.50 FTE) for the General Counsel Division.
- Approved, retroactively, the submission of a federal grant application by the Department of Justice to the U.S. Department of Justice in the amount of \$1,000,000 for improving outcomes for child and youth victims of sex and labor trafficking.
- Increased the Federal Funds expenditure limitation for the Department of Public Safety Standards and Training by \$390,592 for expenditure of a grant award from the federal Assistance to Firefighters Grant Program.
- Allocated \$100,000 from the Emergency Fund to the Military Department to capitalize the Fuel Storage Facility Compatibility Fund.
- Acknowledged receipt of a report by the Judicial Department on compensation plan changes.
- Approved, retroactively, the submission of a federal grant application by the Judicial Department to the U.S. Department of Health and Human Services in the amount of \$500,000 per year for a five-year term to support activities to help meet the requirements of the Indian Child Welfare Act.

NATURAL RESOURCES

- Acknowledged receipt of report by the Department of Forestry on the 2016 fire season.
- Approved, retroactively, the submission of a federal grant application by the Department of Geology and Mineral Industries to the Federal Emergency Management Agency in the amount of \$972,670 for LIDAR acquisition, geologic hazard mapping, risk assessments, and outreach activities.
- Approved the submission of a federal grant application by the Department of Geology and Mineral Industries to the U.S. Geological Survey in the amount of \$300,000 for the 2017 State Geological Survey project.
- Increased the Federal Funds expenditure limitation for the Department of Geology and Mineral Industries by \$1,400,000 for increased LIDAR program work through federal grants and contracts for services and authorized the establishment of one limited duration position (0.38 FTE) to assist with FEMA Cooperating Technical Partners grants.
- Increased the Federal Funds expenditure limitation for the Department of State Lands by \$329,000 to implement a grant award received from the National Oceanic and Atmospheric Administration for the remodeling of the Estuarine and Coastal Sciences Laboratory.
- Increased the Other Funds expenditure limitation for the Department of State Lands by \$118,000 to implement the initial portion of an integrated assessment grant from the University of Michigan for a land use and zoning analysis for lands within the Coos Bay Estuary Management Plan.
- Approved, retroactively, the submission of a federal grant application by the Parks and Recreation Department to the U.S. Bureau of Land Management in the amount of \$20,000 for costs associated with a position to digitize archeological site forms and a position associated with the management of cultural resources.
- Acknowledged receipt of a report by the Parks and Recreation Department on workgroup recommendations for allowing all-terrain vehicle operation on state highways.

ECONOMIC and COMMUNITY DEVELOPMENT

- Increased the Other Funds expenditure limitation for the Housing and Community Services Department by \$1,286,569 and authorized the

establishment of 17 limited duration positions (8.25 FTE) for administration of Hardest Hit Funding awarded by the U.S. Department of the Treasury.

- Approved, retroactively, the submission of a federal grant application by the Department of Veterans' Affairs to the U.S. Department of Veterans' Affairs in the amount of up to \$500,000 for transportation of veterans in highly rural areas to medical appointments; and increased the Federal Funds expenditure limitation by \$500,000 to accommodate award of the grant, with the understanding the Department of Administrative Services will unschedule the limitation increase until the agency is notified that its application for the grant has been successful.
- Approved the submission of a federal grant application by the Department of Veterans' Affairs to the U.S. Department of Veterans' Affairs in the amount of up to \$150,000 for hiring and retention of nursing staff at State Veteran's Homes; increased the Federal Funds expenditure limitation by \$150,000; and increased the Other Funds expenditure limitation by \$150,000 to accommodate award of the grant and required state match, with the understanding the Department of Administrative Services will unschedule the limitation increases until the agency is notified that its application for the grant has been successful.

TRANSPORTATION

- Approved the submission of a federal grant application by the Department of Transportation to the Federal Railroad Administration in the amount of up to \$1,200,000 to install a Positive Train Control system on state-owned passenger trains.
- Approved, retroactively, the submission of a federal grant application by the Department of Transportation to the Federal Highway Administration in the amount of up to \$55,560 to develop nature-based design solutions to address coastal erosion problems.
- Acknowledged receipt of a report by the Department of Transportation on the federal REAL ID Act.

- Increased the Other Funds expenditure limitation for the Department of Aviation by \$52,680, and increased the Federal Funds expenditure limitation for the Department of Aviation by \$474,120 for costs to implement phase 1 of an update to the Oregon Aviation Plan.

CONSUMER and BUSINESS SERVICES

- Acknowledged receipt of a follow-up report by the Department of Consumer and Business Services on the 2016 and 2017 marketing and outreach plans for the Oregon Health Insurance Marketplace.
- Approved, retroactively, the submission of a federal grant application by the Department of Consumer and Business Services to the U.S. Department of Health and Human Services for the planning and implementation of insurance market reforms, and increased the Federal Funds expenditure limitation by \$97,749 for the implementation of the federal grant.
- Increased the Other Funds expenditure limitation for the Board of Psychologist Examiners by \$85,000 for costs associated with administrative hearings and Attorney General fees.

ADMINISTRATION

- Increased the Other Funds expenditure limitation for the Department of Revenue by \$368,735 and authorized the increase of full-time equivalents by 2.10 FTE for the Senior Citizens' and Disable Citizens' Property Tax deferral program.
- Acknowledged receipt of a report by the Department of Administrative Services on compensation plan changes.
- Acknowledged receipt of a report by the Department of Administrative Services on the state's certificates of participation and Article XI-G general obligation bond debt service savings as a result of refinancing.
- Authorized the establishment of one permanent Accounting Technician 3 position (0.46 FTE) for the Department of Administrative Services to provide payroll functions for the Department of Consumer and Business Services.
- Increased the Other Funds expenditure limitation for the Public Employees Retirement System by \$381,074 for a third party information security assessment.

- Acknowledged receipt of a report by the Public Employees Retirement System on a statutory review for simplifying and reducing the costs of the statutory benefits structure and its administration.
- Increased the Other Funds expenditure limitation for the Oregon Liquor Control Commission by \$920,000 to address unanticipated structural defects and remediate hazards discovered during the course of work to repair and replace sections

of roof at Oregon Liquor Control Commission facilities.

LEGISLATIVE BRANCH

- Increased the Other Funds expenditure limitation for the Legislative Administration Committee by \$60,000 for costs associated with the operational expenses of the Oregon State Capitol Foundation.

Emergency Fund Balance Summary			Agency Requests	Emergency Board Action
General Purpose Emergency Fund				
	Appropriation (after 2016 Session adjustments)		32,000,000	32,000,000
	Allocations to date		(2,550,923)	(2,550,923)
Unallocated Balance			29,449,077	29,449,077
	Reservations (within General Purpose)		5,000,000	5,000,000
	Reservations allocated to date			
Unallocated Reservations			5,000,000	5,000,000
#	September 2016 Requests - General Purpose			
41	Legislative Fiscal Office for the Department of Education - Reservation for Lead Testing in K-12 Schools		(5,000,000)	(5,000,000)
42	Legislative Fiscal Office for the Military Department - Fuel Storage Facility Compatibility Fund Capitalization		(100,000)	(100,000)
	Total Requests - General Purpose		(5,100,000)	(5,100,000)
General Purpose Unallocated/Unreserved Balance after 09/2016			24,349,077	24,349,077
Special Purpose Appropriations - Agency Specific (after 2016 Session actions)			63,255,445	63,255,445
	Allocations/Transfers to Date		(11,468,805)	(11,468,805)
Unallocated Balance			51,786,640	51,786,640
#	September 2016 Requests - Special Purpose Appropriations - Agency Specific			
	None		0	0
	Total Requests - Special Purpose - Agency Specific		0	0
Special Purpose - Agency Specific - Unallocated Balance after 09/2016			51,786,640	51,786,640



Summary of Emergency Board Action

December 2016

The Legislative Emergency Board met on December 14, 2016 and considered an agenda of 34 items. The Emergency Board approved five allocations from the Emergency Fund, including one from a reservation established at the Board's September 2016 meeting. Five allocations from special purpose appropriations made to the Emergency Board were approved. The Board also approved a request made by the Legislative Fiscal Office to consolidate all unallocated special purpose appropriations into the Emergency Fund. Typically, special purpose appropriations not used by a specified date become available for any purpose allowed by the Emergency Board. The unused amounts are consolidated for ease of access during the next legislative session. After the Emergency Board actions in December, the unallocated Emergency Fund balance (including the \$7.7 million in transferred unused special purpose appropriations) is \$28.3 million.

The agenda included 11 items that requested additional 2015-17 biennium authority to spend Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$381 million Other Funds (\$339 million for the Oregon Health Authority rebalance), \$8.1 million Federal Funds, and \$0.3 million Lottery Funds. The Emergency Board also authorized the establishment of six permanent positions (11.18 FTE).

The agenda included ten agency reports which the Emergency Board acknowledged receiving. The Emergency Board also heard 4 requests for the submission of federal grant applications, all of which were approved.

The following is a summary of significant Emergency Board actions taken at the December 2016 meeting:

EDUCATION

- Allocated \$2,058,554 from a reservation established within the Emergency Fund for the Department of Education to be distributed to school districts and Education Service Districts for the costs related to testing for elevated levels of lead in water fixtures which are used for drinking, food preparation, and other uses leading to human consumption.
- Allocated \$1,414,193 from the Emergency Fund to the Higher Education Coordinating Commission for a grant to Portland Community College for completion of the final five quarters of the program for former nursing students of the ITT Technical Institute in Portland.
- Approved, retroactively, the submission of a federal grant application by the Department of Education to the U.S. Department of Education for an Enhanced Assistance Grant to develop an

alternative science assessment for students with severe cognitive disabilities; the agency was notified that it did not receive the grant after submitting the request to the Emergency Board.

- Increased the Other Funds expenditure limitation for the Teacher Standards and Practice Commission by \$358,049 for increased fingerprinting, legal, and credit card related costs.

HUMAN SERVICES

- Allocated \$10,624,903 from a special purpose appropriation made to the Emergency Board to the Department of Human Services for caseload costs or other budget challenges, increased the agency's Other Funds expenditure limitation by \$6,706,289, increased the Federal Funds expenditure limitation by \$226,939, and authorized the establishment of one permanent

position (0.25 FTE) to rebalance the Department's 2015-17 budget.

- Allocated \$29,375,097 from a special purpose appropriation made to the Emergency Board to the Oregon Health Authority for caseload costs or other budget challenges, increased the agency's Other Funds expenditure limitation by \$338,848,484, approved other transfers between appropriations and expenditure limitations, with the understanding that the Department of Administrative Services will unschedule \$751,500,655 Federal Funds limitation, and authorized the establishment of five permanent positions (10.93 FTE) to rebalance the agency's 2015-17 budget.
- Allocated \$659,392 from the Emergency Fund to the Department of Administrative Services for distribution to the University of Oregon, Lane Community College, and the Lane County Health Department for expenses incurred as a result of the meningitis vaccination program in Lane County.
- Acknowledged receipt of a report from the Oregon Health Authority on the new behavioral health investments.
- Acknowledged receipt of a report from the Department of Human Services on program sustainability options and actions.

PUBLIC SAFETY and JUDICIAL BRANCH

- Allocated \$596,000 from the Emergency Fund to the Department of Public Safety Standards and Training to pay for emergency repairs to fire life safety systems, and deferred consideration of a request to fund additional training classes until the 2017 legislative session.
- Increased the Other Funds expenditure limitation for the Department of Justice by \$1,804,679 and the Federal Funds expenditure limitation by \$5,647,521 for the Child Support Enforcement Automated System (CSEAS) project to cover expenditures through June 2017.
- Approved, retroactively, the submission of a federal grant application by the Department of Justice to the U.S. Department of Justice and increased the Federal Funds expenditure limitation by \$1,342,520 for expenses related to the Umpqua Community College shooting incident.
- Approved, retroactively, the submission of a federal grant application by the Department of

Public Safety Standards and Training to the U.S. Department of Homeland Security in the amount of \$500,000 for the purchase of a mobile fire training unit.

- Acknowledged receipt of a report from the Department of Corrections on female and male prison population trends and system bed capacity.
- Allocated \$2,000,000 from a special purpose appropriation made to the Emergency Board to the Department of Corrections to reduce isolation and improve the care of seriously mentally ill adults in custody in the Behavioral Health Unit at the Oregon State Penitentiary.
- Denied a request by the Department of Corrections for an allocation of \$3,800,000 from the Emergency Fund to reactivate the Oregon State Penitentiary Minimum Security Facility by June 2017 in order to provide a second women's prison to accommodate the current prison population and the anticipated population growth reflected in the October 2016 prison population forecast.
- Allocated \$4,055,962 from the Emergency Fund to the Public Defense Services Commission for trial-level public defense costs.
- Acknowledged receipt of a report from the Public Defense Services Commission on compensation plan changes.
- Acknowledged receipt of a report from the Judicial Department on potential courthouse capital construction project funding requests.

NATURAL RESOURCES

- Acknowledged receipt of a report from the Department of Forestry on the 2016 fire season, allocated \$1,768,628 from a special purpose appropriation made to the Emergency Board for fire severity, increased the Other Funds expenditure limitation by \$10,178,762 for the processing of payments for fire season costs, and recommended that General Fund appropriations of \$6,791,209 for large fire costs, \$333,568 for interest expenses, and \$532,278 for district deductible costs be included in an early 2017 session budget rebalance bill.
- Increased the Federal Funds expenditure limitation for the Parks and Recreation Department by \$500,000 for a grant to the Southern Oregon Land Conservancy.

- Increased the Other Funds expenditure limitation for the Parks and Recreation Department by \$865,953 and the Lottery Funds expenditure limitation by \$288,651 for the expenditure of funds to pay for the repair of damages due to December 2015 storm events.
- Increased the Other Funds expenditure limitation for the Department of State Lands by \$3,709,000 for ongoing legal and professional services costs related to the Portland Harbor Superfund Site.
- Approved, retroactively, the submission of a federal grant application by the Department of Geology and Mineral Industries to the U.S. Geologic Survey in the amount of \$162,818 for the collection of LIDAR data in the Upper John Day area.
- Increased the Other Funds expenditure limitation for the Oregon Watershed Enhancement Board by \$65,000 for a grant to Tillamook County.

ECONOMIC and COMMUNITY DEVELOPMENT

- Increased the Federal Funds expenditure limitation for the Oregon Business Development Department by \$421,875 for the State Trade Expansion program.

TRANSPORTATION

- Approved the transfer of \$180,000,000 in excess Other Funds expenditure limitations from the Department of Transportation's Bridge and Local Government programs to the Preservation, Safety/Operations, and Modernization programs to meet the agency's projected expenditure limitation needs for the Statewide Transportation Improvement Program.

CONSUMER and BUSINESS SERVICES

- Acknowledged receipt of a report from the Department of Consumer and Business Services on workers' compensation premium assessment rates.

ADMINISTRATION

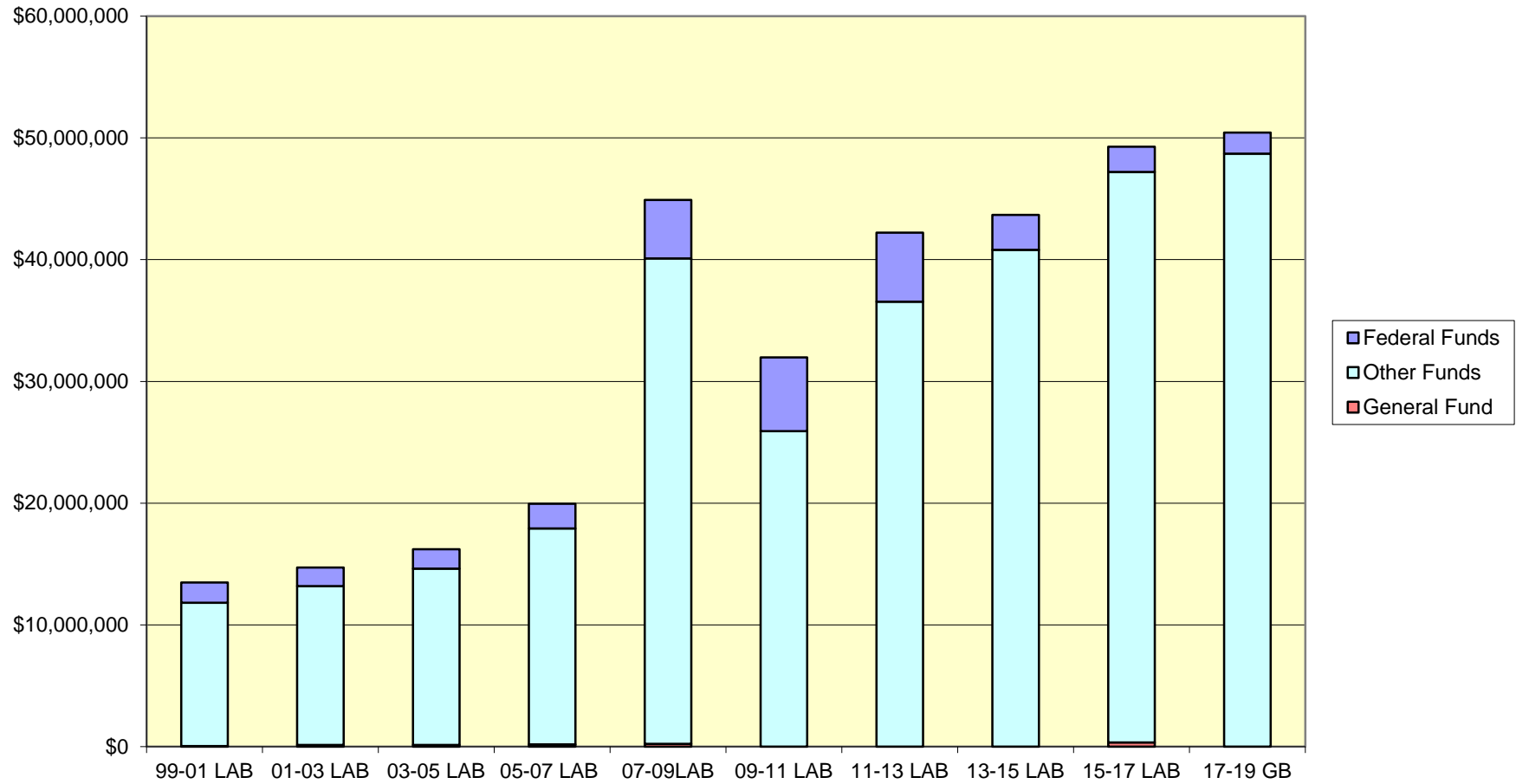
- Allocated \$324,782 from a special purpose appropriation made to the Emergency Board to the Secretary of State for payments to counties for the costs associated with maintaining voter registration records.
- Approved the transfer of \$5,750,000 Other Funds expenditure limitation from the Department of Administrative Services' Enterprise Technology Services to the Office of the State Chief Information Officer, increased the Other Funds expenditure limitation for the Office of the State Chief Information Officer by \$6,975,000, and increased the Other Funds expenditure limitation by \$11,501,225 for Enterprise Technology Services for expenditures related to the consolidation of IT security functions, costs of implementing a new telephone system, and accommodating growth in data storage and licensing costs at the state data center.
- Acknowledged receipt of a report from the Department of Administrative Services on compensation plan changes.
- Acknowledged receipt of a report from the Department of Administrative Services on the status of the information technology procurement management program.
- Acknowledged receipt of a report from the Department of Revenue on the Property Valuation System.

LEGISLATIVE BRANCH

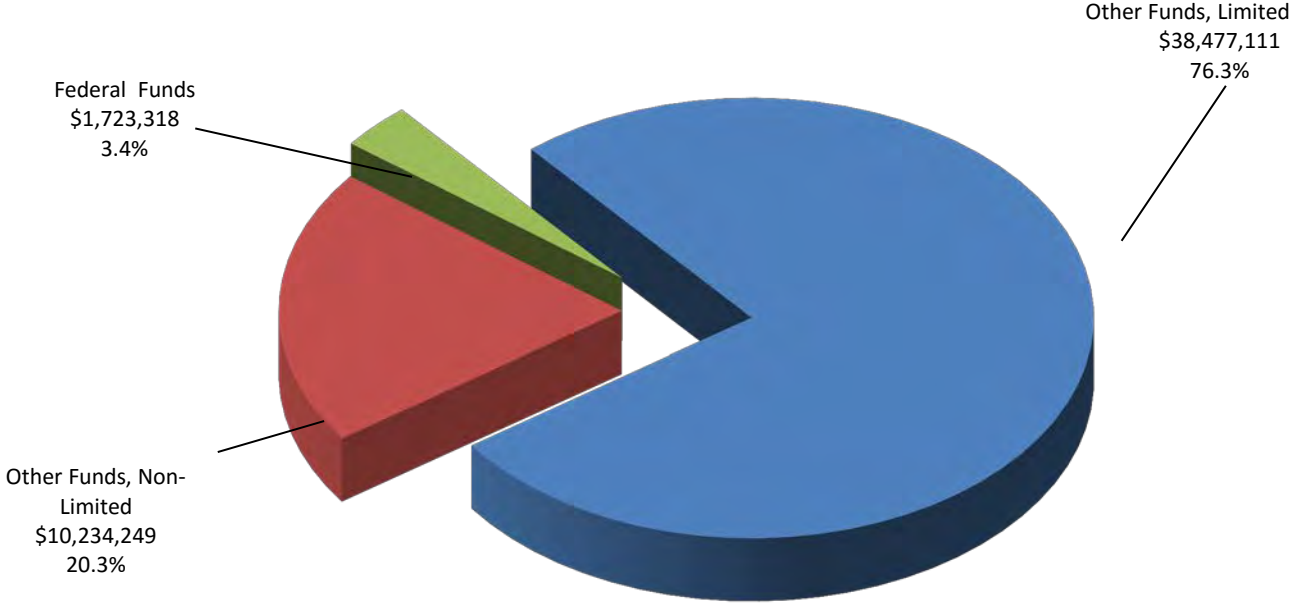
- Approved the transfer of \$7,693,230 from unallocated balances of special purpose appropriations made to the Emergency Board to the Emergency Fund legal citation resulting in an Emergency Fund ending balance of \$28,258,206.

Emergency Fund Balance Summary		
	Agency Requests	Full Committee Action
General Purpose Emergency Fund		
Appropriation (after 2016 Session adjustments)	32,000,000	32,000,000
Allocations to date	(2,650,923)	(2,650,923)
Unallocated Balance	29,349,077	29,349,077
Reservations (within General Purpose)	5,000,000	5,000,000
Reservations allocated to date	0	0
Unallocated Reservations	5,000,000	5,000,000
# December 2016 Requests - General Purpose		
5 Public Defense Services Department - Trial Level Public Defense Costs	(4,055,962)	(4,055,962)
7 Department of Education - Lead Testing in School Water Systems (from Reservation)	(5,000,000)	(2,058,554)
9 Higher Education Coordinating Commission - Nursing Student Program at Portland Community College	(1,589,193)	(1,414,193)
10 Department of Human Services - 2015-17 Budget Rebalance	(13,072,892)	0
12 Oregon Health Authority - 2015-17 Budget Rebalance	(38,597,132)	0
13 Oregon Health Authority - University of Oregon Meningitis Outbreak (Department of Administrative Services)	0	(659,392)
15 Department of Public Safety Standards and Training - Life Safety Systems Emergency Repairs	0	(596,000)
21 Department of Corrections - Re-activating Oregon State Penitentiary Minimum Facility for Women Inmates	(3,824,977)	0
27 Department of Forestry - 2016 Fire Season Costs and Insurance (see SPA)	(12,083,999)	0
37 Legislative Fiscal Office - Transfer of Unused Special Purpose Appropriation to Emergency Fund	7,693,230	7,693,230
Total Requests - General Purpose	(70,530,925)	(1,090,871)
General Purpose Unallocated/Unreserved Balance after 12/2016	(41,181,848)	28,258,206
Special Purpose Appropriations - Agency Specific (after 2016 Session actions)		
Allocations/Transfers to Date	(11,468,805)	(11,468,805)
Unallocated Balance	51,786,640	51,786,640
# December 2016 Requests - Special Purpose Appropriations - Agency Specific		
1 Secretary of State - Voter Registration Record Costs	(324,782)	(324,782)
10 Department of Human Services - 2015-17 Budget Rebalance	0	(10,624,903)
12 Oregon Health Authority - 2015-17 Budget Rebalance	0	(29,375,097)
20 Department of Corrections - Behavioral Health Unit	(2,000,000)	(2,000,000)
27 Department of Forestry - 2016 Fire Season Costs and Insurance (see General Purpose)	(1,768,628)	(1,768,628)
37 Legislative Fiscal Office - Transfer of Unused Special Purpose Appropriation to Emergency Fund	(7,693,230)	(7,693,230)
Total Requests - Special Purpose - Agency Specific	(11,786,640)	(51,786,640)
Special Purpose - Agency Specific - Unallocated Balance after 12/2016	40,000,000	0

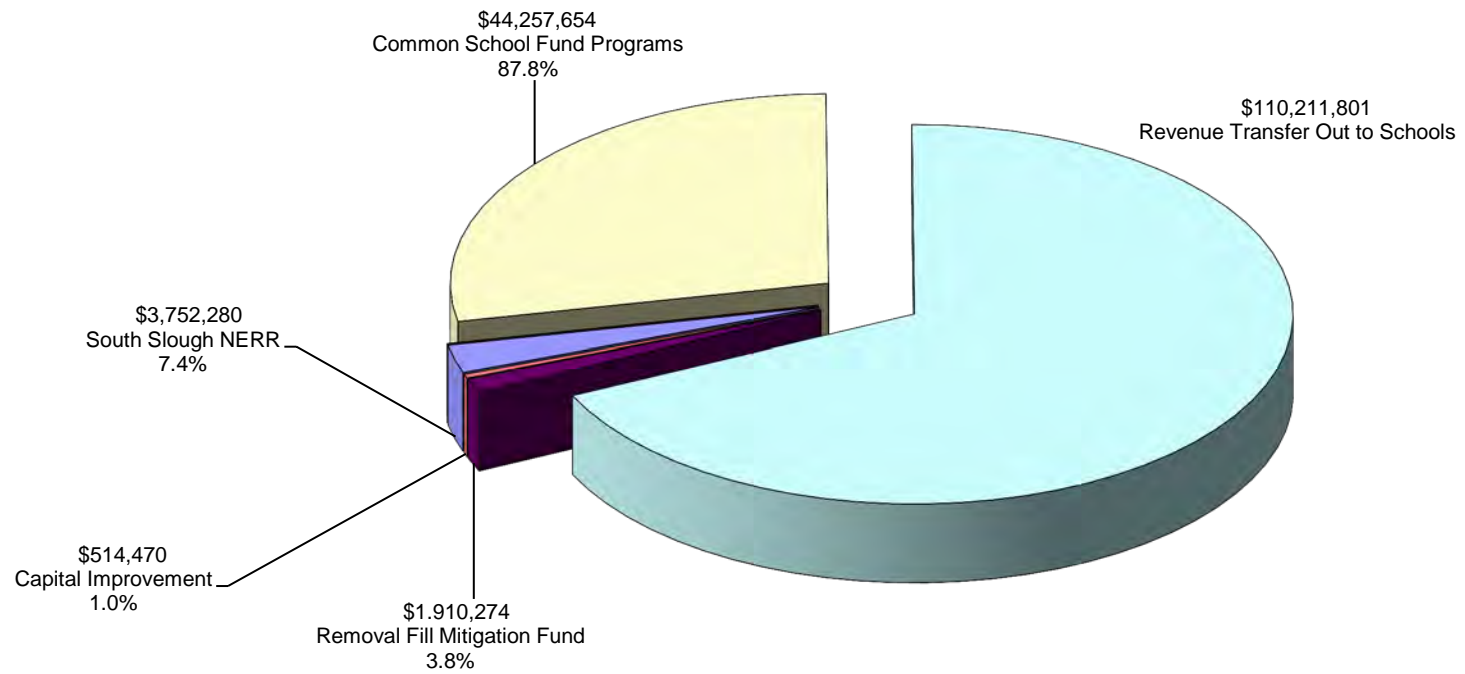
Department of State Lands Budget History -- Agency Wide



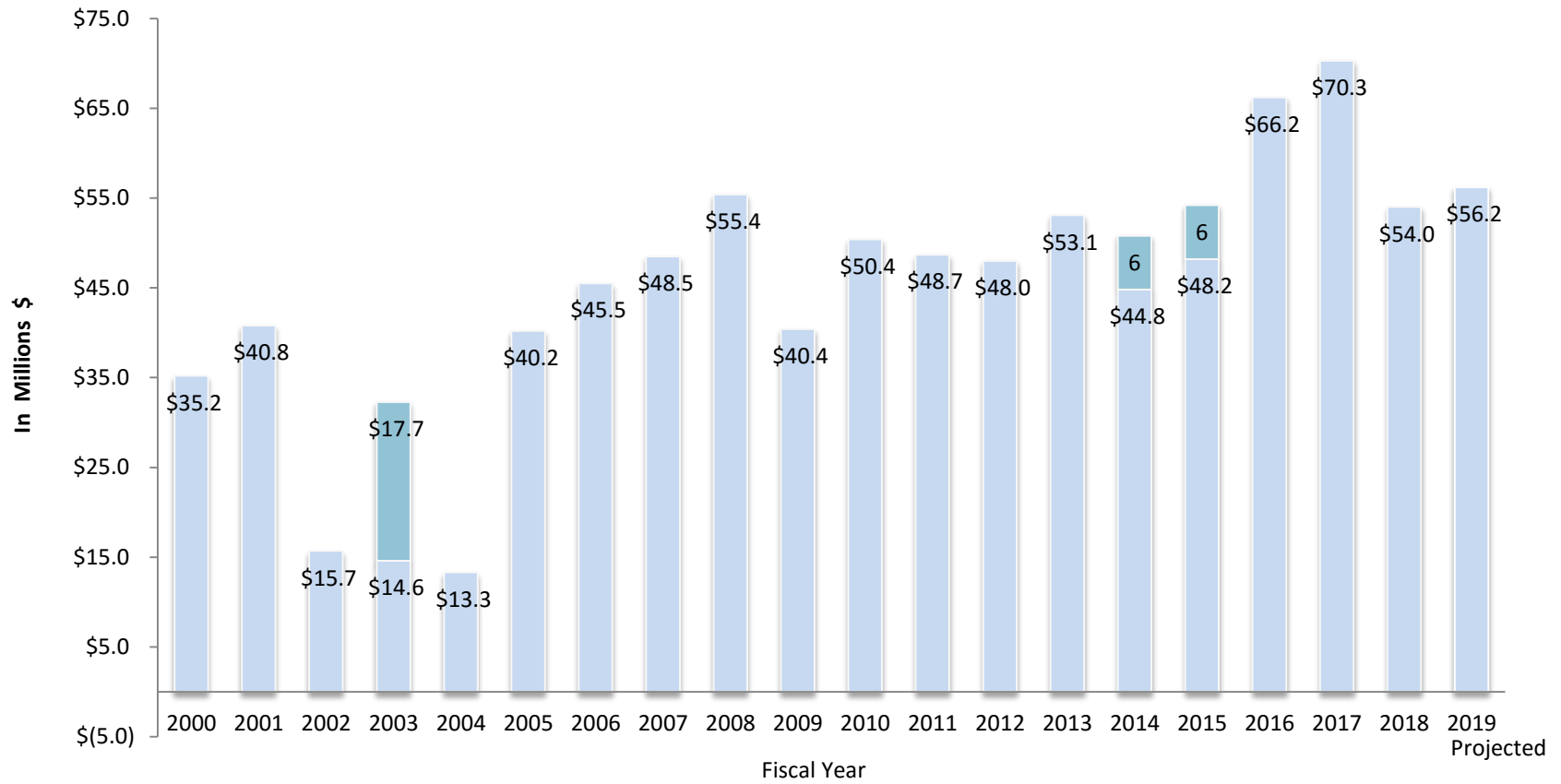
**Department of State Lands
Expenditures by Fund
2017-19 Governor's Budget**
(including packages)



**Department of State Lands
Expenditures: All Funds
2017-19 Governor's Budget**
(with Packages)



Common School Fund Distribution to Schools



* A special one-time distribution of accumulated statutory revenues

BUDGET NARRATIVE

OREGON DEPARTMENT OF STATE LANDS AGENCY SUMMARY

State Land Board

The Oregon Department of State Lands is the administrative arm of the State Land Board. Established by the Oregon Constitution in 1859, the Land Board has been composed of the Governor, Secretary of State and State Treasurer throughout its history. The Board is responsible for overseeing the state's Common School Fund for the purpose of funding public education. Real property management (state lands granted under the Oregon Admission Act), unclaimed property held in trust, and estates escheated to the state are programs under the authority of the Department that provide monies for the Common School Fund. The fund's earnings are used for semiannual distributions to public K-12 schools, and to pay for a portion of the operating expenses for agency administration.

Over time, the Oregon Legislature assigned various responsibilities to the agency, including administering the state's unclaimed property program (1957), and administering the estates of people who die without a will and without known heirs. The Department is protecting state wetlands and waterways by administering the removal-fill law (1967); the wetland conservation law (1989), and by serving as the state partner for the South Slough National Estuarine Research Reserve (1974).

Agency Mission and Statutory Authority

The mission of the Department of State Lands (DSL) is to ensure a Common School Fund legacy through sound management of our trust responsibilities and protection of waters of the state. The agency's authorities include:

General/Agency

Oregon Admission Act (Sections 1, 2 and 4)
Oregon Constitution (Article VIII, Sections 2, 4, 5 and 7)
ORS 273.006 – 551; 273.715 – 994: state lands generally
ORS 541.890 – 935: Oregon Plan for Salmon and Watersheds

Common School Fund

ORS 327.403 – 484

Common School Fund Property

ORS 98: unclaimed property
ORS 703.401 – 470: truth verification and deception detection; investigators
ORS 111 – 116: probate law, intestate successions and wills, estate proceedings, estates administration
ORS 293.490: payment upon death, if estate not in probate
ORS 270: real property
ORS 271: use of public lands
ORS 273.006 – 551; 273.715 – 994: state lands
ORS 517.420 – 440: mining leases

BUDGET NARRATIVE

ORS 530.110: revenues from forestlands
ORS 530.450 – 520: CSF forestlands
ORS 758.010: authority to construct lines and facilities
ORS 777.347: consent for annexations

Aquatic Resources

ORS 196.795 – 990: removal-fill permits
ORS 196.600 – 692: wetlands protection
ORS 215.418: approval of development on wetlands
ORS 227.350: wetlands development
ORS 390.835: removals and fills in State Scenic Waterways
ORS 274: submersible and submerged lands
ORS 274.400 – 412: navigability of lakes and rivers
ORS 543: hydroelectric projects

South Slough National Estuarine Research Reserve

ORS 273.553 – 558

Oregon Administrative Rules

Chapter 141 contains the rules that govern the Department
Chapter 142 governs the South Slough National Estuarine Research Reserve.

Agency Strategic Plan/Two-Year Plan

The **Department of State Lands' Strategic Plan** includes six goals to guide the work of the Land Board and Department:

- Goal 1:** Deliver consistent, timely and dependable public service in all of our interactions, and make it a priority to reach out to our customers to understand their needs.
- Goal 2:** Manage Common School Fund real property to meet trust obligations, consistent with the conservation of the resource under sound techniques of management.
- Goal 3:** Serve as trustee for unclaimed property, and for estates with no will and no known heirs.
- Goal 4:** Protect Oregon's waters through administering the state's removal-fill and wetlands conservation laws, and protecting public trust values on state-owned waterways.
- Goal 5:** Provide leadership and administrative oversight in support of the South Slough National Estuarine Research Reserve's mission to improve the understanding and stewardship of Pacific Northwest estuaries and coastal watersheds. *Note: South Slough is a separate program narrative.*

BUDGET NARRATIVE

On an annual basis, each of the goals is measured against specific Key Performance Measures approved by the Oregon Legislature and tracked by DSL staff. In addition to the high-level goals described in DSL's 2012-2016 Strategic Plan, the agency has also developed detailed strategies and actions within the Strategic Plan that guides the biennial work of the staff.

Agency Program Descriptions

The Department of State Lands includes the following program areas: Director's Office, Common School Fund Property, Aquatic Resource Management, Business Operations and Support Services, and the South Slough National Estuarine Research Reserve. The agency has 109 FTEs (including six limited duration positions). The bulk of DSL's funding is Other Funds generated by the agency's program activities and Common School Fund investment returns. Some Federal Funds support wetlands assessment work and South Slough operations and projects.

Program descriptions below are tied to the agency's Strategic Plan goals. The Director's Office and Business Operations and Support Services (central services) are included at the end.

Goal 1 – Deliver consistent, timely and dependable public service (agency-wide goal)

Over the past several biennia, DSL has focused on improving both external and internal customer relations through a variety of means, including:

- Targeted electronic communications and public outreach
- Customer-focused initiatives, and measuring customer satisfaction biennially
- Improved Web-based tools for staff and customers, including GIS and State Land Inventory resources
- Public online access to DSL permits and authorizations, as well as Web-based application processes
- Streamlined accounting procedures, including electronic invoice approvals
- Business Process Mapping project for agency processes to identify and rectify process gaps and redundancies
- Public involvement through advisory committees for a variety of rulemaking efforts
- Special public outreach events for controversial projects, including the permit applications for the proposed Jordan Cove LNG facility and pipeline, and the ownership transfer protocol for Common School lands within the Elliott State Forest

Many of these include improved communications systems that have saved the agency money while allowing the public to interact more quickly and efficiently with the agency. DSL expects to offer more online services in the 2017-19 biennium, as well as continue to engage the public in its work. In 2016, DSL began the process to migrate its public website to a more user- and mobile-friendly format.

The agency conducts biennial customer service surveys to measure its customer satisfaction. The KPM target, established by DAS, is 93 percent of DSL customers rating our services as excellent or good. Data from 2014 surveys show that DSL continues to improve overall customer service ratings: 84.6 percent rank the agency's customer service as good or excellent, up from 72 percent in 2007, the first year of conducting customer surveys.

BUDGET NARRATIVE

Starting in 2013 with the agency's management staff, all DSL employees have been trained in *The Speed of Trust* program, which focuses on building trust among staff and with external customers. The end goal is to create a culture of trust within the Department of State Lands that extends to the public we serve.

In 2014, the agency launched a Business Process Mapping project primarily targeting removal-fill and waterways proprietary procedures. The project identified and rectified gaps and redundancies in these programs' processes. The effort has grown to include work on agency customer relations, and has incorporated focus groups with key stakeholders to gain insight into process improvements from the customer's viewpoint. Website and other improvements have been and will continue to be made based on this customer input.

Goal 2 – Manage Common School Fund real property to meet trust obligations (Common School Fund Property)

The Common School Fund Property Program oversees the management of about 1.5 million acres of trust lands (shown below), plus an additional 32,000 acres of various types of statutory uplands, and 767,000 acres sub-surface ownership of mineral and energy resources.

Common School trust lands managed by DSL

Forestlands	121,973 acres
Agricultural Lands	5,726 acres
Rangelands	601,031 acres
Industrial/Commercial/Residential	6,668 acres
Mineral and Energy Resources	767,092 acres
Special Stewardship Lands	5,526 acres

From DSL's FY 2015 Annual Report on Common School Fund Real Property

Common School Fund real property – currently valued at an estimated \$678 million – is managed primarily to generate revenue for the Common School Fund. In FY 2015, these lands generated total net program revenues of \$645,896 for the Common School Fund. Though expenses outpaced revenue on Common School lands within the Elliott State Forest by \$820,109, harvest on other trust forestlands resulted in net positive program revenues of \$190,422 from the forest land class category.

In 2014 and 2015, the Department worked with the State Land Board and gathered extensive public input to develop a solution for all Common School lands within the Elliott State Forest (about 82,500 acres total). At their August 2015 meeting, the Board approved a Protocol to seek qualified plans for alternative ownership of this property. The goals are to compensate the Common School Fund for the fair market value of the property, and preserve certain public benefits of the forest (public access, jobs, preservation of older growth trees, and protection of riparian areas for fish). About 50 entities have indicated an interest in the Protocol, and the project is on track to potentially transfer to a new owner by the end of 2017.

BUDGET NARRATIVE

As directed by the *Real Estate Asset Management Plan*, the agency aims to rebalance the Common School Fund real property portfolio to “create investment capital through acquiring assets with high performance potential and strategically disposing of selected [lower-performing] assets.” The intent of this repositioning of real property assets is to generate anticipated returns of income and appreciation that are in excess of the ten-year average returns for the Common School Fund. The plan provides management direction for DSL’s various land classes, and identifies performance measurement tools to monitor returns on those lands.

In FY 2015, land and mineral sales resulted in net program revenues totaling \$1,898,030 deposited into the land revolving account, a sub-account of the Common School Fund.

The Real Property Section is managed out of the agency’s Bend field office, and is comprised of 10 positions (10 FTE). Executive Team oversight of this Section is under the Deputy Director of the Operations Division who reports to the Director. Staff carries out all real property management activities related to implementation of the *2012 Real Estate Asset Management Plan*. The \$12,177,715 in gross revenues in the 2013-2015 biennium covered the costs of all property management activities (including land and mineral sales revenues), with excess revenues deposited into the Common School Fund.

Because of reduced forestry revenues, the Real Property Section does not expect to meet the two KPMs listed below:

- 36 percent of revenues used to cover administrative costs
- 3 percent annual increase in revenues from timber harvests

As stated in the *Real Estate Asset Management Plan*, DSL is directed to:

- Create a consistent and growing stream of revenue to increase annual distributions to schools
- Rebalance the portfolio and create reinvestment capital through acquiring assets with high performance potential and strategically disposing of selected assets
- Ensure that rates for leases and other authorizations are reviewed and set at market values
- Assure that proposed investment in existing real property assets will yield targeted returns on the investment

Additional actions will focus on:

- Improving efficiencies and effectiveness with real property management, and ensuring fair and timely decisions
- Concluding the Protocol to transfer ownership of the Common School Lands within the Elliott State Forest to another entity
- Improving data collection and reporting on state-owned real property assets

Funding Source: Other Funds

BUDGET NARRATIVE

Goal 3 – Serve as trustee for unclaimed property, and for estates with no will and no known heirs (Common School Fund Property)

Under Oregon's Unclaimed Property Act, DSL holds in custody abandoned property such as bank accounts, lost securities and uncashed checks. Holders of these funds – such as businesses and financial institutions – must remit them to DSL, generally after three years, if efforts to contact the owners have failed. Tangible personal property, primarily from abandoned safe deposit boxes, is held for a minimum of one year, and then publicly auctioned.

All unclaimed property, including the proceeds from auctions and the sale of stocks and mutual funds, are held in the Common School Fund. Currently over \$500 million in the fund is unclaimed property held in trust. Earnings from this portion of the fund are used to pay for the administrative and operational costs of the program and are part of the semi-annual distribution to schools. Unclaimed property is held forever for claim by owners and their heirs.

In FY 2015, the Unclaimed Property Section's 10 staff received and recorded \$51.5 million in unclaimed financial assets and processed 18,833 claims totaling \$22 million. In 2015, DSL also improved electronic reporting processes for holders of unclaimed funds. The program continues to refine its owner search capabilities, including advanced techniques for amounts of \$250 or more, to reunite property with rightful owners more efficiently.

The Department also administers estates for people who die without a will and without known heirs. DSL searches for heirs, inventories and protects estate assets, and processes estates as the personal representative. If no heirs are found after 10 years, the assets permanently escheat to the state and become part of the Common School Fund.

In FY 2015, three full-time estates staff handled 372 cases, an average of seven per week. As of June 30, 2015, nearly \$7 million was pending permanent escheat to the Common School Fund from estates. The program's administrative and operational costs are covered by estate administrative fees and earnings from the Common School Fund.

Both sections will strive to improve outreach and training for their constituencies and increase compliance with Oregon's unclaimed property and estates laws in 2017-19. Streamlining administrative procedures also will continue to be a primary focus.

Funding Source: Other Funds

Goal 4 – Protect Oregon waters through administering the removal-fill and wetlands conservation laws, and protecting public trust values on state-owned waterways (Aquatic Resource Management)

The Aquatic Resource Management program is organized around two focus areas: 1) Field Operations and 2) Planning and Policy development and implementation. Field Operations is organized into geographic teams to align with Regional Solutions Team areas. Each regional team includes the following functions: removal-fill permits, aquatic resource planning and waterway authorizations. The specialist

BUDGET NARRATIVE

charged with the Department's coordination of the Portland Harbor Superfund cleanup is part of Field Operations. The Planning and Policy unit houses specialists in aquatic resource mitigation, removal-fill policies, aquatic resource planning, and proprietary waterway policies.

Removal-Fill Regulation: Staff implements Oregon's removal-fill law, balancing wetland and waterway conservation and stewardship with private property rights and economic development. They assist landowners, consultants and others in obtaining permits for removal-fill activities in waterways, wetlands, the Pacific Ocean and other waters of the state, and monitor permits for compliance with permit conditions. Staff enforces the removal-fill law regarding violations of permit conditions and unauthorized activities. In FY 2015, DSL processed 839 permits, which included 479 online permits for placer (gold) mining in streams. In recent years, the number of permits issued has been down due to the economic downturn, though recently this trend has started to reverse, especially in the Portland Metro area.

Over the past several biennia, DSL has made a concerted effort to improve permit application processes and help the public better understand permit decisions and requirements:

- In 2011, the agency published the online *Removal-Fill Guide*, which provides easy-to-understand guidance on permits in such areas as pre-planning, wetland avoidance, wetland mitigation, working with DSL and exemptions.
- The Department is developing new administrative rules to create a voluntary wetland planning tool for communities. Using this tool, communities can make strategic decisions about wetland protection, development and mitigation in advance of individual projects, thereby streamlining future removal-fill permitting. This effort was piloted with the Cascades West Council of Governments for 19 industrial sites in Linn and Benton Counties, and is currently being used in The Dalles for six industrial sites.
- In 2016, DSL initiated rulemaking on several topics related to removal-fill permits: 1) developing a new General Permit for routine maintenance dredging of existing marinas, boat basins, terminals and channels for navigational access; 2) placer mining within Essential Salmon Habitat; 3) developing a new permit for restoration activities that mimic beaver dams; 4) updating ocean renewable energy rules; and 5) expediting authorizations for certain projects that involve removal-fill in vernal pool wetlands in Jackson County.

Aquatic Resource Planning: DSL provides public information about wetlands and helps local governments with wetland inventories and planning. Staff help property owners determine when permits are needed, and provide technical review of wetland delineations (maps) submitted to the agency for concurrence. Educational outreach efforts help Oregon work toward the statewide benchmark of "no net loss of wetlands" and to facilitate early identification and solutions for potential wetland constraints by local governments and development entities. Federal grants have recently supported development and refinement of the Oregon Rapid Wetland Assessment Protocol. In FY 2015, staff processed 274 delineation report reviews, 257 wetland determinations, and 360 wetland land use notices.

Mitigation Program: DSL's two mitigation specialists oversee programs that offer mitigation options for permit holders who must replace lost wetland and waterway functions, including the wetland mitigation banking program and state and federal "in-lieu-fee" programs.

BUDGET NARRATIVE

A mitigation bank is large-scale wetland and/or stream restoration project that may be used to provide mitigation for multiple development projects. State and federal regulatory and economic development agencies encourage banks because they can provide greater ecological benefits and are more efficient to manage than multiple smaller mitigation projects. Mitigation banks can be a profitable business venture where there is a suitable project site, skilled practitioners, and market demand. Sales of mitigation credits can be a source of funding to restore natural areas to be enjoyed by wildlife as well as nearby landowners.

There are currently 23 active mitigation banks in Oregon including: 17 private-sector banks, 7 public banks (5 operated by the Oregon Department of Transportation, 1 by the City of Eugene, and 1 by the City of Salem). There is one additional bank that is under development. There have been initial conversations and we expect to see several new bank proposals in the Portland Harbor area, intended to offset historic waterway impacts. There are currently five banks which have sold all their credits and closed. The number and range of mitigation banks has grown continually since the program started in 1995, but there are still many locations in the state that are underserved.

The in-lieu fee program generates revenue for the Oregon Removal-Fill Mitigation Fund to provide funds for wetland and waterways projects where no commercial mitigation bank exists. The federally approved In-Lieu-Fee Program is selling credits in five areas of the state.

One and a half of DSL's mitigation specialist FTEs are supported through removal-fill permit fees, enforcement revenue and Common School Fund statutory monies. The other .5 FTE is supported from the Removal-Fill Mitigation Fund.

Waterway Leasing and Authorizations: At statehood, Oregon was granted title to navigable waterways to preserve “public trust rights” (navigation, fishing, commerce and recreation) along these waterways – about 1.3 million acres total. DSL administers the waterway leasing program which issues leases, easements, registrations and other authorizations for structures on state submerged and submersible lands in navigable and tidally influenced waterways. The statutory revenue from waterways is used to fund statutory program expenses.

The Aquatic Resource Management program is comprised of 33 positions/33 FTE and is managed by the Deputy Director of the Operations Division who reports to the Director. Three managers – Planning and Policy Manager and two Field Operations Managers – oversee staff in each program area. The Field Operations Managers are assisted by regional team lead workers. Permit fees and enforcement revenue cover about five percent of the total costs for this program; another 45 percent of costs are covered by Common School Fund revenues derived from the management of statutory lands; and the remaining 50 percent of the costs are covered by Common School Fund investment earnings.

In 2015-17, the program expects to meet or exceed its Key Performance Measures which include the following targets:

- Average 60 days for permit decisions and wetland delineation reviews
- Resolve 50 percent of removal-fill violations and permit non-compliance issues annually
- Average 22 days for wetland land-use notice responses
- Obligate 100 percent of Mitigation Bank Fund monies within one year

BUDGET NARRATIVE

Additional actions will focus on:

- Improving permit processes through implementing recommendations from DSL's business process mapping project
- Ensuring fair, timely decisions
- Stepping up outreach and education efforts to increase wetland avoidance
- Meeting the state's no-net-loss-of wetlands standard
- Providing leadership for local governments on wetland planning and conservation
- Increasing permit monitoring and compliance and violation enforcement
- Providing technical assistance for Regional Solutions Teams and the Economic Recovery Review Council
- Improving data collection and reporting
- Improving and refining tools for aquatic resource functional assessment and evaluation

Funding Source: Other Funds (fees and CSF); Federal Funds (wetland grants)

Goal 5 – Provide leadership and administrative oversight for the South Slough National Estuarine Research Reserve (Director's Office; Business Operations and Support Services; South Slough)

DSL administers the Reserve near Coos Bay, which includes about 1,000 acres of open water and tidelands, plus 5,000 acres of uplands. The Reserve was established in 1974 in partnership with the National Oceanic and Atmospheric Administration, and is one of 28 reserves nationwide managed for research, education and stewardship of estuarine ecosystems and coastal watersheds. The DSL director chairs the South Slough Management Commission. South Slough staff consists of 16 positions/16 FTE, including the manager. About 40 percent of the operating and administrative costs are covered by federal grant funding, with the remaining 60 percent covered by Common School Fund investment earnings.

Funding Source: Federal Funds and Other Funds

Central Services

Director's Office: Oversees administrative responsibilities for the State Land Board and directs the operation of DSL, under the Land Board's purview. Responsibilities of the Director include making recommendations to the Land Board and Legislature; approving policies, plans and the agency budget; directing the agency's legislative activities; directing the agency's strategic planning process; and supervising the agency's top management. The agency's public information and policy functions are housed in the Director's Office.

The Director serves as chair of the South Slough Management Commission and supervises the agency's two Deputy Directors, the Executive Assistant/Secretary of the Land Board, the Public Information Manager, and two Senior Policy and Legislative Analysts. The internal auditing function is managed by the Director's Office. The Director's Office consists of 7 positions/7 FTE.

Funding Source: Other Funds

BUDGET NARRATIVE

Business Operations and Support Services (BOSS): This program is responsible for agency-wide support functions, as well as for oversight of DSL-managed funds and audits. The program also provides budget, accounting, HR and IT support to the Land Use Board of Appeals. The Deputy Director of Administration oversees budget, grants and contracts; the Human Resources program; Fiscal Services; IT functions (including GIS support); administrative support services; agency rulemaking; DSL's business continuity planning; and Key Performance Measures. The BOSS consists of 30 positions/30 FTE.

Funding Source: Other Funds

Environmental Factors

- Litigation related to protection of threatened and endangered species within the Elliott State Forest has severely curtailed timber harvests in the forest. Forestry expenses outpacing revenues is a situation that is not expected to change in the 2017-19 biennium and beyond, and is therefore the impetus for developing the Protocol to seek new ownership for the property. Listed species (threatened and endangered) also has the potential to affect management decisions and development on other real property across the state.
- The expenses for maintaining real property assets – environmental cleanups, fire suppression, maintaining the headquarters building in Salem, rangeland improvements – all come from CSF revenue; maintaining a sustainable expense-to-revenue ratio is critical and requires continual monitoring, evaluation and adaptive management.
- Unknown costs of the state's liability in the Portland Harbor Superfund Site cleanup could affect the CSF potentially starting in the 2017-19 biennium if Natural Resource Damage claims are identified and settled. Currently the actual cleanup costs are projected to not be assigned until 2017; however, defense preparation costs continue to be charged to the CSF.
- Selling carbon credits or other ecosystem services, as well as continued leases for alternative energy sites on Common School Fund real property, are potential future revenue sources.
- Users and customers of many DSL programs pay only a fraction of the cost of the important services provided by the agency. The balance of those cost are covered by CSF investment earnings, which has the potential to effect the long-term growth of the CSF and future distributions.

Common School Fund earnings:

- Stock market conditions affect the investment earnings of the fund, and ultimately distributions to schools.
- Long-term planning for sustaining CSF distributions over time is critical.

Wetlands and waterways protection:

- Economic upturns could generate increased permit applications and wetland delineation concurrence requests. Without adequate staff, processing timelines and decision-making could be affected.
 - Continued involvement in the Economic Recovery Review Council and priority projects for the Regional Solutions Teams will protect Oregon waters while facilitating economic development.
-

BUDGET NARRATIVE

Unclaimed Property and Estates:

- A more mobile population can result in more unclaimed property, as well as challenges in locating owners. However, the Department has been successful in using more sophisticated locating tools to find rightful owners and heirs.

South Slough National Estuarine Research Reserve:

- While the economic instability that has occurred over the past several biennia can raise concerns that the federal share of the Reserve's operating costs may become unreliable, and consequently place greater strain on the Common School Fund, the reality is that federal funding remains relatively stable.
- The valuable science and educational programs provided at the Reserve have some commonalities with Oregon's higher educational institutions with robust natural resource programming. DSL and South Slough management are currently in discussions with the University of Oregon and Oregon State University to explore alternative partnership and host-site models.
- Reserve staff continually seeks outside funding sources to further support the work of the Reserve.

Agency Initiatives and Accomplishments

The Department of State Lands is comprised of diverse program areas, many of which touch on the Governor's 2017-19 priorities:

- We work with the State Land Board, Oregon Investment Council, Department of Education and education advocacy organizations to ensure sustainable management of and distributions from the Common School Fund to Oregon's 197 K-12 public school districts – *A Seamless System of Education*
- We administer regulatory and proprietary programs to preserve the important ecological functions of Oregon's wetlands and waterways, and protect public trust rights on navigable lakes, rivers and streams – *Responsible Environmental Stewardship*
- We continually strive to improve and streamline our regulatory processes and rules, and to involve the public in process improvement efforts – *A Thriving Oregon Economy; Excellence in State Government*

Many of the agency's current and future initiatives are focused on Oregon's environment, including:

- Continuing to explore the potential to sell carbon credits and other ecosystem services on Common School Fund lands (*KPM 3: increase in revenues from land management*)
- Seeking opportunities to develop alternative energy on Common School Fund lands (*KPM 3: increase in revenues from land management*)
- Investing in Common School Fund rangelands, including potential development of rangeland for irrigated agriculture where appropriate (*KPM 3: increase in revenues from land management*)
- Protecting wetlands and waterways while streamlining the permit process (*KPM 5: no net loss of wetlands and KPM 17: best practices*)
- Providing leadership for cleanup activities on state-owned waterways in the Portland Harbor (*KPM 17: best practices*)

BUDGET NARRATIVE

Other initiatives focus more directly on increasing revenue for the Common School Fund:

- Finalizing the in-lieu lands process with the federal government to provide Oregon all acreage due the state since statehood (*KPM 3: increase in revenues from land management; KPM 17: best practices*)
- Determining a sustainable, long-term management approach for Common School Fund lands within the Elliott State Forest (*KPM 2a: program revenue streams used to cover operational costs of forestlands*)
- Investing in improvements to real property assets and divesting of lower-performing property to increase revenue generation (*KPM 3: increase in revenues from land management*)

The following initiatives will provide better customer service or help reduce paperwork for DSL services:

- Offering electronic reporting for holders of unclaimed property (*KPM 12: increase amount of unclaimed property reported and KPM 13: customer service*)
- Implementing electronic processing for simple waterway registrations (*KPM 3: increase revenues from land management and KPM 13: customer service*)

Agency Criteria for 2017-19 Budget Development

DSL developed this budget considering the Governor's planning priorities; Land Board policies; the agency's Strategic Plan; the Real Estate Asset Management Plan; Key Performance Measures; workload requirements; and emerging issues identified by staff and partners.

In addition, we considered the following basic themes related to the agency mission:

- Increase revenue production and receipts into the Common School Fund; protect CSF assets for the long term
- Apply sound natural resource stewardship
- Act as fiduciary in protecting citizens' unclaimed property and administering estates
- Incorporate sustainability practices in all agency actions and day-to-day operations
- Improve customer and public service; streamline service delivery

And finally, we considered the following financial and administrative parameters:

- An estimated 20% of the agency operating budget is funded from the Common School Fund investment earnings; thus cost containment is a key component of stewardship of the Fund. Activities that result in less earnings going towards school funding must be carefully considered.
- There are no major new revenue sources under the agency's existing statutory authorities/constraints. However, 40% of tax revenue from recreational marijuana sales is directed to be deposited into the CSF.
- Electronic file systems and more efficient processes will reduce costs and provide better service to our customers.

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Lands, Dept of State
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-000-00-000000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2015-17 Leg Adopted Budget	110	109.00	48,151,349	328,228	-	35,792,955	1,795,917	10,234,249	-
2015-17 Emergency Boards	-	-	1,114,439	17,854	-	825,018	271,567	-	-
2015-17 Leg Approved Budget	110	109.00	49,265,788	346,082	-	36,617,973	2,067,484	10,234,249	-
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(7)	(6.00)	(169,671)	(310,381)	-	107,104	33,606	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	103	103.00	49,096,117	35,701	-	36,725,077	2,101,090	10,234,249	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(68,292)	-	-	(68,292)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	25,246	(10,701)	-	31,703	4,244	-	-
Subtotal	-	-	(43,046)	(10,701)	-	(36,589)	4,244	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(8,395,210)	(25,000)	-	(7,977,708)	(392,502)	-	-
Subtotal	-	-	(8,395,210)	(25,000)	-	(7,977,708)	(392,502)	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	531,946	-	-	521,460	10,486	-	-
State Gov't & Services Charges Increase/(Decrease)			108,355	-	-	108,355	-	-	-

Summary of 2017-19 Biennium Budget

Lands, Dept of State
Lands, Dept of State
2017-19 Biennium

Governor's Budget
Cross Reference Number: 14100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	640,301	-	-	629,815	10,486	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	103	103.00	41,298,162	-	-	29,340,595	1,723,318	10,234,249	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Lands, Dept of State
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-000-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2017-19 Current Service Level	103	103.00	41,298,162	-	-	29,340,595	1,723,318	10,234,249	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	103	103.00	41,298,162	-	-	29,340,595	1,723,318	10,234,249	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(132,276)	-	-	(132,276)	-	-	-
092 - Statewide AG Adjustment	-	-	(135,354)	-	-	(135,354)	-	-	-
101 - Portland Harbor Clean Up	1	1.00	8,326,537	-	-	8,326,537	-	-	-
102 - Historical Filled Lands Project	2	1.83	395,660	-	-	395,660	-	-	-
103 - Trust Land Management	1	1.00	181,148	-	-	181,148	-	-	-
104 - S&S Land Enhancement Fund	-	-	100,000	-	-	100,000	-	-	-
105 - Sage Grouse Monitoring	1	0.50	72,225	-	-	72,225	-	-	-
106 - Shared Services Implementation	-	-	-	-	-	-	-	-	-
107 - Vehicle Replacement	-	-	80,576	-	-	80,576	-	-	-
108 - Regional Team Office Space	-	-	48,000	-	-	48,000	-	-	-
109 - Funding Nearshore Research & Monitoring	-	-	-	-	-	-	-	-	-
110 - Headquarters Building Maintenance	-	-	200,000	-	-	200,000	-	-	-
Subtotal Policy Packages	5	4.33	9,136,516	-	-	9,136,516	-	-	-

Summary of 2017-19 Biennium Budget

Lands, Dept of State
 Lands, Dept of State
 2017-19 Biennium

Governor's Budget
 Cross Reference Number: 14100-000-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Total 2017-19 Governor's Budget	108	107.33	50,434,678	-	-	38,477,111	1,723,318	10,234,249	-
Percentage Change From 2015-17 Leg Approved Budget	-1.82%	-1.53%	2.37%	-100.00%	-	5.08%	-16.65%	-	-
Percentage Change From 2017-19 Current Service Level	4.85%	4.20%	22.12%	-	-	31.14%	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Common School Fund
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-010-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2015-17 Leg Adopted Budget	94	92.50	41,900,820	328,228	-	31,160,026	178,317	10,234,249	-
2015-17 Emergency Boards	-	-	750,080	17,854	-	517,724	214,502	-	-
2015-17 Leg Approved Budget	94	92.50	42,650,900	346,082	-	31,677,750	392,819	10,234,249	-
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	(7)	(6.00)	(245,572)	(310,381)	-	65,126	(317)	-	-
Estimated Cost of Merit Increase			-	-	-	-	-	-	-
Base Debt Service Adjustment			-	-	-	-	-	-	-
Base Nonlimited Adjustment			-	-	-	-	-	-	-
Capital Construction			-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	87	86.50	42,405,328	35,701	-	31,742,876	392,502	10,234,249	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(55,004)	-	-	(55,004)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	18,079	(10,701)	-	28,780	-	-	-
Subtotal	-	-	(36,925)	(10,701)	-	(26,224)	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(7,586,291)	(25,000)	-	(7,168,789)	(392,502)	-	-
Subtotal	-	-	(7,586,291)	(25,000)	-	(7,168,789)	(392,502)	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	430,671	-	-	430,671	-	-	-
State Gov't & Services Charges Increase/(Decrease)			108,355	-	-	108,355	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Common School Fund
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-010-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal	-	-	539,026	-	-	539,026	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	87	86.50	35,321,138	-	-	25,086,889	-	10,234,249	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Common School Fund
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-010-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2017-19 Current Service Level	87	86.50	35,321,138	-	-	25,086,889	-	10,234,249	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	87	86.50	35,321,138	-	-	25,086,889	-	10,234,249	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	(132,276)	-	-	(132,276)	-	-	-
092 - Statewide AG Adjustment	-	-	(135,354)	-	-	(135,354)	-	-	-
101 - Portland Harbor Clean Up	1	1.00	8,326,537	-	-	8,326,537	-	-	-
102 - Historical Filled Lands Project	2	1.83	395,660	-	-	395,660	-	-	-
103 - Trust Land Management	1	1.00	181,148	-	-	181,148	-	-	-
104 - S&S Land Enhancement Fund	-	-	100,000	-	-	100,000	-	-	-
105 - Sage Grouse Monitoring	1	0.50	72,225	-	-	72,225	-	-	-
106 - Shared Services Implementation	-	-	-	-	-	-	-	-	-
107 - Vehicle Replacement	-	-	80,576	-	-	80,576	-	-	-
108 - Regional Team Office Space	-	-	48,000	-	-	48,000	-	-	-
109 - Funding Nearshore Research & Monitoring	-	-	-	-	-	-	-	-	-
110 - Headquarters Building Maintenance	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	5	4.33	8,936,516	-	-	8,936,516	-	-	-

Summary of 2017-19 Biennium Budget

Lands, Dept of State
Common School Fund
2017-19 Biennium

Governor's Budget
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Total 2017-19 Governor's Budget	92	90.83	44,257,654	-	-	34,023,405	-	10,234,249	-
Percentage Change From 2015-17 Leg Approved Budget	-2.13%	-1.81%	3.77%	-100.00%	-	7.40%	-100.00%	-	-
Percentage Change From 2017-19 Current Service Level	5.75%	5.01%	25.30%	-	-	35.62%	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Oregon Wetlands Revolving Fund
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-013-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2015-17 Leg Adopted Budget	-	0.50	1,821,439	-	-	1,821,439	-	-	-
2015-17 Emergency Boards	-	-	2,306	-	-	2,306	-	-	-
2015-17 Leg Approved Budget	-	0.50	1,823,745	-	-	1,823,745	-	-	-
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	21,623	-	-	21,623	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	-	0.50	1,845,368	-	-	1,845,368	-	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Non-PICS Personal Service Increase/(Decrease)	-	-	986	-	-	986	-	-	-
Subtotal	-	-	986	-	-	986	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	63,920	-	-	63,920	-	-	-
Subtotal	-	-	63,920	-	-	63,920	-	-	-
040 - Mandated Caseload									

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Oregon Wetlands Revolving Fund
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-013-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	-	0.50	1,910,274	-	-	1,910,274	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Oregon Wetlands Revolving Fund
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-013-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2017-19 Current Service Level	-	0.50	1,910,274	-	-	1,910,274	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	-	0.50	1,910,274	-	-	1,910,274	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Portland Harbor Clean Up	-	-	-	-	-	-	-	-	-
102 - Historical Filled Lands Project	-	-	-	-	-	-	-	-	-
103 - Trust Land Management	-	-	-	-	-	-	-	-	-
104 - S&S Land Enhancement Fund	-	-	-	-	-	-	-	-	-
105 - Sage Grouse Monitoring	-	-	-	-	-	-	-	-	-
106 - Shared Services Implementation	-	-	-	-	-	-	-	-	-
107 - Vehicle Replacement	-	-	-	-	-	-	-	-	-
108 - Regional Team Office Space	-	-	-	-	-	-	-	-	-
109 - Funding Nearshore Research & Monitoring	-	-	-	-	-	-	-	-	-
110 - Headquarters Building Maintenance	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Lands, Dept of State
Oregon Wetlands Revolving Fund
2017-19 Biennium

Governor's Budget
Cross Reference Number: 14100-013-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Total 2017-19 Governor's Budget	-	0.50	1,910,274	-	-	1,910,274	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	4.74%	-	-	4.74%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
South Slough National Estuarine
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-030-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2015-17 Leg Adopted Budget	16	16.00	3,579,730	-	-	1,962,130	1,617,600	-	-
2015-17 Emergency Boards	-	-	99,244	-	-	42,179	57,065	-	-
2015-17 Leg Approved Budget	16	16.00	3,678,974	-	-	2,004,309	1,674,665	-	-
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	54,278	-	-	20,355	33,923	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	16	16.00	3,733,252	-	-	2,024,664	1,708,588	-	-
Essential Packages									
010 - Non-PICS Pers Svc/Vacancy Factor									
Vacancy Factor (Increase)/Decrease	-	-	(13,288)	-	-	(13,288)	-	-	-
Non-PICS Personal Service Increase/(Decrease)	-	-	6,181	-	-	1,937	4,244	-	-
Subtotal	-	-	(7,107)	-	-	(11,351)	4,244	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	-	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	26,135	-	-	15,649	10,486	-	-
Subtotal	-	-	26,135	-	-	15,649	10,486	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
South Slough National Estuarine
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-030-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	16	16.00	3,752,280	-	-	2,028,962	1,723,318	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
South Slough National Estuarine
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-030-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2017-19 Current Service Level	16	16.00	3,752,280	-	-	2,028,962	1,723,318	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	16	16.00	3,752,280	-	-	2,028,962	1,723,318	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Portland Harbor Clean Up	-	-	-	-	-	-	-	-	-
102 - Historical Filled Lands Project	-	-	-	-	-	-	-	-	-
103 - Trust Land Management	-	-	-	-	-	-	-	-	-
104 - S&S Land Enhancement Fund	-	-	-	-	-	-	-	-	-
105 - Sage Grouse Monitoring	-	-	-	-	-	-	-	-	-
106 - Shared Services Implementation	-	-	-	-	-	-	-	-	-
107 - Vehicle Replacement	-	-	-	-	-	-	-	-	-
108 - Regional Team Office Space	-	-	-	-	-	-	-	-	-
109 - Funding Nearshore Research & Monitoring	-	-	-	-	-	-	-	-	-
110 - Headquarters Building Maintenance	-	-	-	-	-	-	-	-	-
Subtotal Policy Packages	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

Lands, Dept of State
 South Slough National Estuarine
 2017-19 Biennium

Governor's Budget
 Cross Reference Number: 14100-030-00-00-00000

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Total 2017-19 Governor's Budget	16	16.00	3,752,280	-	-	2,028,962	1,723,318	-	-

Percentage Change From 2015-17 Leg Approved Budget	-	-	1.99%	-	-	1.23%	2.91%	-	-
Percentage Change From 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Capital Improvements
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-088-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
2015-17 Leg Adopted Budget	-	-	849,360	-	-	849,360	-	-	-
2015-17 Emergency Boards	-	-	262,809	-	-	262,809	-	-	-
2015-17 Leg Approved Budget	-	-	1,112,169	-	-	1,112,169	-	-	-
2017-19 Base Budget Adjustments									
Net Cost of Position Actions									
Administrative Biennialized E-Board, Phase-Out	-	-	-	-	-	-	-	-	-
Estimated Cost of Merit Increase	-	-	-	-	-	-	-	-	-
Base Debt Service Adjustment	-	-	-	-	-	-	-	-	-
Base Nonlimited Adjustment	-	-	-	-	-	-	-	-	-
Capital Construction	-	-	-	-	-	-	-	-	-
Subtotal 2017-19 Base Budget	-	-	1,112,169	-	-	1,112,169	-	-	-
020 - Phase In / Out Pgm & One-time Cost									
021 - Phase - In	-	-	-	-	-	-	-	-	-
022 - Phase-out Pgm & One-time Costs	-	-	(808,919)	-	-	(808,919)	-	-	-
Subtotal	-	-	(808,919)	-	-	(808,919)	-	-	-
030 - Inflation & Price List Adjustments									
Cost of Goods & Services Increase/(Decrease)	-	-	11,220	-	-	11,220	-	-	-
Subtotal	-	-	11,220	-	-	11,220	-	-	-
040 - Mandated Caseload									
040 - Mandated Caseload	-	-	-	-	-	-	-	-	-
050 - Fundshifts and Revenue Reductions									
050 - Fundshifts	-	-	-	-	-	-	-	-	-
060 - Technical Adjustments									

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Capital Improvements
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-088-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
060 - Technical Adjustments	-	-	-	-	-	-	-	-	-
Subtotal: 2017-19 Current Service Level	-	-	314,470	-	-	314,470	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Capital Improvements
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-088-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Subtotal: 2017-19 Current Service Level	-	-	314,470	-	-	314,470	-	-	-
070 - Revenue Reductions/Shortfall									
070 - Revenue Shortfalls	-	-	-	-	-	-	-	-	-
Modified 2017-19 Current Service Level	-	-	314,470	-	-	314,470	-	-	-
080 - E-Boards									
080 - May 2016 E-Board	-	-	-	-	-	-	-	-	-
Subtotal Emergency Board Packages	-	-	-	-	-	-	-	-	-
Policy Packages									
081 - September 2016 Emergency Board	-	-	-	-	-	-	-	-	-
090 - Analyst Adjustments	-	-	-	-	-	-	-	-	-
091 - Statewide Adjustment DAS Chgs	-	-	-	-	-	-	-	-	-
092 - Statewide AG Adjustment	-	-	-	-	-	-	-	-	-
101 - Portland Harbor Clean Up	-	-	-	-	-	-	-	-	-
102 - Historical Filled Lands Project	-	-	-	-	-	-	-	-	-
103 - Trust Land Management	-	-	-	-	-	-	-	-	-
104 - S&S Land Enhancement Fund	-	-	-	-	-	-	-	-	-
105 - Sage Grouse Monitoring	-	-	-	-	-	-	-	-	-
106 - Shared Services Implementation	-	-	-	-	-	-	-	-	-
107 - Vehicle Replacement	-	-	-	-	-	-	-	-	-
108 - Regional Team Office Space	-	-	-	-	-	-	-	-	-
109 - Funding Nearshore Research & Monitoring	-	-	-	-	-	-	-	-	-
110 - Headquarters Building Maintenance	-	-	200,000	-	-	200,000	-	-	-
Subtotal Policy Packages	-	-	200,000	-	-	200,000	-	-	-

Summary of 2017-19 Biennium Budget

**Lands, Dept of State
Capital Improvements
2017-19 Biennium**

**Governor's Budget
Cross Reference Number: 14100-088-00-00-00000**

<i>Description</i>	<i>Positions</i>	<i>Full-Time Equivalent (FTE)</i>	<i>ALL FUNDS</i>	<i>General Fund</i>	<i>Lottery Funds</i>	<i>Other Funds</i>	<i>Federal Funds</i>	<i>Nonlimited Other Funds</i>	<i>Nonlimited Federal Funds</i>
Total 2017-19 Governor's Budget	-	-	514,470	-	-	514,470	-	-	-
Percentage Change From 2015-17 Leg Approved Budget	-	-	-53.74%	-	-	-53.74%	-	-	-
Percentage Change From 2017-19 Current Service Level	-	-	63.60%	-	-	63.60%	-	-	-

Agencywide Program Unit Summary
2017-19 Biennium

Version: Y - 01 - Governor's Budget

Summary Cross Reference Number	Cross Reference Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
010-00-00-00000	Common School Fund						
	General Fund	-	328,228	346,082	1,152,103	-	-
	Other Funds	35,497,512	41,394,275	41,911,999	44,398,532	44,257,654	-
	Federal Funds	194,030	178,317	392,819	-	-	-
	All Funds	35,691,542	41,900,820	42,650,900	45,550,635	44,257,654	-
013-00-00-00000	Oregon Wetlands Revolving Fund						
	Other Funds	750,500	1,821,439	1,823,745	1,910,274	1,910,274	-
030-00-00-00000	South Slough National Estuarine						
	Other Funds	2,168,907	1,962,130	2,004,309	2,028,962	2,028,962	-
	Federal Funds	2,281,142	1,617,600	1,674,665	1,723,318	1,723,318	-
	All Funds	4,450,049	3,579,730	3,678,974	3,752,280	3,752,280	-
088-00-00-00000	Capital Improvements						
	Other Funds	1,364,952	849,360	1,112,169	514,470	514,470	-
TOTAL AGENCY							
	General Fund	-	328,228	346,082	1,152,103	-	-
	Other Funds	39,781,871	46,027,204	46,852,222	48,852,238	48,711,360	-
	Federal Funds	2,475,172	1,795,917	2,067,484	1,723,318	1,723,318	-
	All Funds	42,257,043	48,151,349	49,265,788	51,727,659	50,434,678	-

Program Prioritization for 2017-19

Agency Name: DEPARTMENT OF STATE LANDS																			Agency Number: 00000													
2017-19 Biennium																																
Program/Division Priorities for 2017-19 Biennium																																
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22											
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request												
Agcy	Prgm/ Div																															
1	1	DSL	Common School Fund	Umbrella program encompassing real property, escheatable estates, unclaimed property, removal fill permitting and enforcement, and wetlands technical assistance.	14100-1 through, 14100-14, and 14100-17	7	1,152,103		34,164,283	10,234,249	0	\$45,550,635	88	88.50	Y	Y	C	Oregon Admissions Act Sections 1,2 & 4; Oregon Constitution Article VIII, Sections 2,4,5 & 7, ORS 327.403-484														
2	1	DSL	Capital Improvements	Protection of Common School Fund real property assets to optimize return on those assets.	14100-1, 14100-2b, 14100-3	6			514,470			\$ 514,470	0	0.00	N	Y	C	327.403-484														
3	1	DSL	South Slough National Estuarine Research Reserve	SSNERR provides educational, recreational and research opportunities for coastal wetlands and other ocean issues/resources.	14100-13, 14100-15, 14100-16	9			2,028,962	1,723,318		\$ 3,752,280	16	16.00	N	Y	S	ORS 273.553-558														
4	1	DSL	Oregon Removal Fill Mitigation Fund	Provides an avenue for economic development projects to proceed and comply with the mitigation requirements while conserving the functions of wetlands.	14100-5, 14100-11, 14100-13	6			1,910,274			\$ 1,910,274	0	0.50	N	Y	S	ORS 196.600-692														
												\$																				
												\$	104	104.00																		

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Prioritize each program activity for the Agency as a whole

Document criteria used to prioritize activities:

Program Prioritization for 2017-19

Agency Name: DEPARTMENT OF STATE LANDS																			Agency Number: XXXXX		
2017-19 Biennium																					
Program 1																					
Program/Division Priorities for 2017-19 Biennium																					
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request	
Agcy	Prgrm/ Div																				
1	1	DSL	Proprietary Resource Management	Manages CSF land holdings to produce revenue for the Common School Fund. Earnings provide distribution twice annually to Oregon's K-12 Public Schools. In accordance with AG Opinions in 1991, 2002, and 2003 all expenses of managing land are constitutional.	14100-1, 14100-2a & 2b, 14100-3, 14100-4, 14100-13	6	152,103	9,180,312	692,000			\$ 10,024,415	17	17.50	N		C	Oregon Admissions Act Sections 1.2 & 4; Oregon Constitution Article VIII, Sections 2.4, 5 & 7, ORS 327.403-464, ORS 273, ORS 234, ORS 520.	The Oregon Constitution Article VIII, Section 5.(2) requires the Land Board to manage lands under its jurisdiction in such a manner as to obtain the best benefit for the people of the state.		
1	2	DSL	Escheatable Estates	Oversees the estates of people who die without a will and without known heirs. After due diligence is performed, property may escheat to the Common School Fund for the benefit of Oregon K-12 Schools.	14100-1, 14100-2b, 14100-13	3		733,155				\$ 733,155	3	3.30	N		C	Oregon Constitution, Article VIII, ORS 111-116	Escheats are a Common School Fund revenue source specifically identified in the Constitution.		
1	3	DSL	Unclaimed Property	Collects and holds in trust abandoned funds, such as bank accounts, lost securities and uncashed checks. Holders submit funds to DSL after efforts to find the owner fails. The agency seeks to reunite the funds with the proper owner. Interest earned from the holdings become part of the school distribution according to established policy.	14100-1, 14100-2b, 14100-12, 14100-13	3		2,334,438	1,135,209			\$ 3,469,647	10	9.70	N		S	ORS 98.			
1	4	DSL	Regulatory Resource Management	Oversees the fill and removal of material from Oregon streams, lakes, estuaries, and wetlands. Protects waters of the state from uncontrolled alteration.	14100-1, 14100-2b, 14100-5, 14100-6, 14100-7, 14100-8, 14100-13, 14100-14	9		7,982,879				\$ 7,982,879	16	15.50	N		S	ORS 196.600-.692			
1	5	DSL	Wetland Technical Assistance	Provides assistance to property owners, developers, and government agencies in complying with Oregon's wetlands laws. Aides in expediting land development processes. Provides review and concurrence of wetland delineations.	14100-1, 14100-2b, 14100-9, 14100-10, 14100-11, 14100-13	9		2,794,008				\$ 2,794,008	9	8.50	N		S	ORS 215.418, ORS 227.350			
N/R	N/R	DSL	Oregon Ocean Science Trust	Administrative Services assisting all agency programs, including the Director's Office, Human Resources, Public Information, Centralized Support Staff Services, Fiscal & Audit, and Information Technology.	N/A	9	1,000,000					\$ 1,000,000						Admissions Act Sections 1.2 & 4.			
N/R	N/R	DSL	Centralized Administrative Costs		N/R	N/R		11,139,491	8,407,040			\$ 19,546,531	34	34.00	N		C	Oregon Constitution Article VIII, Sections 2.4.5 & 7.			
							1,152,103	34,164,283	10,234,249			\$ 38,670,999	89	88.50							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
- 11 Recreation, Heritage, or Cultural
- 12 Social Support

19. Legal Requirement Code

- C Constitutional
- D Debt Service
- FM Federal - Mandatory
- FO Federal - Optional (once you choose to participate, certain requirements exist)
- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2017-19

Agency Name: DEPARTMENT OF STATE LANDS																									
2017-19 Biennium															Agency Number: 00000										
Program 2 - Capital Improvement																									
Program/Division Priorities for 2017-19 Biennium																									
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22				
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description	Identify Key Performance Measure(s)	Primary Purpose Program-Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request					
Agcy	Prgm/Div																								
2	1	DSL	Capital Improvements	Protection of Common School Fund real property assets to optimize return on those assets.	14100-1, 14100-2b, 14100-3, 14100-4	6		514,470				\$ 514,470	0	0.00	N	Y	C	327.403-484							
												\$ -													
												\$ -													
												\$ -													
												\$ -													
												\$ -													
												\$ -													
												\$ -													
								514,470				\$ 514,470	0	0.00											

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
- 2 Community Development
- 3 Consumer Protection
- 4 Administrative Function
- 5 Criminal Justice
- 6 Economic Development
- 7 Education & Skill Development
- 8 Emergency Services
- 9 Environmental Protection
- 10 Public Health
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19. Legal Requirement Code

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- D Debt Service
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- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

Program Prioritization for 2017-19

Agency Name: DEPARTMENT OF STATE LANDS																			Agency Number: 00000			
2017-19 Biennium																						
Program/Division Priorities for 2017-19 Biennium																						
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	
Priority (ranked with highest priority first)	Agency Initials	Program or Activity Initials	Program Unit/Activity Description			Identify Key Performance Measure(s)	Primary Purpose Program- Activity Code	GF	LF	OF	NL-OF	FF	NL-FF	TOTAL FUNDS	Pos.	FTE	New or Enhanced Program (Y/N)	Included as Reduction Option (Y/N)	Legal Req. Code (C, D, FM, FO, S)	Legal Citation	Explain What is Mandatory (for C, FM, and FO Only)	Comments on Proposed Changes to CSL included in Agency Request
Agcy	Prgm/ Div																					
3	1	DSL	South Slough National Estuarine Research Reserve	SSNERR provides educational, stewardship and research opportunities for coastal watersheds and other ocean issues/resources.	14100-13, 14100-15, 14100-16	9			2,028,962			1,723,318	\$ 3,752,280	16	16.00	N	Y	S	ORS 273.553- 558			
													\$ -									
													\$ -									
													\$ -									
													\$ -									
													\$ -									
													\$ -									
													\$ 3,752,280	16	16.00							

7. Primary Purpose Program/Activity Exists

- 1 Civil Justice
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- S Statutory

Within each Program/Division area, prioritize each Budget Program Unit (Activities) by detail budget level in ORBITS

Document criteria used to prioritize activities:

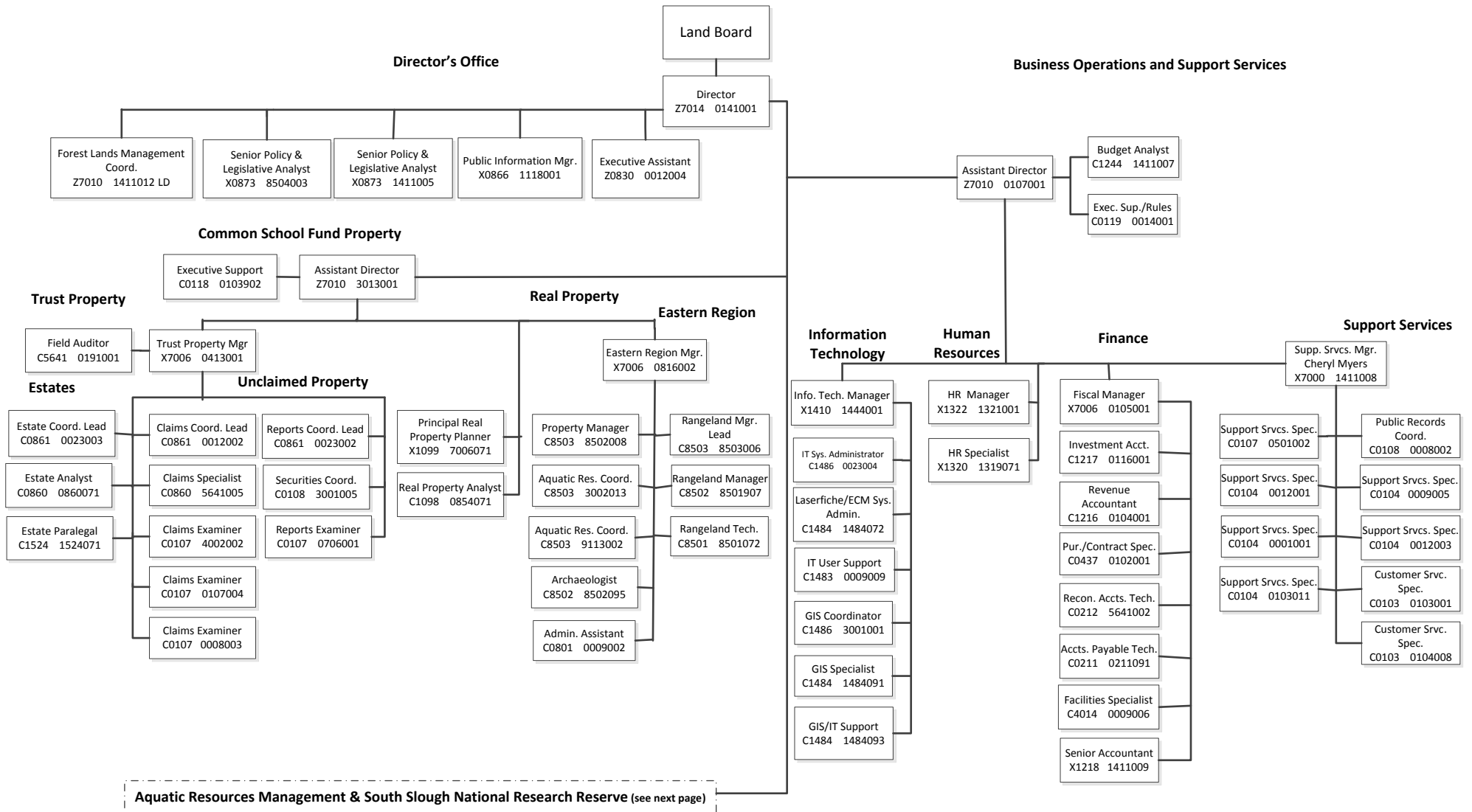
10% REDUCTION OPTIONS (ORS 291.216)

ACTIVITY OR PROGRAM	DESCRIBE REDUCTION	AMOUNT AND FUND TYPE	RANK AND JUSTIFICATION
(WHICH PROGRAM OR ACTIVITY WILL NOT BE UNDERTAKEN)	(DESCRIBE THE EFFECTS OF THIS REDUCTION. INCLUDE POSITIONS AND FTE IN 2017-19 AND 2019-21)	(GF, LF, OF, FF. IDENTIFY REVENUE SOURCE FOR OF, FF)	(RANK THE ACTIVITIES OR PROGRAMS NOT UNDERTAKEN IN ORDER OF LOWEST COST FOR BENEFIT OBTAINED)
1. South Slough Natural Estuarine Research Reserve	<p>THIS PROPOSAL WOULD:</p> <ul style="list-style-type: none"> • LIMIT ABILITY TO APPLY FOR, RECEIVE AND EXPEND FF MONIES THAT SUPPORT THE MISSION OF THE RESERVE • COMPROMISE ABILITY TO MEET PERFORMANCE STANDARDS REQUIRED BY FEDERAL GRANTS. LIKELY TO RESULT IN REDUCING AVAILABLE FEDERAL FUNDS . • LIMITS ABILITY TO APPLY FOR, RECEIVE AND EXPEND GRANT MONIES THAT SUPPORT THE MISSION OF THE RESERVE <p>REDUCES AVAILABILITY OF OTHER FUND GRANT MONIES USED AS MATCH TO LEVERAGE FEDERAL FUND GRANT AWARDS</p>	<p>\$124,825 PROFESSIONAL SERVICES \$10,000 TELECOMMUNICATIONS \$26,000 OFFICE EXPENSES \$15,000 TRAINING \$25,000 OTHER S&S \$25,000 TRAVEL \$9,910 DATA PROCESSING \$1,000 PUBLICITY/PUBLICATIONS \$5,737 RECRUITMENT \$38,230 EXPENDABLE PROPERTY \$30,000 FAC MAINTENANCE \$15,000 FUEL & UTILITIES \$49,526 CAPITAL OUTLAY</p> <p>TOTALS: \$201,213 OF (DERIVED FROM OTHER FUND GRANTS AND INTRAGENCY TRANSFERS) \$174,015 FF (DERIVED FROM FEDERAL GRANTS)</p>	RANK 1 – THIS REDUCTION MINIMIZES IMPACTS TO THE AGENCY’S ABILITY TO MEET ITS CONSTITUTIONAL DUTIES, WHILE CONTINUING TO PROVIDE SERVICES AT A REDUCED LEVEL AT SOUTH SLOUGH.
2. Removal Fill Mitigation Fund	THIS PROPOSAL WOULD: LIMIT THE ABILITY TO FUND MITIGATION PROJECTS	\$191,027 OF – DERIVED FROM THE WETLANDS MITIGATION FUND	RANK 2 – THIS REDUCTION WOULD DELAY OR MINIMIZE THE ABILITY TO FUND REQUIRED MITIGATION PROJECTS.
3. Capital Improvement & Maintenance	<p>THIS REDUCTION WOULD:</p> <ul style="list-style-type: none"> • DELAY BUILDING AND FACILITY REPAIRS & MAINTENANCE THAT WILL RESULT IN LARGER 	\$31,447 OF- DERIVED FROM FEES AND INTEREST EARNINGS)	RANK 3 – THIS REDUCTION IS LIKELY TO RESULT IN HIGHER COSTS IN FUTURE BIENNIA.

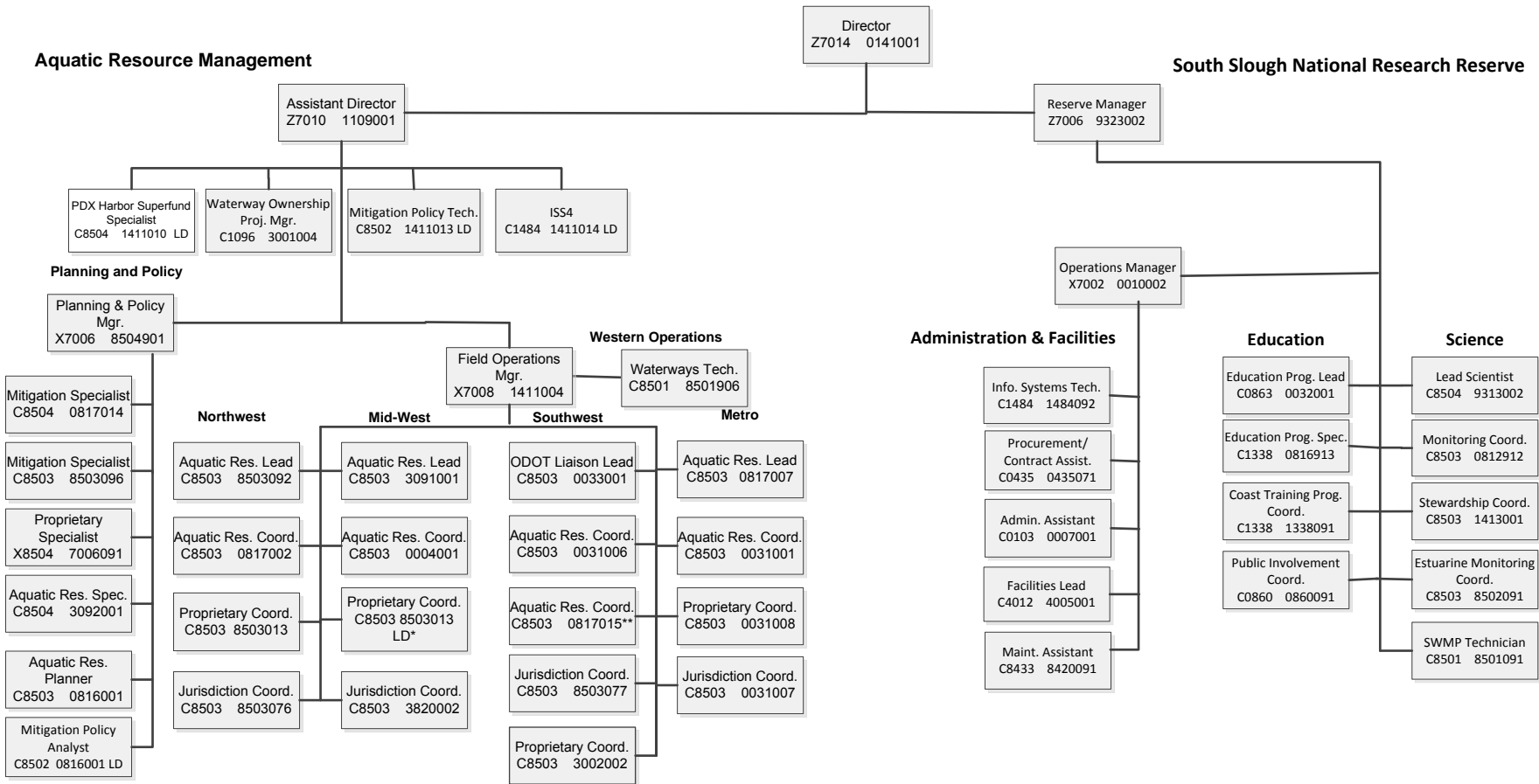
10% REDUCTION OPTIONS (ORS 291.216)

	<p>EXPENSES IN THE FUTURE.</p> <ul style="list-style-type: none"> LIMIT ABILITY TO FULFILL AGENCY TRUST LAND RESPONSIBILITIES ON OTHER PROPERTIES. 		
4. . CSF – Eliminate Wetland Technical Assistance program	<p>IMPACT OF THIS CUT WOULD:</p> <ul style="list-style-type: none"> ABOLISH 9 POSITIONS (8.5 FTE) AND THE ASSOCIATED S&S ELIMINATE THE REVIEW AND APPROVAL OF WETLAND DELINEATION REPORTS REMOVE OVERSIGHT OF JURISDICTIONAL DETERMINATIONS AND MONITORING OF REPORTS COMPROMISE THE ABILITY TO MEASURE THE STATUS OF THE OREGON BENCHMARK OF “NO-NET LOSS OF WETLANDS” LIMIT THE DEPARTMENT’S ABILITY TO REVIEW AND RESPOND TO WETLAND LAND USE NOTICES FROM LOCAL GOVERNMENTS HINDER PROGRESS ON ECONOMIC DEVELOPMENT PROJECTS THAT REQUIRE DEPARTMENT PERMITS 	<p>\$50,000 TRAVEL \$10,000 TRAINING \$41,575 OFFICE EXPENSES \$50,000 TELECOMMUNICATIONS \$30,000 PUBLICITY & PUBLICATIONS \$71,000 PROFESSIONAL SERVICES \$395,007 ATTORNEY GENERAL \$3,325 RECRUITMENT \$950 DUES/SUBSCRIPTIONS \$10,000 EXPENDABLE PROPERTY \$63,813 OTHER S&S \$14,640 FURNITURE/FIXTURES</p> <p>\$1,768,379 PERSONAL SERVICES</p> <p>\$2,508,689 (OF- DERIVED FROM FEES AND INTEREST EARNINGS)</p>	<p>RANK 4 – THIS REDUCTION WOULD SEVERELY LIMIT THE AGENCY’S ABILITY TO PROVIDE PROFESSIONAL AND TIMELY REVIEW AND MONITORING OF WETLAND DETERMINATION, PROTECTION, AND PLANNING FOR THE STATE OF OREGON.</p>
Etc.			

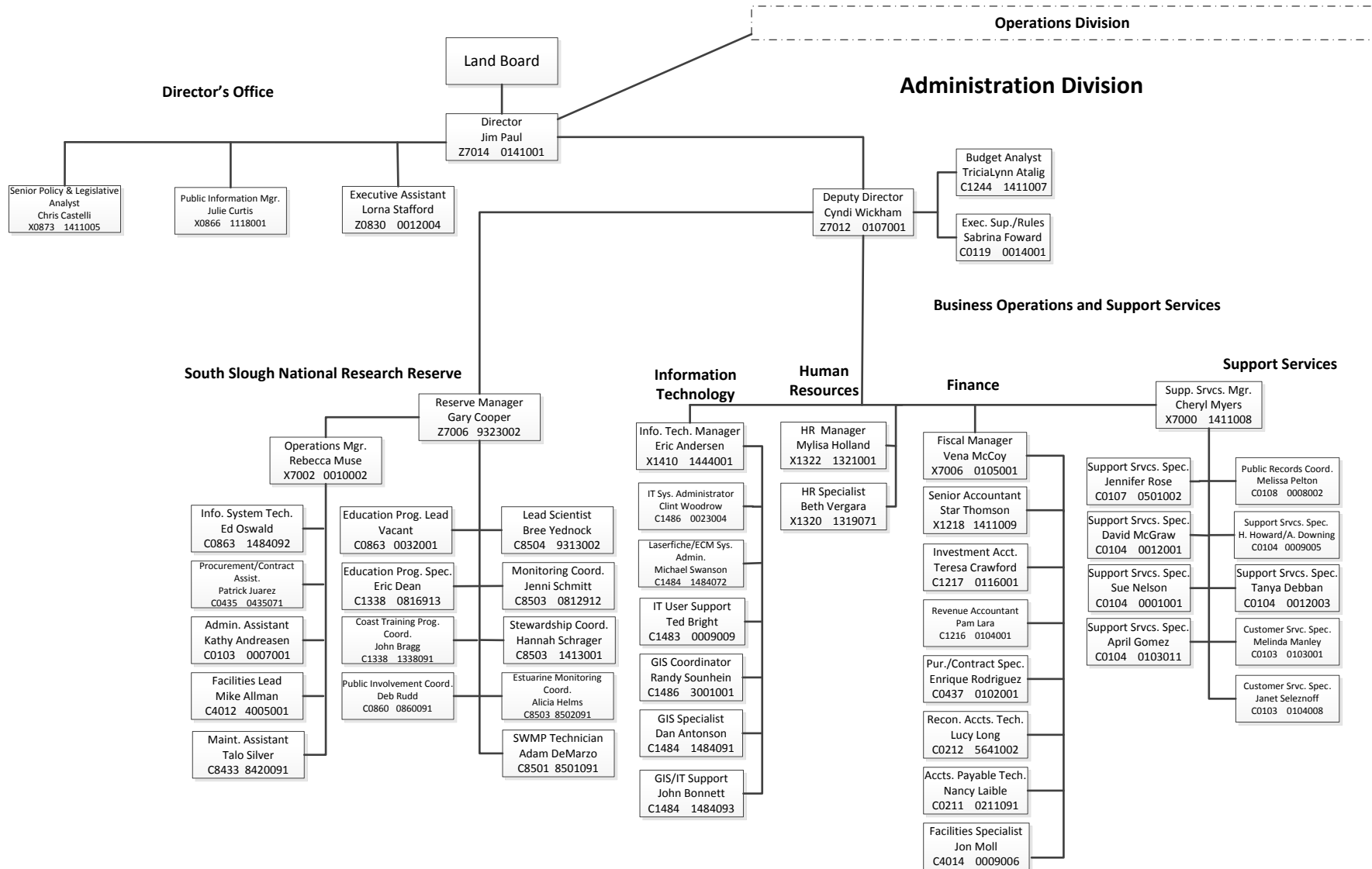
DEPARTMENT OF STATE LANDS: AGENCY WIDE 2015-2017



DEPARTMENT OF STATE LANDS: AGENCY WIDE 2015-2017



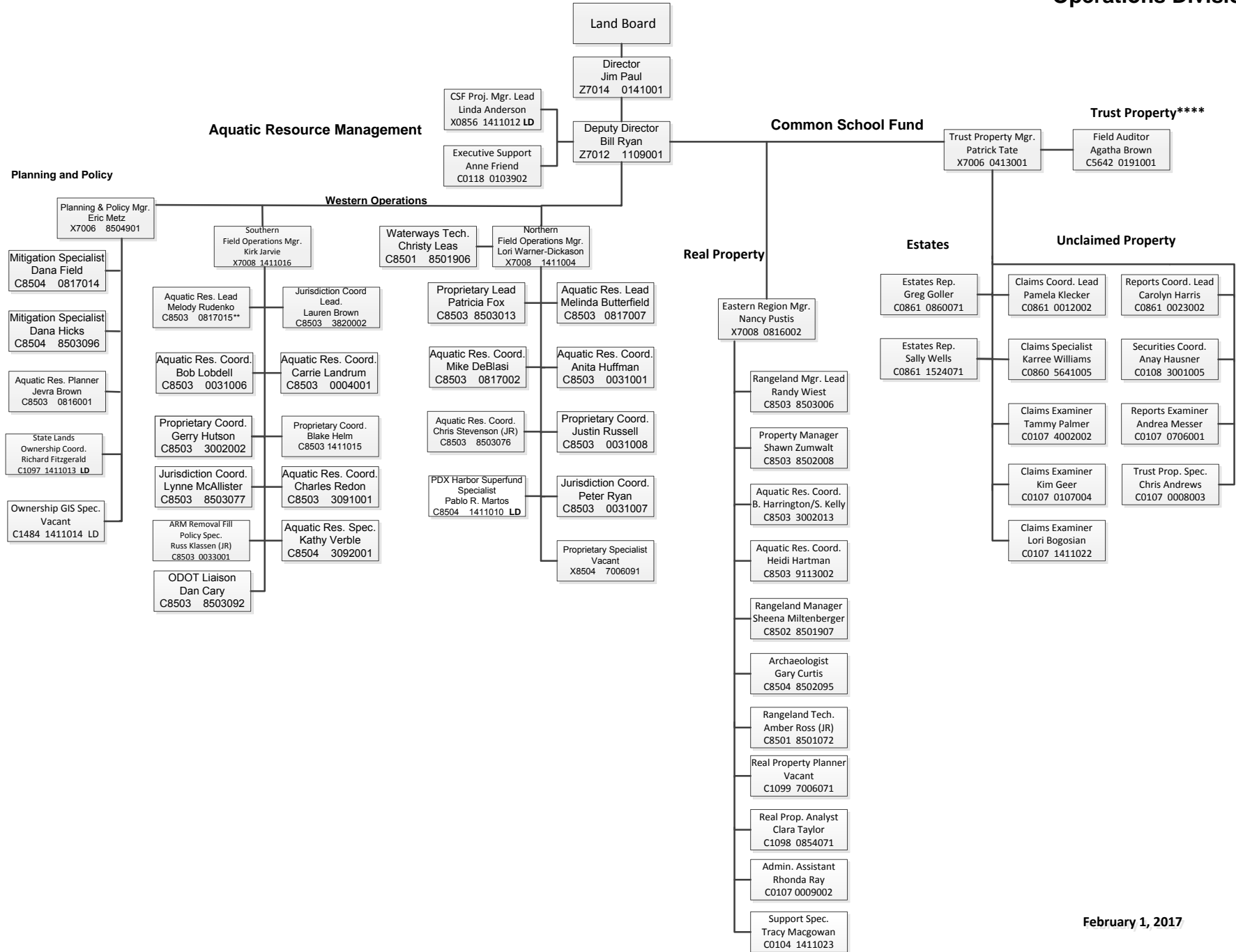
DEPARTMENT OF STATE LANDS: AGENCY WIDE 2017-2019



February 1, 2017

DEPARTMENT OF STATE LANDS: AGENCY WIDE 2017-2019

Operations Division



February 1, 2017

BUDGET NARRATIVE

REVENUE FORECAST NARRATIVE

1. Common School Fund Decision Unit

The Common School Fund (CSF) decision unit has traditionally been funded almost entirely by Other Funds generated by activities on state-owned land, regulatory fees, and realized earnings from investments. Recent efforts over the last several biennia have continued to generate diversified revenue for the fund. Federal funding for wetland program projects has been provided by the Environmental Protection Agency.

The majority of the Other Funds revenue is a direct result of active management of the CSF corpus. Investments are handled by the Office of the State Treasurer in accordance with policy set by the Oregon Investment Council. Investment income is derived from market appreciation, interest payments and dividends. The investment performance of the CSF corpus is projected to grow steadily for the 2017-19 biennium. Over the past three years ending in 2015, investment returns averaged an 8.11 percent annual return.

Program activities provide the remainder of the Other Funds revenue. Examples of activities generating revenue are royalties and rents from real property management, periodic property sales, earnings on unclaimed property funds, statutory estate administration fees, building rental income, industrial property development, regulatory fees, and miscellaneous charges for services.

A modest increase in revenue from real property management activities is anticipated during the 2017-19 biennium. Timber harvest revenue is projected to produce a positive revenue stream. Though forage lease rates are scheduled to increase, rangelands damaged by wildfire and the associated fire suppression costs have the potential to reduce total grazing revenues.

Revenue from leasing and other program activities is forecast to remain stable, as efforts continue to maximize revenues from program activities to produce optimum gains for the CSF. In addition, the Department is divesting of underperforming, isolated and scattered parcels of real property where management costs are high and revenue opportunities are minimal.

Estimates in the Common School Fund flow chart and on fund distribution graphs have been developed using the most recent information available at the time of budget deadlines. DSL will use updated market value and performance information during each phase of the budget process as information becomes available.

BUDGET NARRATIVE

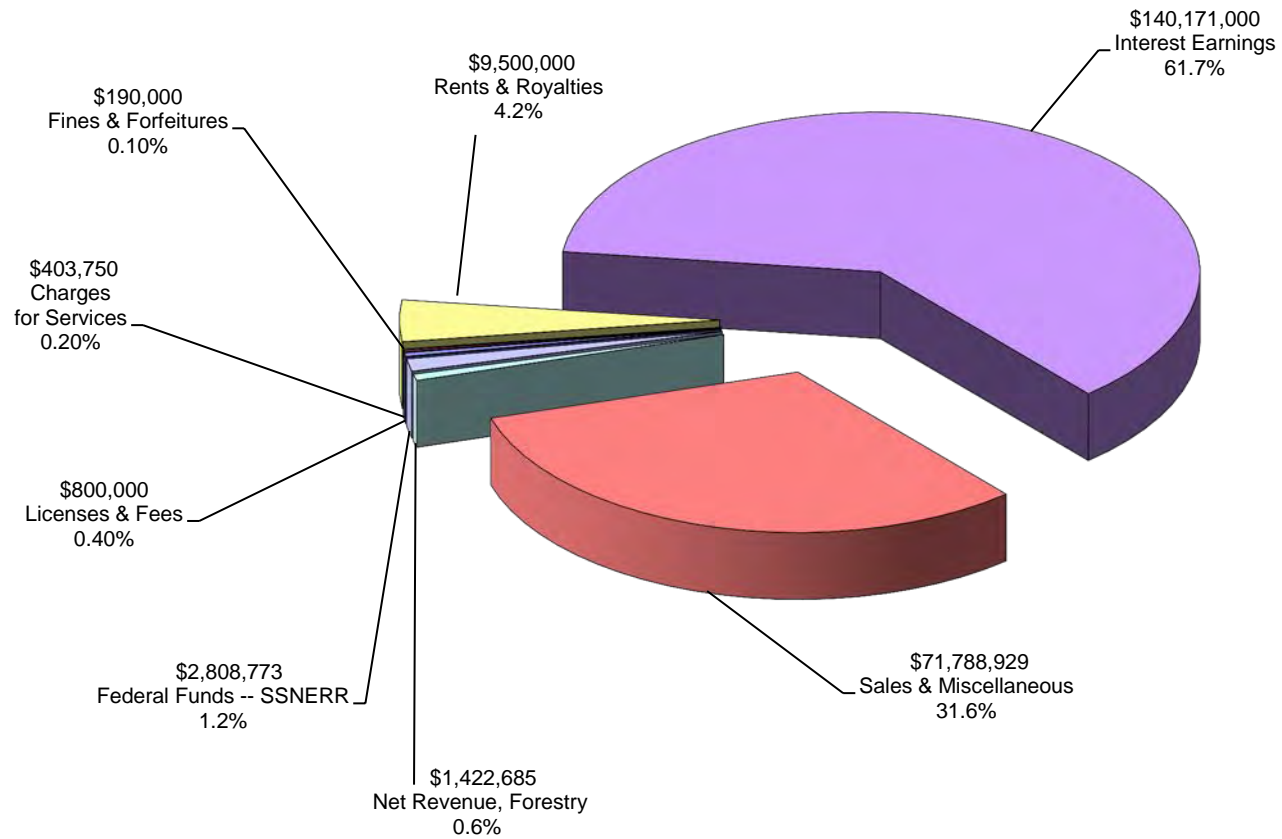
2. South Slough National Estuarine Research Reserve Decision Unit

The South Slough National Estuarine Research Reserve is funded primarily by Federal Funds and Other Fund grants coming from non-federal sources. The match rate for these funds varies from 30 to 50 percent, depending on the individual grants. Some Common School Funds are provided as match.

The South Slough has statutory authority to apply for grants, and regularly submits applications for federal assistance through the Office of Coastal Resource Management-National Oceanic Atmospheric Administration (Department of Commerce), as well as through other public and private sources. Federal funds are subject to congressional authorization and appropriation. Federal Fund revenues for ongoing operations are not expected to continue at present levels.

During the 2015-17 biennium, the South Slough has continued to collect fees for facility use and other activities.

**Department of State Lands
201719 Governor's Budget
Revenues: All Funds**



DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS Revenue Acct	2013-2015 Actual	2015-17 Legislatively Adopted	2015-17 Estimated	2017-19		
						Agency Request	Governor's	Legislatively Adopted
Business Lic & Fees	3400	0205	41,151					
Non-business Lic & Fees	3400	0210	1,777,927	800,000	1,800,000	800,000	800,000	
Fed Revenues (as Other Funds)	3400	0355	428,804					
Charges for Services	3400	0410	420,507	273,750	250,000	273,750	273,750	
Admin and Service Chg	3400	0415	131,177	130,000	125,000	130,000	130,000	
Fines and Forfeitures	3400	0505	140,095	190,000	150,000	190,000	190,000	
Rents and Royalties	3200,3400	0510	10,824,527	9,500,000	8,000,000	9,500,000	9,500,000	
Interest Income	3200,3400	0605	62,097,079	150,171,000	140,000,000	150,171,000	140,171,000	
Sales Income	3400	0705	122,264	120,000	80,000	120,000	120,000	
CSF Land Sales	3400	0735	1,255,118					
Donations	3400	0905	100	12,000		12,000	12,000	
Grants (Non-Fed)	3400	0910	10,000	142,027		142,027	142,027	
Other Revenues	3200,3400	0975	174,209,174	71,237,937	70,000,000	71,800,147	72,062,956	
Federal Funds Revenue	6400	0995	2,529,296	2,595,006	2,590,000	2,808,773	2,808,773	
Transfer From DOR	3400	1150	200,610	237,000	3,000,000	24,386,040	237,000	
Transfer from Energy	3400	1330	6,542					
Transfer from Forestry	3400	1629	7,802,836	9,586,000	3,000,000	4,689,000	4,689,000	
Transfer from LUBA		1662		26,267	30,000	27,239	27,239	
Transfer out to Forestry	3400	2629	(7,921,341)	(9,925,019)	(9,500,000)	(3,266,315)	(3,266,315)	

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Lands, Dept of State
2017-19 Biennium

Agency Number: 14100

Cross Reference Number: 14100-000-00-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Business Lic and Fees	41,151	-	-	-	-	-
Non-business Lic. and Fees	1,777,927	800,000	800,000	800,000	800,000	-
Federal Revenues	428,804	-	-	-	-	-
Charges for Services	420,507	273,750	273,750	273,750	273,750	-
Admin and Service Charges	131,177	130,000	130,000	130,000	130,000	-
Fines and Forfeitures	140,095	190,000	190,000	190,000	190,000	-
Rents and Royalties	10,781,778	9,500,000	9,500,000	9,500,000	9,500,000	-
Interest Income	1,471,732	150,171,000	150,171,000	150,171,000	140,170,000	-
Sales Income	122,264	120,000	120,000	120,000	120,000	-
Common School Lands Sales	1,255,118	-	-	-	-	-
Donations	100	12,000	12,000	12,000	12,000	-
Grants (Non-Fed)	10,000	142,027	142,027	142,027	142,027	-
Other Revenues	718,425	1,263,937	2,088,956	2,088,956	2,088,956	-
Transfer In - Intrafund	2,849,504	7,249,054	7,249,054	7,449,054	7,449,054	-
Transfer In Other	1	-	-	-	-	-
Tsfr From Revenue, Dept of	200,610	237,000	237,000	24,386,040	237,000	-
Tsfr From Energy, Dept of	6,542	-	-	-	-	-
Tsfr From Forestry, Dept of	7,802,836	9,586,000	9,586,000	4,689,000	4,689,000	-
Tsfr From Land Use Bd of Appls	-	26,267	26,267	27,239	27,239	-
Transfer Out - Intrafund	(2,849,504)	(137,251,504)	(137,251,504)	(137,451,504)	(137,451,504)	-
Tsfr To Administrative Svcs	(1)	-	-	-	-	-
Tsfr To Forestry, Dept of	(7,921,341)	(9,925,019)	(9,925,019)	(3,266,315)	(3,266,315)	-
Tsfr To Water Resources Dept	-	-	-	(157,999)	(67,444)	-
Total Other Funds	\$17,387,725	\$32,524,512	\$33,349,531	\$59,103,248	\$25,043,763	-

____ Agency Request
2017-19 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Detail of LF, OF, and FF Revenues - BPR012

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

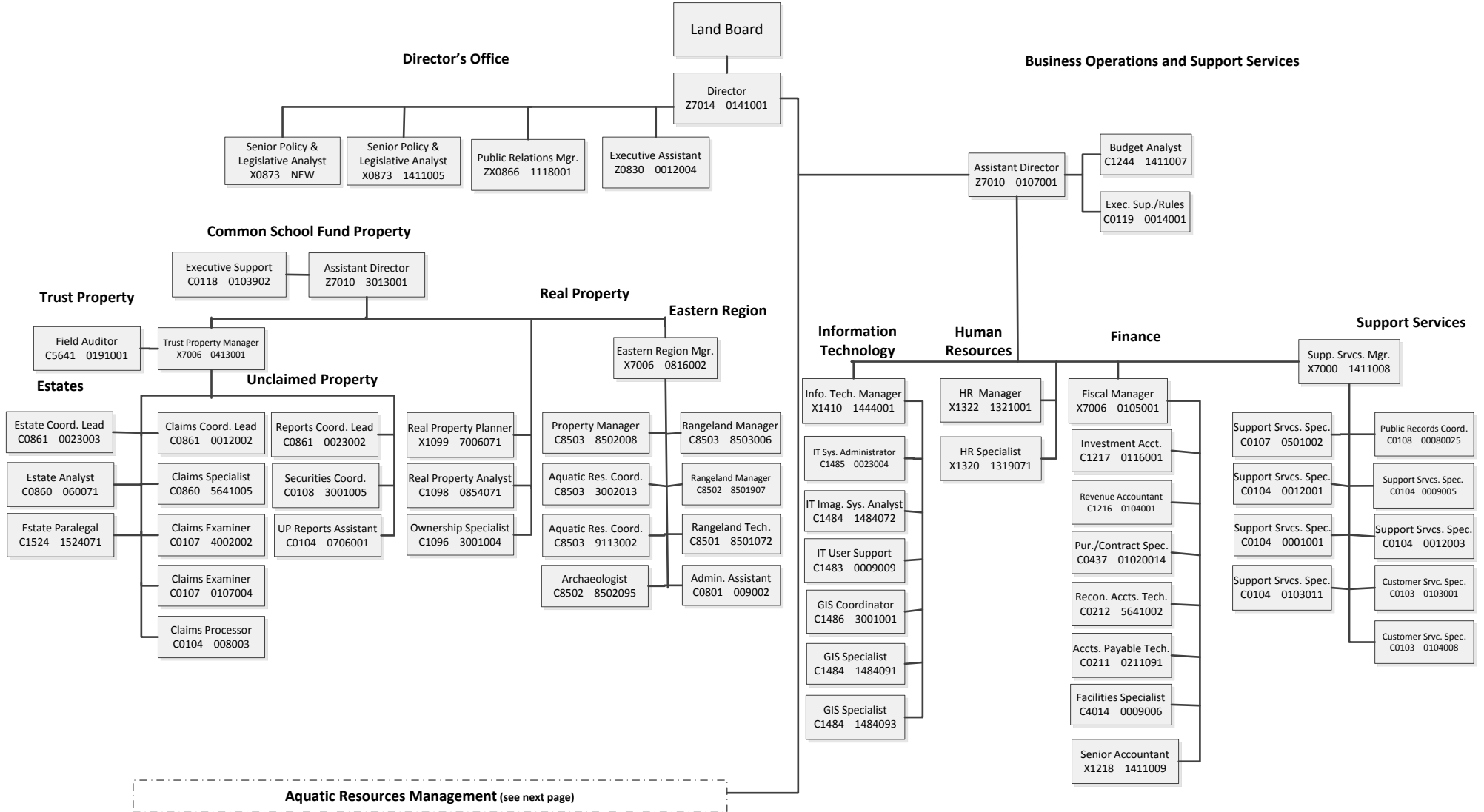
Lands, Dept of State
2017-19 Biennium

Agency Number: 14100
Cross Reference Number: 14100-000-00-00-00000

<i>Source</i>	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Federal Funds						
Federal Funds	2,549,005	2,595,006	2,866,573	2,808,773	2,808,773	-
Total Federal Funds	\$2,549,005	\$2,595,006	\$2,866,573	\$2,808,773	\$2,808,773	-
Nonlimited Other Funds						
Rents and Royalties	42,749	-	-	-	-	-
Interest Income	60,625,347	-	-	-	-	-
Other Revenues	173,490,749	69,974,000	69,974,000	69,974,000	69,974,000	-
Transfer In - Intrafund	-	130,002,450	130,002,450	130,002,450	130,002,450	-
Tsfr To Education, Dept of	(104,949,628)	(110,211,801)	(110,211,801)	(110,211,801)	(110,211,801)	-
Total Nonlimited Other Funds	\$129,209,217	\$89,764,649	\$89,764,649	\$89,764,649	\$89,764,649	-

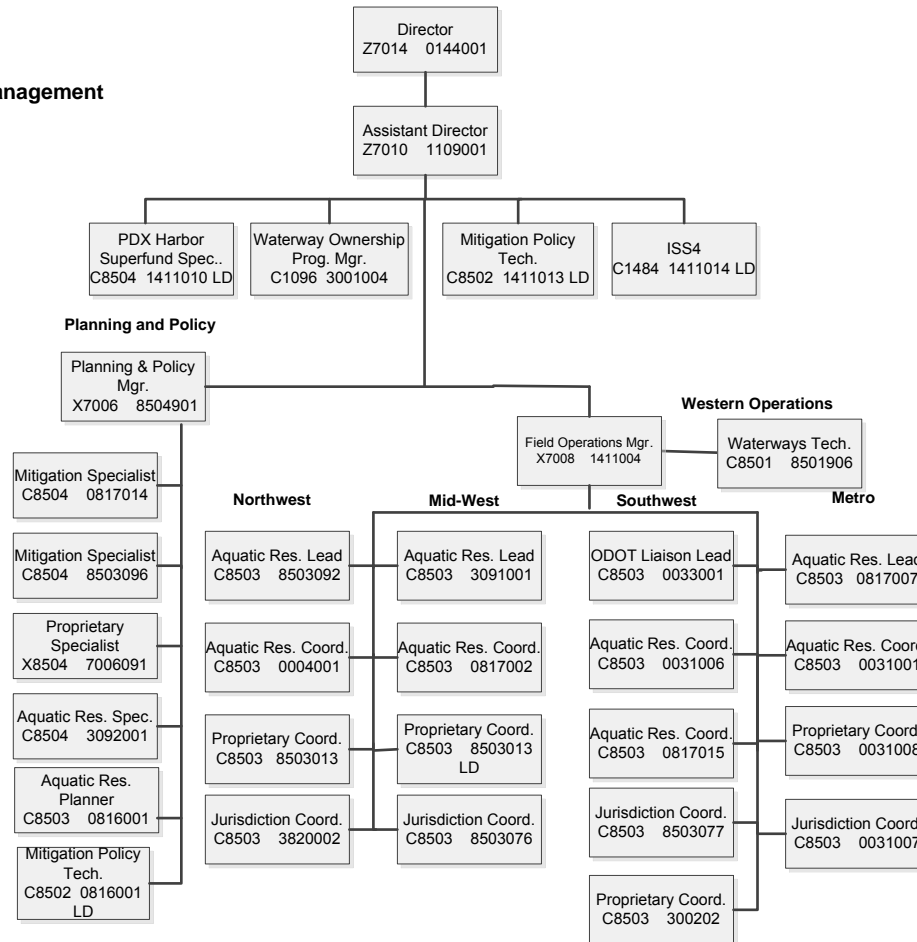
DEPARTMENT OF STATE LANDS: COMMON SCHOOL FUND UNIT

2015-2017

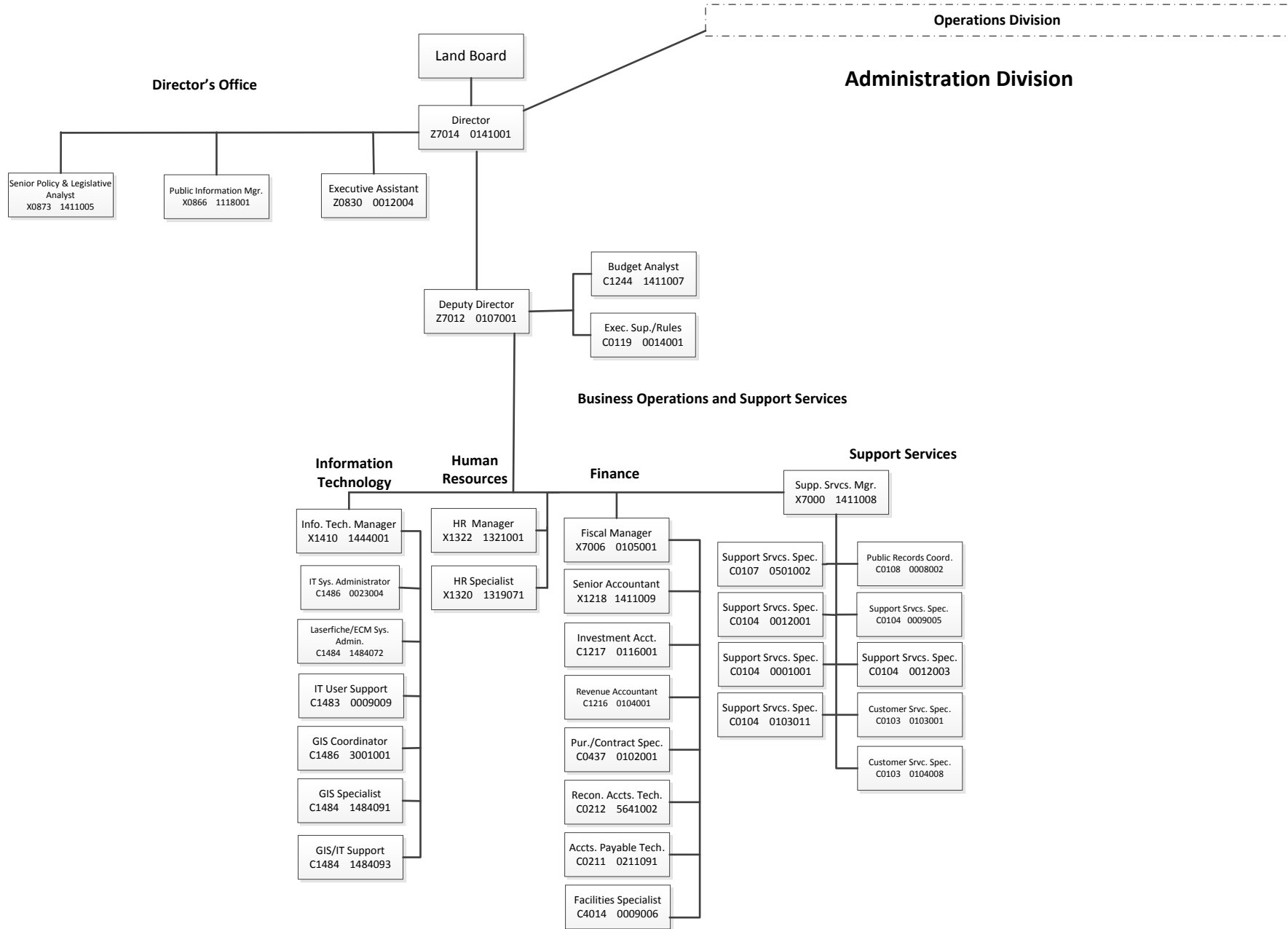


**DEPARTMENT OF STATE LANDS: COMMON SCHOOL FUND UNIT
2015-2017**

Aquatic Resource Management

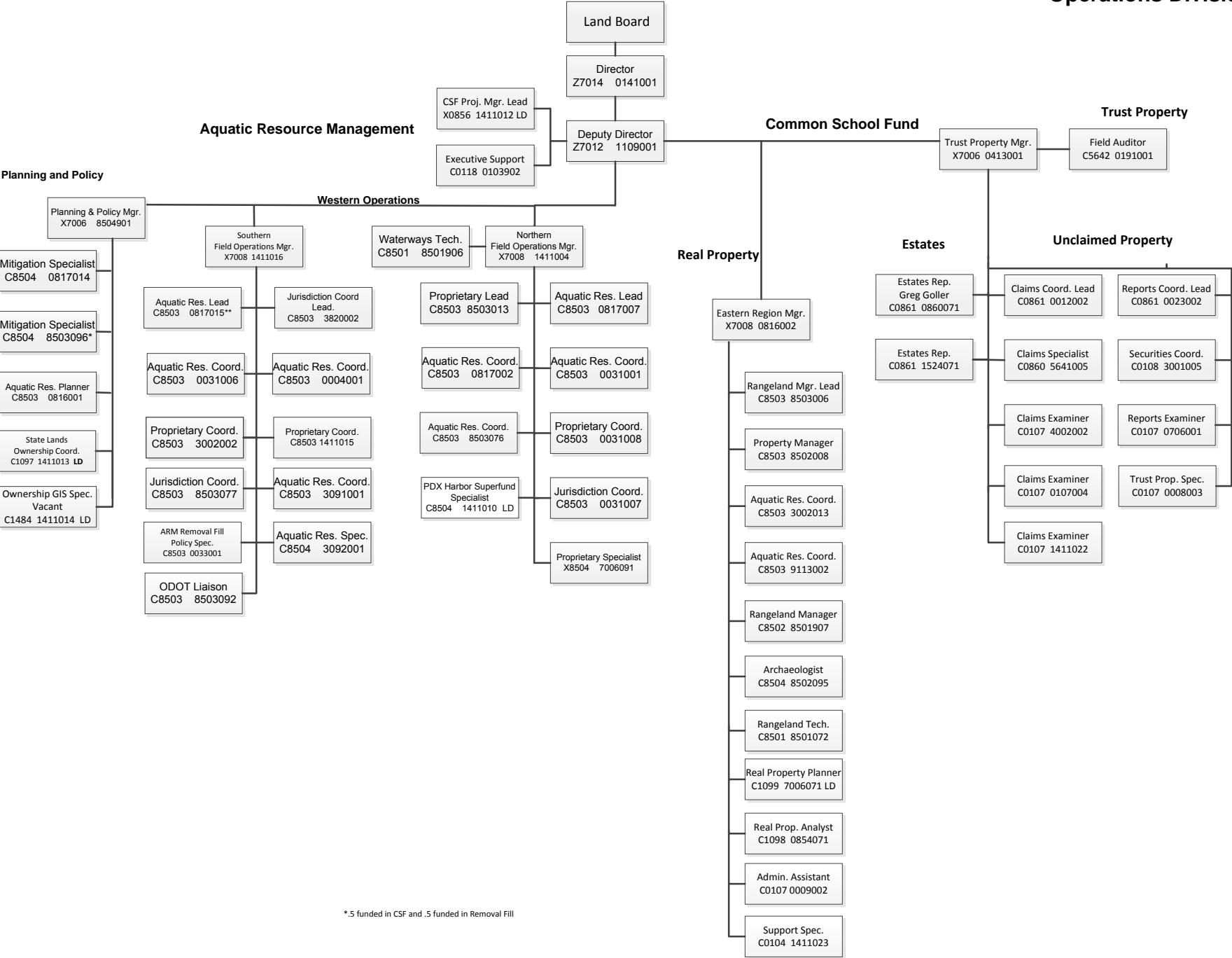


DEPARTMENT OF STATE LANDS: COMMON SCHOOL FUND UNIT 2017-2019



DEPARTMENT OF STATE LANDS: COMMON SCHOOL FUND UNIT 2017-2019

Operations Division



*.5 funded in CSF and .5 funded in Removal Fill

BUDGET NARRATIVE

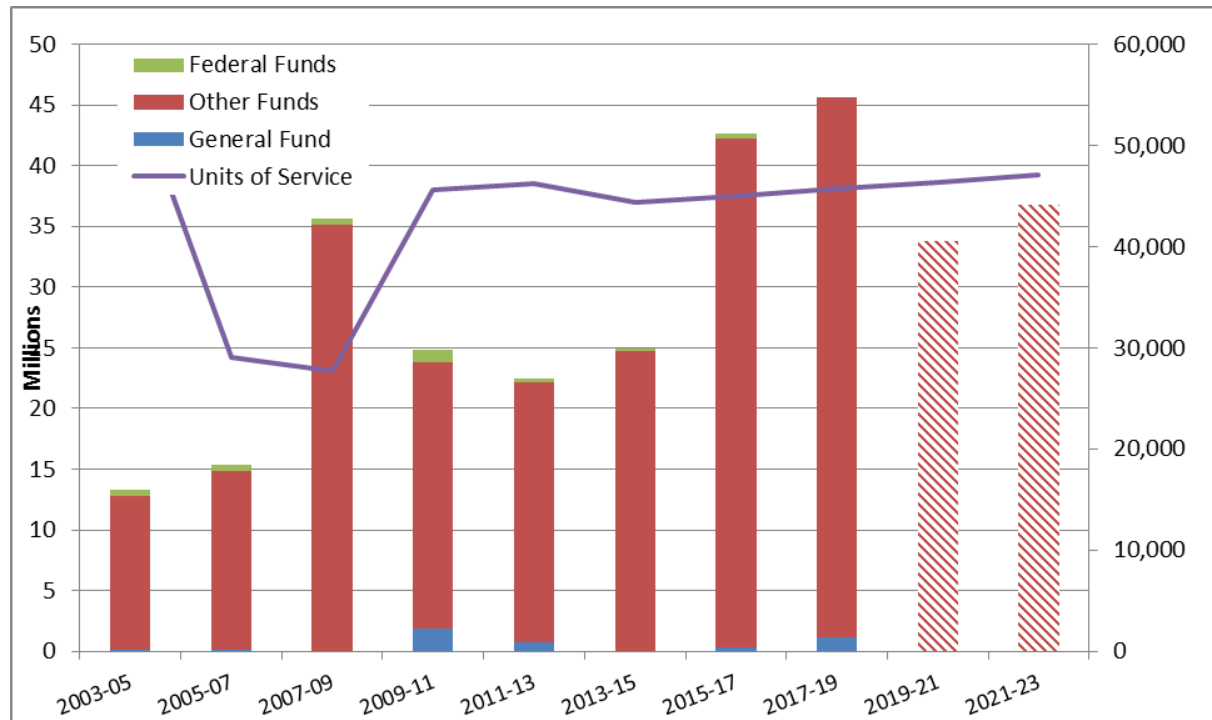
PROGRAM UNIT 010 – COMMON SCHOOL FUND

EXECUTIVE SUMMARY

Primary Outcome Area: Responsible Environmental Stewardship
 Secondary Outcome Area: Seamless System of Education
 Tertiary Outcome Area: Excellence in Government
 Program Contact: Jim Paul; jim.paul@state.or.us; 503-986-5224

Program Overview

This program manages Common School Fund real property, unclaimed property, and escheated estates dedicated to funding K-12 schools for current and future generations. The program also includes protecting wetlands and waterways and the public trust rights on navigable waterways, and administering agency functions. Revenue from program activities is deposited in the Common School Fund (CSF), overseen by the State Land Board and its administrative arm, the Department of State Lands. The Board is composed of the Governor, Secretary of State and State Treasurer.



Units of service include agency removal-fill permits, land management authorizations and contracts, unclaimed property claims, and number of estates handled. The dotted bar is projected data.

BUDGET NARRATIVE

Program Funding Request

This program has an Agency Request Budget of \$34,023,405 (Other Funds). There are 92 positions and 94 employees in this program.

Program Description

Common School Fund Property: Oregon's Constitution names the Land Board as trustee of the Common School Fund (CSF). Generating revenue from CSF property has been an important component of Oregon's school funding since statehood. In 2016, \$66.25 million will be distributed to all K-12 public school districts in the state.

Real Property – The Land Board oversees real property management activities such as leasing rangelands, agricultural lands and commercial properties, as well as harvesting timber to generate money for the fund. Historically, timber sales from forestlands generated the most real property revenue for the fund, but recent litigation has significantly reduced timber receipts. The Land Board's *Real Estate Asset Management Plan* outlines management direction for approximately 770,000 acres of surface land and 770,000 acres of mineral and energy resources.

Trust Property – Administering escheated estates is a function given to the Land Board at statehood, and the Oregon Legislature passed Oregon's Unclaimed Property Act in 1957 giving the Department this responsibility as well. Both programs provide outreach and training for businesses and consumers to increase public awareness and increase compliance with Oregon's unclaimed property and estates laws. Lost financial assets are held in the Common School Fund while the Department searches for owners and heirs, and the investment earnings from these monies contribute to the fund's distributions to schools. In recent years, Web-based and other streamlining efforts have contributed to quicker processing for the public.

Performance measures focus on maximizing distributions to the Common School Fund through balancing revenue and expenses.

Aquatic Resource Management: This program implements Oregon's removal-fill and wetlands conservation laws and manages the state's navigable waterways for "public trust" uses. Four core functions are carried out by department staff: 1) regulating removal-fill activities in waters of the state; 2) managing mitigation programs, including mitigation banking and payment-in-lieu programs; 3) managing the state's aquatic resource planning program; and 4) implementing the proprietary waterways program. Staff provides public information about conserving wetlands, regulatory standards and proprietary waterways.

Performance measures focus on no net loss of wetlands, processing efficiencies, resolving enforcement issues, and effectively managing the mitigation fund program (in-lieu-fee program).

The **Director's Office**, which serves as the primary liaison with the State Land Board, and includes communications and legislative coordination for the agency; and the **Administration Division** which includes all agency central services (IT, fiscal, HR, and clerical support) is in the Common School Fund program unit. Oversight of the South Slough National Estuarine Research Reserve is housed within the Administration Division, but is a separate program unit (030) in the budget document.

BUDGET NARRATIVE

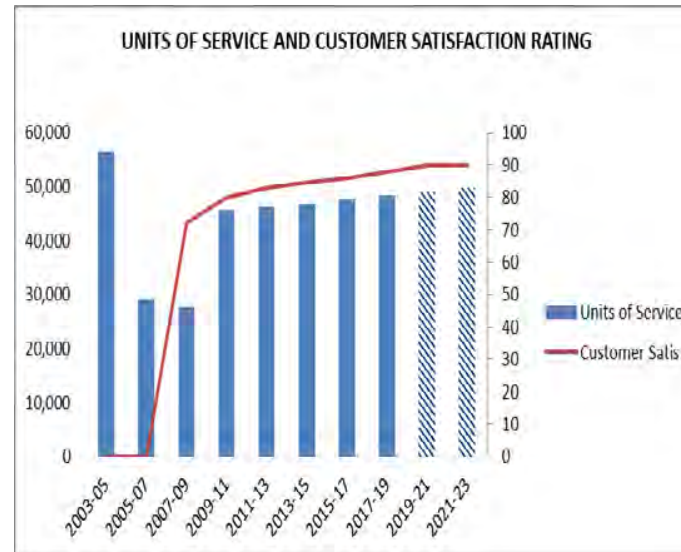
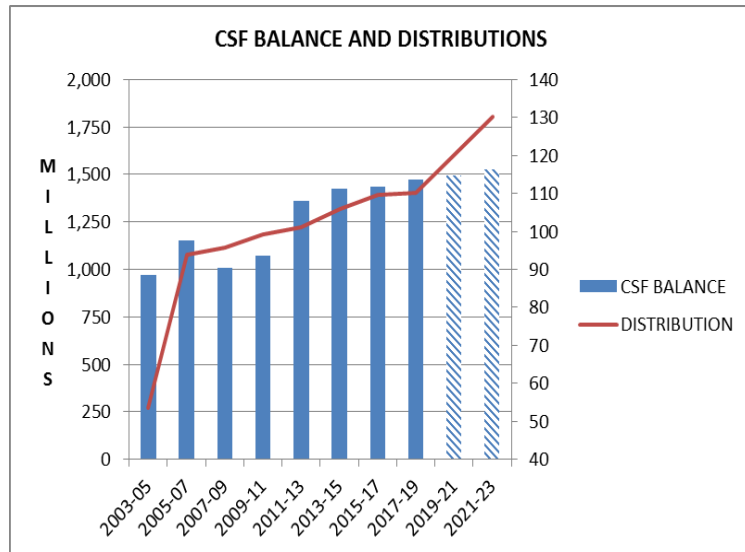
Program Justification and Link to Long-Term Outcomes

Primary Outcome Area: Responsible Environmental Stewardship. The Aquatic Resource Management Program protects the state's waters and their functions for watershed health and species habitat. DSL's removal-fill permit and wetland planning work contribute to improved watersheds and water quality, and help stabilize populations of fish and wildlife. The Department has created streamlined permitting tools for habitat restoration and streambank protection activities that provide increased certainty regarding schedule and budget and reduced costs. The Department also manages state-owned waterways and the territorial sea to maintain public trust values including navigation, fishing, recreation and commerce.

Secondary Outcome Area: A Seamless System of Education. The agency was established at statehood to provide funding for public education in Oregon. That mission continues today, with oversight of school trust lands and other activities that provide financial resources for the Common School Fund. A primary goal of the agency and the State Land Board is to provide predictable, sustainable revenue to schools from the fund.

Tertiary Outcome Area: Excellence in Government. Over the past several biennia, DSL has worked on streamlining processes, developing better customer relations, and working with staff to create an environment of teamwork and trust within the agency. Since 2014, DSL has devoted considerable time to making business process improvements: developing a customer-focused communications strategy and partnerships with other regulatory agencies to better coordinate service delivery. The agency also has trained all staff in *The Speed of Trust*, a program designed to help organizations develop better trust among staff in their interactions with each other and with customers.

Program Performance



First customer surveys were done in 2007.

State goal = 90% good and excellent ratings.

Units of service include agency removal-fill permits, land management authorizations and contracts, unclaimed property claims, and number of estates

BUDGET NARRATIVE

Enabling Legislation/Program Authorization

Oregon Admission Act (Sections 1, 2 and 4); Oregon Constitution (Article VIII, Sections 2, 4, 5 and 7); ORS 98 (unclaimed property); ORS 111 – 116 (probate law); ORS 196 (wetlands, rivers, removal-fill, ocean resource planning); ORS 215, 227 (development on wetlands); ORS 270 (real property); ORS 271-274 (various state lands); ORS 327 (Common School Fund); ORS 390 (scenic waterways); ORS 530 (state forests); ORS 517 (mining); ORS 541 (Oregon Plan for Salmon and Watersheds); ORS 552 (geothermal); ORS 758 (utility rights of way)

Funding Streams

The program is mostly self-funded from Other Fund sources: operations and investment income. Operations generate revenue from real property management, unclaimed property held in trust, and escheated estates. Investment income is derived from the interest and capital gains earnings of the fund. Revenues are constitutionally and statutorily dedicated. Some Federal Funds in the form of grants support wetland program improvements. There are no leveraged or matched funds for this program.

DIRECTOR'S OFFICE

The Director's Office oversees administrative responsibilities for the State Land Board and directs the operations of the Department, under the jurisdiction of the Board. Responsibilities include providing overall leadership to DSL staff, making recommendations to the Land Board and Legislature, and approving policies, plans and the agency budget. The Director serves as chair of the South Slough National Estuarine Research Reserve (SSNERR) Management Commission, and participates as a member of the Regional Solutions Cabinet, Economic Recovery Review Council, Enterprise Leadership Team, and Natural Resources Cabinet.

Two Deputy Directors, a Land Board Secretary/Executive Assistant, a Public Information Manager, and two Senior Policy & Legislative Analysts all report to the Director.

The Director's Office consists of 7.0 FTE/7 positions. The costs are supported by Other Funds – Common School Fund (constitutional and statutory receipts).

COMMON SCHOOL FUND PROPERTY

This program includes all agency work that generates funds for the Common School Fund (CSF) from trust lands i.e. land granted to Oregon at statehood. The unclaimed property and estates functions are also in this program area.

The program is comprised of 23 FTE/23 positions located in the Salem headquarters office and in the Eastern Region office in Bend. Two managers – the Trust Property Manager and the Eastern Region Manager (who also supervises Eastern Region aquatic resources staff) – report to the Deputy Director of the Operations Division.

Real Property: The program is in charge of implementing DSL's *Real Estate Asset Management Plan*, which guides the work of the State Land Board and DSL in managing state real property assets. The plan was first adopted in 1995, updated in 2006, and most recently revised and adopted by the State Land Board in 2012. A key goal of the revised plan is to significantly increase real property revenues to benefit the Common School Fund over the long term.

The program issues leases, easements, rights-of-way, licenses, special uses and other forms of authorizations for use of state-owned uplands (about 770,000 acres + 770,000 acres of subsurface mineral and energy resources). Real property staff is also involved in local property planning efforts, property sales and exchanges, and property records research.

BUDGET NARRATIVE

Eastern Region staff performs annual rangeland inventories on 30,000 of the more than 600,000 acres of rangelands to collect data relating to vegetation types, soil types and general rangeland health conditions. This information is used to adjust rangeland management plans to maintain a productive and efficient program for lessees and the health of the rangelands.

Because of recent litigation regarding species protections in the Elliott State Forest, the agency's focus on generating revenue from Common School Fund real property has shifted from forestlands to other real property activities. DSL continues to have an interagency agreement with the Department of Forestry to maintain, manage, control and protect Common School Fund forestlands. However, because forestry receipts have been severely reduced, and managing forestlands is expected to generate a continued net loss to the CSF, the agency has been leading a process to find a different ownership model for the Common School lands within the Elliott State Forest (about 82,500 acres total). The goal is to have new ownership identified by December 2016, and the final transfer of ownership completed on or before December 2017.

The Land Board has a fiduciary responsibility to manage Trust property to maximize revenues to the Common School Fund over time. This budget provides funding for staffing and activities critical to protecting Common School Fund real property assets (currently valued at close to \$700 million) and for increasing revenues from CSF real property, in order to meet the performance goal of increasing the return on asset value by three to five percent per biennium.

Trust Property: The agency is the depository of record for unclaimed and presumed abandoned property and funds. These unclaimed funds and properties include dormant bank accounts, safe deposit box contents, utility deposits and refunds, insurance dividends, matured insurance policies, securities such as stocks and mutual funds, wages, credit balances, etc. Essentially, any intangible and certain tangible property that is due and payable but cannot, for various reasons, be delivered to the rightful owner is unclaimed property.

The three distinct responsibilities of the program are:

- **Holder Reporting:** receiving and maintaining the data associated with the owners and the properties sent to the Department.
- **Claims:** reviewing documentation provided by individuals or businesses to verify and reunite owners with property.
- **Audits and Outreach:** conducting unclaimed property examinations of Oregon businesses to help them comply with the law as well as to provide education about their responsibilities as holders of unclaimed property.

In Fiscal Year 2015, \$51.5 million in unclaimed property was remitted to DSL; \$22 million was returned to owners. Remaining unclaimed funds are held in custody in the Common School Fund. Tangible personal property, primarily from abandoned safe deposit boxes at financial institutions, is held for a minimum of one year, and then publicly auctioned. Securities (stock and mutual funds) are sold through the agency's contracted stockbroker. All unclaimed property (or the proceeds from the sale of the property) is available for claim by the owners or their heirs forever. The investment earnings generated from unclaimed property are part of DSL's semi-annual distribution to schools.

The Department of State Lands is the court-appointed personal representative for the administration of estates of people who die without a will and without known heirs. The process entails identification of the assets in the estate together with the known outstanding debts; filing probate actions with the appropriate court; performing a preliminary search for heirs; giving public notice; conducting sales of personal and real property; and coordinating the funeral and burial arrangements. This section of the agency also must work closely with local medical examiners, attorneys, sheriff departments, the Oregon Department of Veterans' Affairs, Department of Human Services Estate Administration Unit and the Department of Revenue. The estates staff receives, secures and sells property resulting from various civil

BUDGET NARRATIVE

forfeiture statutes. After 10 years, if no will is located and there are no apparent heirs, estates proceeds are deposited permanently into the Common School Fund. As of June 30, 2015, nearly \$7 million was pending permanent escheat to the Common School Fund from estates.

The costs are supported by Other Funds – Common School Fund

AQUATIC RESOURCE MANAGEMENT

The Aquatic Resource Management program's primary function is to conserve and protect the public interest in waters of the state, including wetlands, and state-owned navigable waters through the removal-fill, wetlands planning, and proprietary waterways programs. Waters are protected for their contribution to aquatic life and habitats, fisheries, aquatic-based economies, public recreation, navigation, commerce, water quality, floodwater storage and other natural resource functions and values. This program also houses the waterway leasing function of the agency, which includes issuing authorizations for use of state submerged and submersible lands in navigable waterways while preserving "public trust rights" (navigation, fishing, commerce and recreation) in those waterways.

The program is comprised of 33 FTE/33 positions (one limited duration) and is managed by the Deputy Director of the Operations Division who oversees two Field Operations Managers, and the Planning and Policy Manager. Field Operations is organized in multidisciplinary teams delivering service by geographic region, aligned with the Regional Solutions areas, and provides the following functions: removal-fill permits, wetland delineation review, waterway leasing and Portland Harbor Superfund planning. The Policy and Planning unit houses specialists in removal-fill policy, aquatic resource mitigation and planning, and inventorying historically filled lands on proprietary waterways who provide policy and technical support to the Field Operations teams.

This Aquatic Resource Management (ARM) program area relies on leasing and authorization revenues, and permit and other fees, as well as funding from the Common School Fund investment returns, for its operations and staffing. The program also regularly receives federal grants in support of wetland and waterway program improvements.

The ARM is responsible for four core functions: 1) Regulating removal-fill activities in waters of the state; 2) Managing mitigation programs, including mitigation banking and payment-in-lieu programs; 3) Managing the state's aquatic resource planning program; and 4) Issuing authorizations for use of and overseeing navigable waterways to protect public trust rights.

Regulating Removal-Fill Activities: The Department of State Lands protects aquatic resources through administration of Oregon's Removal-Fill Law, enacted in 1967. This law requires most activities affecting more than 50 cubic yards of material in waters of the state to obtain a permit from DSL. "Waters of the state" are defined in statute (ORS 196.800) and include streams, lakes, wetlands, estuaries, the territorial sea and other bodies of water. The law applies to all landowners, including private individuals, corporate entities and public agencies. Regardless of impact size, almost all activities in Oregon Scenic Waterways and streams specifically designated essential anadromous salmon habitat require a permit.

Staff resource coordinators implement the Removal-Fill Law by assisting landowners, developers, consultants and others in minimizing impacts to waters of the state and obtaining permits for removal-fill activities. The permit function is organized around five regions: Northwest, Midwest, Southwest, Metro Portland and Eastern. The permit review process involves coordination with the applicant, adjacent landowners, natural resource agencies and local governments. State law requires DSL to determine whether an application for a removal-fill permit is complete within 30 days of receipt and to issue a decision within 90 days of the completeness determination. In an emergency, DSL can authorize work in advance, including verbally, for emergency circumstances impacting life or property. Resource coordinators

BUDGET NARRATIVE

also monitor permits for compliance with permit conditions, including permittee-responsible compensatory mitigation, and address removal-fill activities occurring without a permit through enforcement actions.

Wetland delineation reports show the boundaries of wetlands and other waters of the state on a property and are often required as part of a removal-fill permit application. Reports are also submitted for approval in advance of a state permit application. Jurisdictional coordinators are tasked with reviewing wetland delineation reports submitted to DSL. They review reports to ensure accuracy, conduct onsite review if needed, and provide a written determination of state jurisdiction over wetlands and other waters of the state. Permit applicants need to have accurate, state-approved wetland delineations completed early in land-use planning or site development planning in order to incorporate aquatic resources into their plans, because state and federal law require wetland impacts be avoided and minimized. DSL currently is well within the statutory 120-day review timeline for wetland delineations, and has eliminated a previous backlog of report reviews.

Jurisdictional coordinators also conduct wetland determinations for the public upon request and as staffing and workload allow. A wetland determination tells a landowner whether wetlands are located on their property but does not map the boundaries of the wetland.

The removal-fill permit function is funded by a combination of proprietary revenues, permit fees, enforcement revenue, and CSF funds. The Oregon Department of Transportation also funds up to one resource coordinator position serving as a liaison to that Department.

DSL continually works with other public agencies and constituent groups on streamlining the removal-fill permit process, including improving online permitting and creating more applicant-friendly processes. The current emphasis is on Web-based application processes; expediting permits for both restoration projects and other recurring types of removal-fill projects; and continuing to work with state and federal agencies to develop coordinated, user-friendly approaches to water-related permitting. In the past biennium DSL developed new administrative rules to create a voluntary wetland planning tool for communities. Using this tool, communities can make strategic decisions about wetland protection, development and mitigation in advance of projects, thereby streamlining future removal-fill permitting. This effort was piloted with the Cascades West Council of Governments for 19 industrial sites in Linn and Benton counties and is also being used by the City of The Dalles.

Mitigation Program: Under state law, when impacts to wetlands and waterways occur as part of a removal-fill activity, compensatory mitigation to replace the lost functions of the resource is required. Mitigation may be accomplished through permittee-responsible mitigation, purchasing credits from private mitigation banks or, if there are no private bank credits available, purchasing credits from DSL. When mitigation credits are purchased from DSL, the funds are deposited into the Removal-Fill Mitigation Fund (RFMF). DSL then uses these funds to operate a state-sponsored banking program providing payment in-lieu and in-lieu fee mitigation.

DSL has two positions dedicated to mitigation-related tasks. One mitigation specialist acts as the Department expert on mitigation-related issues and manages and implements the mitigation banking program. There are currently 24 active mitigation banks authorized in Oregon with several others in various stages of development. The position is funded by the combination of funds described above. The other mitigation specialist implements the payment in-lieu and in-lieu fee mitigation programs. Funding for that position is split: 50 percent is funded as described for the other position and 50 percent is funded through the Removal-Fill Mitigation Fund (see program narrative for that fund).

BUDGET NARRATIVE

Aquatic Resources Planning: The Department provides both technical and planning assistance to local governments, who must include protection for "significant" wetlands as required by statewide land-use planning Goals 5 (Natural Resources), 16 (Estuaries) and 17 (Coastal Shorelands). DSL implements a wetland land-use notification process that provides for local-state coordination on proposed projects that may affect a wetland mapped on the State Wetland Inventory (SWI). Wetlands staff also work closely with the Department of Land Conservation and Development on wetland issues related to statewide land-use planning process.

The Department is responsible for developing and maintaining the SWI. The inventory consists of both the National Wetlands Inventory and Local Wetlands Inventories developed by local governments pursuant to rules adopted by DSL. The wetland inventory maps are useful tools for helping to determine if wetlands may be present in an area and are used by local governments for land-use and other planning tasks, and by landowners, developers and others to identify the potential presence of wetlands. The Department is developing a web portal to provide local governments and the public easy access to the approved Local Wetlands Inventory and GIS datasets.

Waterway Leasing and Authorizations: The State of Oregon owns the navigable waters (also known as submerged and submersible lands) of many rivers, lakes and estuaries in the state. DSL issues leases, registrations, easements and other authorizations for structures on these "S&S" lands. State ownership includes submerged lands within the Portland Harbor Superfund Cleanup Site. DSL is involved in the remedial investigation/feasibility study for the Portland Harbor site because of the state's proprietary and regulatory interests. DSL must address complex environmental and legal issues with the EPA, DEQ and other entities such as the Lower Willamette Group and natural resource trustees under the federal Comprehensive Environmental Response, Compensation and Liability Act (CERCLA) as they continue their programs of sediment sampling and eventual cleanup of the contaminated sediments.

BUSINESS OPERATIONS AND SUPPORT SERVICES

This program area is responsible for DSL's agency-wide support functions, and provides accounting, budget, human resources and information technology services for the Land Use Board of Appeals. The BOSS also provides oversight of DSL-managed funds, audits and properties. It includes the following sections: Information Technology, Finance, Human Resources, and Support Services. This area includes 29FTE/29 positions managed by the Deputy Director of the Administration Division who reports to the Director. Five managers – Fiscal, Human Resources, Information Systems, Support Services, and the South Slough – report to the Deputy Director, who also oversees the agency budget process, rulemaking and Key Performance Measures.

Finance Section: This section provides budget development and maintenance, general administrative support, accounting, purchasing, legislative budget support, and coordination of all aspects of administrative rulemaking for the agency. These supporting services are also provided to the South Slough National Estuarine Research Reserve. Additionally, assistance is provided to program managers in the administration of federal grants, interagency agreements and procurement/contracting activities. This section handles other agency support functions such as telephones, copiers and vehicles.

Information Technology Section: This section is responsible for the maintenance, support and protection of DSL's computer information system including electronic mail and GIS services. The section supports a variety of database systems that provide records for agency programs including unclaimed property, accounting, permits, violations, leases, capital inventory and mailing lists. Section staff supports the Land Administration System (LAS), the agency's corporate database, as well as statelandsonline.com, an in-house website for permits and unclaimed property. The agency continually increases its use of electronic processes to effect reductions in paperwork and file storage, increase accessibility of data, communicate with internal and external customers and improve customer service delivery.

BUDGET NARRATIVE

Human Resources: The Human Resource Office is responsible for providing direction to the director, assistant directors, management team and other staff members in all areas of human resources, including: Affirmative Action, personnel administration, classification and compensation, recruitment and retention, labor relations, policy and procedures, safety and wellness, and training and career development.

Support Services: The Support Services Section is responsible for providing varied program clerical support for all agency programs, including data entry, document preparation and processing, records processing and maintenance, responding to inquiries, filing, mail services, and front desk reception.

BUDGET NARRATIVE

ESSENTIAL PACKAGES – Common School Fund Program

PURPOSE: The essential packages present budget adjustments needed to bring the base budget to Current Service Level (CSL), the calculated cost of continuing legislatively approved programs into the 2017-19 biennium.

HOW ACHIEVED:

Package 010: adjusts for vacancies and non-PICS personal services amounts using the standard adjustment and calculation factors specified in the budget instructions. The vacancy factor adjustment is \$(55,004) Other Funds. There is an adjustment of \$4,022 All Funds in Temporary Appointments, Overtime Payments and Shift Differential. Adjustment for the Pension Bond Contribution is \$11,690 All Funds. Other adjustments totaling \$2,367 All Funds were made in Social Security Taxes, Unemployment Assessments and Mass Transit Tax.

Package 022: represents a cost reversal from the 2015-17 Legislatively Approved Budget for one-time budget package costs. This package phases out \$25,000 General Fund, \$7,168,789 in Other Funds and \$392,502 in Federal Funds for grants that do not continue to the next biennium.

Package 031: adjusts the costs of Goods and Services based on the standard inflation factor of 3.7 percent as published in the budget instructions. The resulting Services and Supplies increase in this Program Unit is \$500,820 Other Funds.

Package 032: makes an adjustment for additional allowable inflation for Employee Training, Data Processing, Employee Recruitment and Development and Other Services and Supplies. The resulting increase is \$38,206 Other Funds.

STAFFING IMPACT: There was no staffing impact in this budget program relating to essential packages.

REVENUE SOURCE: Other Funds and Federal Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(10,701)	-	-	-	-	-	(10,701)
Total Revenues	(\$10,701)	-	-	-	-	-	(\$10,701)
Personal Services							
Temporary Appointments	-	-	852	-	-	-	852
Overtime Payments	-	-	2,875	-	-	-	2,875
Shift Differential	-	-	295	-	-	-	295
All Other Differential	-	-	-	-	-	-	-
Pension Obligation Bond	(10,666)	-	22,356	-	-	-	11,690
Social Security Taxes	-	-	-	-	-	-	-
Unemployment Assessments	-	-	223	-	-	-	223
Mass Transit Tax	(35)	-	2,179	-	-	-	2,144
Flexible Benefits	-	-	-	-	-	-	-
Vacancy Savings	-	-	(55,004)	-	-	-	(55,004)
Total Personal Services	(\$10,701)	-	(\$26,224)	-	-	-	(\$36,925)
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Telecommunications	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	(10,701)	-	(26,224)	-	-	-	(36,925)
Total Expenditures	(\$10,701)	-	(\$26,224)	-	-	-	(\$36,925)
Ending Balance							
Ending Balance	-	-	26,224	-	-	-	26,224
Total Ending Balance	-	-	\$26,224	-	-	-	\$26,224

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	(25,000)	-	-	-	-	-	(25,000)
Total Revenues	(\$25,000)	-	-	-	-	-	(\$25,000)
Personal Services							
Temporary Appointments	-	-	-	(68,523)	-	-	(68,523)
Social Security Taxes	-	-	-	(5,242)	-	-	(5,242)
Total Personal Services	-	-	-	(\$73,765)	-	-	(\$73,765)
Services & Supplies							
Instate Travel	-	-	(8,500)	-	-	-	(8,500)
Office Expenses	-	-	(500)	-	-	-	(500)
Telecommunications	-	-	(7,700)	-	-	-	(7,700)
Professional Services	(25,000)	-	(6,266,126)	(318,737)	-	-	(6,609,863)
Attorney General	-	-	(739,633)	-	-	-	(739,633)
Facilities Rental and Taxes	-	-	(1,480)	-	-	-	(1,480)
Other Services and Supplies	-	-	(10,100)	-	-	-	(10,100)
IT Expendable Property	-	-	(1,500)	-	-	-	(1,500)
Total Services & Supplies	(\$25,000)	-	(\$7,035,539)	(\$318,737)	-	-	(\$7,379,276)
Capital Outlay							
Technical Equipment	-	-	(133,250)	-	-	-	(133,250)
Total Capital Outlay	-	-	(\$133,250)	-	-	-	(\$133,250)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	(25,000)	-	(7,168,789)	(392,502)	-	-	(7,586,291)
Total Expenditures	(\$25,000)	-	(\$7,168,789)	(\$392,502)	-	-	(\$7,586,291)
Ending Balance							
Ending Balance	-	-	7,168,789	392,502	-	-	7,561,291
Total Ending Balance	-	-	\$7,168,789	\$392,502	-	-	\$7,561,291

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

**Lands, Dept of State
Pkg: 031 - Standard Inflation**

**Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000**

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	12,823	-	-	-	12,823
Out of State Travel	-	-	137	-	-	-	137
Employee Training	-	-	2,811	-	-	-	2,811
Office Expenses	-	-	9,438	-	-	-	9,438
Telecommunications	-	-	7,388	-	-	-	7,388
State Gov. Service Charges	-	-	108,355	-	-	-	108,355
Data Processing	-	-	3,431	-	-	-	3,431
Publicity and Publications	-	-	3,292	-	-	-	3,292
Professional Services	-	-	21,928	-	-	-	21,928
IT Professional Services	-	-	8,514	-	-	-	8,514
Attorney General	-	-	238,554	-	-	-	238,554
Employee Recruitment and Develop	-	-	594	-	-	-	594
Dues and Subscriptions	-	-	244	-	-	-	244
Facilities Rental and Taxes	-	-	34,317	-	-	-	34,317
Fuels and Utilities	-	-	8,559	-	-	-	8,559
Facilities Maintenance	-	-	14,003	-	-	-	14,003
Agency Program Related S and S	-	-	32	-	-	-	32
Other Services and Supplies	-	-	17,767	-	-	-	17,767
Expendable Prop 250 - 5000	-	-	725	-	-	-	725
IT Expendable Property	-	-	4,213	-	-	-	4,213
Total Services & Supplies	-	-	\$497,125	-	-	-	\$497,125

Capital Outlay

Office Furniture and Fixtures	-	-	970	-	-	-	970
Telecommunications Equipment	-	-	-	-	-	-	-

____ Agency Request
2017-19 Biennium

____ Governor's Budget
Page _____

____ Legislatively Adopted
Essential and Policy Package Fiscal Impact Summary - BPR013

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Technical Equipment	-	-	-	-	-	-	-
Data Processing Software	-	-	2,689	-	-	-	2,689
Data Processing Hardware	-	-	36	-	-	-	36
Land and Improvements	-	-	-	-	-	-	-
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	-	-	\$3,695	-	-	-	\$3,695
Special Payments							
Dist to Counties	-	-	-	-	-	-	-
Dist to Non-Gov Units	-	-	-	-	-	-	-
Other Special Payments	-	-	-	-	-	-	-
Total Special Payments	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	500,820	-	-	-	500,820
Total Expenditures	-	-	\$500,820	-	-	-	\$500,820
Ending Balance							
Ending Balance	-	-	(500,820)	-	-	-	(500,820)
Total Ending Balance	-	-	(\$500,820)	-	-	-	(\$500,820)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 032 - Above Standard Inflation

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Employee Training	-	-	4,028	-	-	-	4,028
Data Processing	-	-	12,040	-	-	-	12,040
Employee Recruitment and Develop	-	-	2,645	-	-	-	2,645
Other Services and Supplies	-	-	19,493	-	-	-	19,493
Total Services & Supplies	-	-	\$38,206	-	-	-	\$38,206
Total Expenditures							
Total Expenditures	-	-	38,206	-	-	-	38,206
Total Expenditures	-	-	\$38,206	-	-	-	\$38,206
Ending Balance							
Ending Balance	-	-	(38,206)	-	-	-	(38,206)
Total Ending Balance	-	-	(\$38,206)	-	-	-	(\$38,206)

BUDGET NARRATIVE

POLICY PACKAGE 090

Statewide Adjustments

COMMON SCHOOL FUND/BUSINESS OPERATIONS AND SUPPORT SERVICES

PURPOSE: The statewide adjustment policy packages recognize administrative price and rate assessment changes made after the initial budget development.

Package 091: This package reflects reductions in Department of Administrative Service charges and assessments as they relate to the department. Total reduction: \$132,276 Other Funds

Package 092: This package adjusts the budget to reflect the difference between the proposed and agreed upon hourly rate for legal services provided by the Attorney General. Total reduction: \$135,354 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 090 - Analyst Adjustments

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	-	-	-	-	-
Total Services & Supplies	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	-	-	-	-	-
Total Expenditures	-	-	-	-	-	-	-
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 091 - Statewide Adjustment DAS Chgs

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Employee Training	-	-	(1,152)	-	-	-	(1,152)
Office Expenses	-	-	(5,290)	-	-	-	(5,290)
Telecommunications	-	-	(38,917)	-	-	-	(38,917)
State Gov. Service Charges	-	-	(56,039)	-	-	-	(56,039)
Other Services and Supplies	-	-	(30,878)	-	-	-	(30,878)
Total Services & Supplies	-	-	(\$132,276)	-	-	-	(\$132,276)
Total Expenditures							
Total Expenditures	-	-	(132,276)	-	-	-	(132,276)
Total Expenditures	-	-	(\$132,276)	-	-	-	(\$132,276)
Ending Balance							
Ending Balance	-	-	132,276	-	-	-	132,276
Total Ending Balance	-	-	\$132,276	-	-	-	\$132,276

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 092 - Statewide AG Adjustment

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Attorney General	-	-	(135,354)	-	-	-	(135,354)
Total Services & Supplies	-	-	(\$135,354)	-	-	-	(\$135,354)
Total Expenditures							
Total Expenditures	-	-	(135,354)	-	-	-	(135,354)
Total Expenditures	-	-	(\$135,354)	-	-	-	(\$135,354)
Ending Balance							
Ending Balance	-	-	135,354	-	-	-	135,354
Total Ending Balance	-	-	\$135,354	-	-	-	\$135,354

BUDGET NARRATIVE

POLICY OPTION PACKAGE 101 PORTLAND HARBOR CLEANUP COMMON SCHOOL FUND/AQUATIC RESOURCE MANAGEMENT

PURPOSE: The Department of State Lands (DSL) anticipates needing continued assistance from the Department of Justice (DOJ) and forensic consultants in the 2017-19 biennium related to the Portland Harbor Superfund Cleanup Site process. DSL is involved in this Superfund site because of the state's proprietary and regulatory activities in the lower Willamette River. We must address complex environmental and legal issues with state and federal environmental agencies and other entities such as the Lower Willamette Group, as cost allocation negotiations and natural resource damage assessment work continues. We are requesting additional resources to cover anticipated legal expenses for defending the state's interests specifically connected to the State Land Board's jurisdiction and authorities.

HOW ACHIEVED: DOJ will continue to provide oversight for the Portland Harbor cleanup process through its involvement in the cost allocation process and natural resource damage assessment/restoration work. DOJ's involvement in both these efforts will provide a defensible position for the state, with the goal of reducing future cleanup costs and natural resource damage claims to be paid by the state. In addition to DOJ's legal work, funding services for outside forensic consultants is critical to the state's defense. DOJ manages the oversight of an expert witness.

ALTERNATIVES CONSIDERED: No other alternatives were considered. DSL does not have the legal expertise or staffing to provide these services, nor do we currently have any alternative funds that could be used for this purpose. Previously, available statutory funds and insurance reimbursements have been spent on ongoing Portland Harbor legal costs.

QUANTIFYING RESULTS: DSL needs assistance from DOJ to limit the liability and cost to the State of Oregon due to the significance of the environmental hazard and likely cleanup costs in Portland Harbor. As of June 2016, total cleanup costs are estimated to exceed \$700,000,000, with substantial uncertainty as to what portion of the costs may or may not ultimately be borne by the state.

STAFFING IMPACT: 1.0 Limited Duration FTE

REVENUE SOURCE: \$8,326,537 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 101 - Portland Harbor Clean Up

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	146,280	-	-	-	146,280
Empl. Rel. Bd. Assessments	-	-	57	-	-	-	57
Public Employees' Retire Cont	-	-	27,925	-	-	-	27,925
Social Security Taxes	-	-	11,190	-	-	-	11,190
Worker's Comp. Assess. (WCD)	-	-	69	-	-	-	69
Flexible Benefits	-	-	33,336	-	-	-	33,336
Total Personal Services	-	-	\$218,857	-	-	-	\$218,857
Services & Supplies							
Instate Travel	-	-	1,500	-	-	-	1,500
Office Expenses	-	-	500	-	-	-	500
Telecommunications	-	-	2,700	-	-	-	2,700
Professional Services	-	-	3,600,000	-	-	-	3,600,000
Attorney General	-	-	4,500,000	-	-	-	4,500,000
Facilities Rental and Taxes	-	-	1,480	-	-	-	1,480
IT Expendable Property	-	-	1,500	-	-	-	1,500
Total Services & Supplies	-	-	\$8,107,680	-	-	-	\$8,107,680
Total Expenditures							
Total Expenditures	-	-	8,326,537	-	-	-	8,326,537
Total Expenditures	-	-	\$8,326,537	-	-	-	\$8,326,537

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 101 - Portland Harbor Clean Up

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(8,326,537)	-	-	-	(8,326,537)
Total Ending Balance	-	-	(\$8,326,537)	-	-	-	(\$8,326,537)
Total Positions							
Total Positions							1
Total Positions	-	-	-	-	-	-	1
Total FTE							
Total FTE							1.00
Total FTE	-	-	-	-	-	-	1.00

PACKAGE: 101 - Portland Harbor Clean Up

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1411020	AX C8504 AA	NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	06	6,095.00		146,280 72,577			146,280 72,577
TOTAL PICS SALARY									146,280			146,280
TOTAL PICS OPE									72,577			72,577
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00				218,857			218,857

BUDGET NARRATIVE

POLICY OPTION PACKAGE 102 HISTORICAL FILLED LANDS PROJECT COMMON SCHOOL FUND/AQUATIC RESOURCE MANAGEMENT

PURPOSE: The Department of State Lands (DSL) formed the Filled Lands Advisory Group (FLAG) at the 2013 Legislature's request for DSL to develop a fair, transparent and reasonable process to resolve state ownership interests in historical filled submerged and submersible lands. Because DSL had not historically asserted state ownership over these filled lands, many parcels are developed and assumed to be private property. County tax records are often inaccurate, which further compounds the confusion over these lands.

The work of the FLAG resulted in the 2015 Legislature passing Senate Bill 912. This bill carried forward both the recommendations of the FLAG subgroup, and the additional FLAG recommendations that required amendments to statute. The major work item of this bill is the requirement for the State Land Board to identify and declare the state's interest in historical filled lands and to provide notice of declaration. SB 912 prohibits the Board from asserting title in historical filled lands unless certain procedures are met prior to December 31, 2025.

HOW ACHIEVED: The Department's fiscal impact statement for SB 912 identified funding over two biennia in order to implement the requirements of the bill. The first phase of work involves compiling and geo-referencing existing data to determine a baseline for the quantity of historical filled lands remaining for which the state has an interest. This first step requires staff with expertise in ownership, title research and geographic information systems, and was funded by \$328,228 from the General Fund in the 2015-2017 biennium. DSL presented to the legislature, and in the Blue Sheet to Governor Brown, that it would request additional funding for the 2017-2019 biennium in order have the resources to complete the work required by SB 912.

ALTERNATIVES CONSIDERED: An alternative to funding the positions is for DSL to undertake the historical filled lands studies, and subsequent Land Board declarations, with existing resources. This would likely result in the agency not fulfilling the requirements of SB 912 by December 31, 2025, in which case, DSL would likely request an extension to the statutory deadline.

QUANTIFYING RESULTS: The completion of 15 to 20 historical filled lands inventories along Oregon's state-owned waterways. This would be in conjunction with the recording of State Land Board declarations at the applicable County Clerk's Offices.

STAFFING IMPACT: DSL needs two full-time, limited-duration positions in order to complete these tasks. DSL is requesting a Natural Resource Specialist 4 and one Administrative Specialist 1 to work with existing staff and management to complete this project. (2 positions/1.83 FTE)

REVENUE SOURCE: \$395,660 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 102 - Historical Filled Lands Project

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
General Fund Appropriation	-	-	-	-	-	-	-
Total Revenues	-	-	-	-	-	-	-
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	171,622	-	-	-	171,622
Empl. Rel. Bd. Assessments	-	-	104	-	-	-	104
Public Employees' Retire Cont	-	-	32,763	-	-	-	32,763
Social Security Taxes	-	-	13,129	-	-	-	13,129
Worker's Comp. Assess. (WCD)	-	-	126	-	-	-	126
Flexible Benefits	-	-	61,116	-	-	-	61,116
Reconciliation Adjustment	-	-	-	-	-	-	-
Total Personal Services	-	-	\$278,860	-	-	-	\$278,860
Services & Supplies							
Instate Travel	-	-	4,000	-	-	-	4,000
Office Expenses	-	-	1,000	-	-	-	1,000
Telecommunications	-	-	4,800	-	-	-	4,800
Attorney General	-	-	100,000	-	-	-	100,000
Facilities Rental and Taxes	-	-	2,000	-	-	-	2,000
Other Services and Supplies	-	-	2,000	-	-	-	2,000
IT Expendable Property	-	-	3,000	-	-	-	3,000
Total Services & Supplies	-	-	\$116,800	-	-	-	\$116,800

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 102 - Historical Filled Lands Project

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	395,660	-	-	-	395,660
Total Expenditures	-	-	\$395,660	-	-	-	\$395,660
Ending Balance							
Ending Balance	-	-	(395,660)	-	-	-	(395,660)
Total Ending Balance	-	-	(\$395,660)	-	-	-	(\$395,660)
Total Positions							
Total Positions							2
Total Positions	-	-	-	-	-	-	2
Total FTE							
Total FTE							1.83
Total FTE	-	-	-	-	-	-	1.83

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1411018	AX C8504 AA	NATURAL RESOURCE SPECIALIST 4	1	.92	22.00	02	5,034.00		110,748 60,287			110,748 60,287
1411019	AX C0107 AA	ADMINISTRATIVE SPECIALIST 1	1	.92	22.00	02	2,767.00		60,874 46,951			60,874 46,951
TOTAL PICS SALARY									171,622			171,622
TOTAL PICS OPE									107,238			107,238
TOTAL PICS PERSONAL SERVICES =			2	1.84	44.00				278,860			278,860

BUDGET NARRATIVE

POLICY OPTION PACKAGE 103 SCHOOL TRUST LANDS MANAGEMENT COMMON SCHOOL FUND/REAL PROPERTY UNIT

PURPOSE: Under the Department of State Lands' (DSL) recent reorganization, and due to a variety of staff retirements and relocations, the agency consolidated all real property (upland) management functions in the Eastern Region (Bend) office under one manager. In addition to issuing leases and other authorizations to use state land, the Real Property Unit handles property transactions including all land sales, mineral releases and filled land sales. The ongoing workload of managing statewide resources exceeds the capacity of the one property manager previously responsible for management of only non-rangelands in the Eastern Region. This increased technical and complex work requires an additional employee who can focus solely on real property work for the agency and the generation of revenues for the Common School Fund.

HOW ACHIEVED: Hire a permanent Natural Resource Specialist 3

ALTERNATIVES CONSIDERED: DSL considered other combinations of duties among existing staff, and concluded that focusing all upland management actions within one Real Property Management program located in one office was considered the most efficient and effective way to oversee this important function for the agency. The volume and complexity of real property management transactions is increasing with renewed interest in alternative energy development. The addition of a second professional property manager will allow the department to better serve applicants and create opportunities to enhance income on school trust lands in a timely manner.

QUANTIFYING RESULTS: Real Property management results are quantified as receipts from commercial, agriculture, communication site and mineral leases. They also include authorizations such as easements, short term access agreements, mineral releases, and land exchanges and sales of properties not considered likely to produce income.

STAFFING IMPACT: 1.0 FTE

REVENUE SOURCE: \$181,148, Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 103 - Trust Land Management

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	104,928	-	-	-	104,928
Empl. Rel. Bd. Assessments	-	-	57	-	-	-	57
Public Employees' Retire Cont	-	-	20,031	-	-	-	20,031
Social Security Taxes	-	-	8,027	-	-	-	8,027
Worker's Comp. Assess. (WCD)	-	-	69	-	-	-	69
Flexible Benefits	-	-	33,336	-	-	-	33,336
Total Personal Services	-	-	\$166,448	-	-	-	\$166,448
Services & Supplies							
Instate Travel	-	-	5,000	-	-	-	5,000
Office Expenses	-	-	500	-	-	-	500
Telecommunications	-	-	2,700	-	-	-	2,700
Attorney General	-	-	5,000	-	-	-	5,000
Agency Program Related S and S	-	-	-	-	-	-	-
IT Expendable Property	-	-	1,500	-	-	-	1,500
Total Services & Supplies	-	-	\$14,700	-	-	-	\$14,700
Total Expenditures							
Total Expenditures	-	-	181,148	-	-	-	181,148
Total Expenditures	-	-	\$181,148	-	-	-	\$181,148

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 103 - Trust Land Management

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(181,148)	-	-	-	(181,148)
Total Ending Balance	-	-	(\$181,148)	-	-	-	(\$181,148)
Total Positions							
Total Positions							1
Total Positions	-	-	-	-	-	-	1
Total FTE							
Total FTE							1.00
Total FTE	-	-	-	-	-	-	1.00

POSITION NUMBER	CLASS COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1411017 AX	C8503 AA	NATURAL RESOURCE SPECIALIST 3	1	1.00	24.00	02	4,372.00		104,928 61,520			104,928 61,520
TOTAL PICS SALARY									104,928			104,928
TOTAL PICS OPE									61,520			61,520
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00				166,448			166,448

BUDGET NARRATIVE

POLICY OPTION PACKAGE 104 SUBMERGED AND SUBMERSIBLE LANDS ENHANCEMENT FUND COMMON SCHOOL FUND/AQUATIC RESOURCE MANAGEMENT

PURPOSE: In 2015, the legislature created the Submerged Lands Enhancement Fund with the passage of HB 2463. The department may use moneys in the fund to pay the expenses for removal, salvage, storage and disposal of abandoned and derelict structures and vessels, removal and disposal of marine debris, and engagement in activities to improve water quality and fish and wildlife habitat on submerged and submersible lands. The department may also use the moneys to provide funding to a state agency, county, city, water improvement district, park and recreation district, watershed council, port district, federally recognized Indian tribe or nonprofit organization to assist the department in completing that work. Revenues into the fund are to come from two sources: 1) No more than 20 percent of the moneys collected by the department's authorizations for using state-owned submerged or submersible lands; and 2) Payments recovered from the owners of structures or vessels who are liable for the cost of removal and disposal of a structure or vessel. This package requests limitation to allow payments to be made out of the fund.

HOW ACHIEVED: The Department of State Lands (DSL) will allocate moneys toward prioritized projects following a process established through rulemaking [OAR 141-082-0311]. The process includes the involvement of an application review team that may include but is not limited to representatives from the Oregon Department of Fish and Wildlife, Oregon Department of Environmental Quality, Oregon Marine Board and non-profit organizations.

ALTERNATIVES CONSIDERED: No other alternatives were considered. The passage of HB 2463 in 2015 provided DSL new statutory authority to use monies for the specific purposes articulated in the bill; however the department currently does not have the budget limitation needed to exercise this statutory authority. This limitation will enable DSL to begin to implement HB 2463 on state-owned submerged and submersible lands.

QUANTIFYING RESULTS: The department will report on monies spent, and the results of those expenditures, as part of the Aquatic Resource Management annual report to the State Land Board.

STAFFING IMPACT: Management of the fund and implementation and oversight of the enhancement activities are anticipated to result in additional staff work which can be absorbed by current staffing levels.

REVENUE SOURCE: Other Funds \$100,000

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 104 - S&S Land Enhancement Fund

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Agency Program Related S and S	-	-	100,000	-	-	-	100,000
Total Services & Supplies	-	-	\$100,000	-	-	-	\$100,000
Total Expenditures							
Total Expenditures	-	-	100,000	-	-	-	100,000
Total Expenditures	-	-	\$100,000	-	-	-	\$100,000
Ending Balance							
Ending Balance	-	-	(100,000)	-	-	-	(100,000)
Total Ending Balance	-	-	(\$100,000)	-	-	-	(\$100,000)

BUDGET NARRATIVE

POLICY OPTION PACKAGE 105 SAGE GROUSE MONITORING AND CONSERVATION MEASURES COMMON SCHOOL FUND/REAL PROPERTY UNIT

PURPOSE: On September 18, 2015, the Department of State Lands (DSL) entered into a Candidate Conservation Agreement with Assurances (CCAA) with the U.S. Fish and Wildlife Service (USFWS) for the purpose of conserving sage grouse on state-owned trust lands in eastern Oregon. The agreement creates stability and predictability for the future management of about 611,000 acres of Common School Fund trust lands, and the continued generation of revenues for the Fund from these lands. In order to achieve this outcome, the CCAA includes some increase in workload for existing staff, particularly with regard to additional monitoring that needs to be conducted under the agreement. This work load is in addition-to DSL's existing rangeland monitoring, which currently encompasses field surveys of about 30,000 acres per year. The CCAA also requires installation of conservation measures such as fence markers and escape ramps in water troughs to reduce the risk of grouse mortality. The Department is requesting to add a seasonal position at the Natural Resource Specialist 1 to perform the monitoring, reporting, and conservation measures in order to both meet the state's commitments under the CCAA and continue with the current level of rangeland monitoring activities.

HOW ACHIEVED: The addition of a seasonal employee, with at least a bachelor's degree, will allow more independent work, and should attract interested candidates willing to return annually, reducing subsequent training and supervision costs.

ALTERNATIVES CONSIDERED: DSL considered using additional temporary hires. Currently, range analyses and utilization monitoring are being carried out by temporary labor under close supervision by agency professionals.

QUANTIFYING RESULTS: Rangeland analyses and the Greater Sage Grouse CCAA both include ongoing monitoring and implementation compliance. The CCAA includes new annual reporting requirements for the USFWS.

STAFFING IMPACT: 0.5 FTE

REVENUE SOURCE: \$77,225 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 105 - Sage Grouse Monitoring

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Class/Unclass Sal. and Per Diem	-	-	39,564	-	-	-	39,564
Empl. Rel. Bd. Assessments	-	-	29	-	-	-	29
Public Employees' Retire Cont	-	-	7,553	-	-	-	7,553
Social Security Taxes	-	-	3,027	-	-	-	3,027
Worker's Comp. Assess. (WCD)	-	-	34	-	-	-	34
Flexible Benefits	-	-	16,668	-	-	-	16,668
Total Personal Services	-	-	\$66,875	-	-	-	\$66,875
Services & Supplies							
Instate Travel	-	-	2,000	-	-	-	2,000
Office Expenses	-	-	500	-	-	-	500
Telecommunications	-	-	1,350	-	-	-	1,350
IT Expendable Property	-	-	1,500	-	-	-	1,500
Total Services & Supplies	-	-	\$5,350	-	-	-	\$5,350
Total Expenditures							
Total Expenditures	-	-	72,225	-	-	-	72,225
Total Expenditures	-	-	\$72,225	-	-	-	\$72,225
Ending Balance							
Ending Balance	-	-	(72,225)	-	-	-	(72,225)
Total Ending Balance	-	-	(\$72,225)	-	-	-	(\$72,225)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 105 - Sage Grouse Monitoring

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Positions							
Total Positions							1
Total Positions	-	-	-	-	-	-	1
Total FTE							
Total FTE							0.50
Total FTE	-	-	-	-	-	-	0.50

POSITION NUMBER	CLASS	COMP	CLASS NAME	POS CNT	FTE	MOS	STEP	RATE	GF SAL/OPE	OF SAL/OPE	FF SAL/OPE	LF SAL/OPE	AF SAL/OPE
1411021	AX	C8501	AA NATURAL RESOURCE SPECIALIST 1	1	.50	12.00	02	3,297.00		39,564 27,311			39,564 27,311
TOTAL PICS SALARY										39,564			39,564
TOTAL PICS OPE										27,311			27,311
TOTAL PICS PERSONAL SERVICES =				1	.50	12.00				66,875			66,875

BUDGET NARRATIVE

POLICY OPTION PACKAGE 106 MULTI-AGENCY SHARED SERVICES PILOT COMMON SCHOOL FUND/BUSINESS OPERATIONS AND SUPPORT SERVICES

PURPOSE:

As agencies look for cost savings, the Department of State Lands (DSL), Oregon Water Resources Department (OWRD), Land Use Board of Appeals (LUBA) and Oregon Watershed Enhancement Board (OWEB) have worked to build a quality partnership to provide effective and efficient support for shared payroll/benefits functions.

The shared payroll/benefit staff will provide a broader and deeper knowledge base to respond to changing payroll laws and state policies. This will also provide backup options and promote establishing best practices for all four agencies.

HOW ACHIEVED:

DSL seeks to implement a shared-services program with the OWRD to deliver the internal administrative support function. OWRD houses an Accounting Tech 3 who handles payroll and benefits, which will be shared with DSL, LUBA and OWEB. The funding being requested will be a special payment to OWRD to reimburse half of the costs of the position. The shared services model will be a pilot over the 2017-2019 biennium.

ALTERNATIVES CONSIDERED:

Over the past several years the agency's payroll/benefit functions have been spread over several different positions, which diluted staff's ability to perform primary duties. The agency consolidated the payroll and benefit functions into 50% of one position. By splitting that position, the reconciliation accountant, the agency was unable to maintain timely account reconciliations and the appropriate internal controls in accordance with best practices. Removing the payroll/benefits functions from that position will allow the agency the ability to perform both cash and program reconciliations full time and ensure the agency is fully in compliance with recent audit recommendations.

QUANTIFYING RESULTS:

The shared services payroll/benefit pilot provides the agency a streamlined ability to process and manage attendance, time worked and employee benefits in accordance with state policies, regulations, labor contracts and insurance contracts more effectively and efficiently. Removing the payroll/benefits functions will free up 50% of one position giving the agency a full-time reconciliation accountant.

STAFFING IMPACT: None

REVENUE SOURCE: \$67,444 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 106 - Shared Services Implementation

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Transfers Out							
Tsfr To Water Resources Dept	-	-	(67,444)	-	-	-	(67,444)
Total Transfers Out	-	-	(\$67,444)	-	-	-	(\$67,444)
Ending Balance							
Ending Balance	-	-	(67,444)	-	-	-	(67,444)
Total Ending Balance	-	-	(\$67,444)	-	-	-	(\$67,444)

BUDGET NARRATIVE

POLICY OPTION PACKAGE 107 VEHICLE REPLACEMENT COMMON SCHOOL FUND/BUSINESS OPERATIONS AND SUPPORT SERVICES

PURPOSE: The Department of State Lands (DSL) owns five of its fleet of vehicles currently used for employee travel. All five of these vehicles are due for replacement, and the agency would like to lease new vehicles through the Department of Administrative Services Motor Pool. In 2015-17 the agency began the move to replace vehicles, and this package would complete the transition. Three vehicles are used by Salem employees that regularly travel to various Oregon locations to perform field work related to permitting, wetland inventorying, mitigation project reviews, audits, training, etc. Two of the vehicles are pickup trucks located in the Bend office where field work includes extensive travel on unimproved roads and requires transporting materials and equipment. This package would provide limitation to pay the lease charges for the vehicles.

Field work in eastern Oregon requires access to remote areas inaccessible by standard vehicles. Staff regularly uses off-road vehicles to complete their work often on isolated parcels. This package requests funding for replacement of an all-terrain vehicle and acquisition of a side-by-side off-highway vehicle to facilitate access, and improve safety and productivity.

HOW ACHIEVED: DSL will work with the Motor Pool to lease vehicles appropriate for the type of travel being conducted and will use appropriate procurement methods to acquire the off-road vehicles.

ALTERNATIVES CONSIDERED: Alternatives were not considered. Agency-owned vehicles require an exception from the state standard and this package will bring the agency into compliance without needed to go through the exception process. Reliable vehicles for on- and off-road use are essential for employee safety, efficiency, productivity and well-being.

QUANTIFYING RESULTS: Replacing aging vehicles minimizes the potential for lost time due to breakdowns and repairs. Reliable and appropriate equipment provides staff with the ability to accomplish work safely and efficiently.

STAFFING IMPACT: No staffing impact.

REVENUE SOURCE: \$80,576 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 107 - Vehicle Replacement

Cross Reference Name: Common School Fund
Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	54,576	-	-	-	54,576
Total Services & Supplies	-	-	\$54,576	-	-	-	\$54,576
Capital Outlay							
Other Capital Outlay	-	-	26,000	-	-	-	26,000
Total Capital Outlay	-	-	\$26,000	-	-	-	\$26,000
Total Expenditures							
Total Expenditures	-	-	80,576	-	-	-	80,576
Total Expenditures	-	-	\$80,576	-	-	-	\$80,576
Ending Balance							
Ending Balance	-	-	(80,576)	-	-	-	(80,576)
Total Ending Balance	-	-	(\$80,576)	-	-	-	(\$80,576)

BUDGET NARRATIVE

POLICY OPTION PACKAGE 108 REGIONAL TEAM OFFICE SPACE COMMON SCHOOL FUND/AQUATIC RESOURCE MANAGEMENT

PURPOSE: The Department of State Lands (DSL) restructured in October 2014 to provide better customer service and more efficient delivery of regulatory and state-owned waterway services through creating multi-disciplinary teams for specific geographical regions. These regions align with Regional Solutions Team areas. The Portland Metro regional team serves Clackamas, Multnomah and Washington Counties. The team handles a high volume of permits and authorizations for projects and properties in the Portland Metro area, but is currently located in DSL's Salem headquarters office.

The Department believes that opening a regional team office in the Portland Metro area in 2017-19 will enhance service delivery for the public. The vast majority of customers, including businesses, property owners and their consultants, are located in the Portland Metro area. In addition, providing a Metro regional team office will provide efficiencies for the agency, as DSL employees will not need to commute from Salem to visit project sites and to meet customers. It will also improve customer service by providing a local meeting facility. Reduced commuting time for regional team staff that live in Portland, increased retention and recruiting success, and reduced greenhouse gas emissions are additional benefits.

HOW ACHIEVED: DSL will lease space in an office building centrally located in the Portland Metro Region to provide six work spaces and a conference room as the primary work location for the four-person Portland Metro regional team and the Portland Harbor Superfund Specialist. The sixth workspace will be available for use by other DSL staff working in the area on an as-needed basis.

ALTERNATIVES CONSIDERED: DSL has a policy that allows Metro regional team members who live in the Metro area to telecommute up to two days per week. This has resulted in reduced work travel times and mileage and reduced greenhouse gas emissions. Providing a Metro office will result in further reductions and will also replicate the team work environment provided by co-located workspaces.

QUANTIFYING RESULTS: To quantify improved customer service through providing a local meeting space, DSL can quantify the number of Metro region related project meetings that have been held in Salem over a given timeframe (e.g. one fiscal year) and compare that number with meetings scheduled at the new Metro office space. To quantify reduced work travel times and mileage, DSL can do a similar comparison for site inspections and on-site meetings held in the Metro region.

STAFFING IMPACT: No staffing impact.

REVENUE SOURCE: \$48,000 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 108 - Regional Team Office Space

Cross Reference Name: Common School Fund
 Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Facilities Rental and Taxes	-	-	48,000	-	-	-	48,000
Total Services & Supplies	-	-	\$48,000	-	-	-	\$48,000
Total Expenditures							
Total Expenditures	-	-	48,000	-	-	-	48,000
Total Expenditures	-	-	\$48,000	-	-	-	\$48,000
Ending Balance							
Ending Balance	-	-	(48,000)	-	-	-	(48,000)
Total Ending Balance	-	-	(\$48,000)	-	-	-	(\$48,000)

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS Revenue Acct	2013-2015 Actual	2015-17 Legislatively Adopted	2015-17 Estimated	2017-19		
						Agency Request	Governor's	Legislatively Adopted
Business Lic & Fees	3400	0205	41,151					
Non-business Lic & Fees	3400	0210	1,777,927	800,000	1,800,000	800,000	800,000	
Charges for Services	3400	0410	407,597	273,750	250,000	273,750	273,750	
Admin and Service Chg	3400	0415	131,177	130,000	125,000	130,000	130,000	
Fines and Forfeitures	3400	0505	140,095	190,000	150,000	190,000	190,000	
Rents and Royalties	3200,3400	0510	10,822,787	9,500,000	8,000,000	9,500,000	9,500,000	
Interest Income	3200,3400	0605	62,069,253	150,171,000	140,000,000	150,001,000	140,000,000	
Sales Income	3400	0705	62,930	120,000	80,000	120,000	120,000	
CSF Land Sales	3400	0735	1,255,118					
Donations	3400	0905	100	12,000		12,000	12,000	
Other Revenues	3200,3400	0975	173,557,655	71,237,937	70,000,000	71,371,627	70,517,724	
Federal Funds Revenue	6400	0995	201,317	246,005	461,007	461,007	461,007	
Transfer From DOR	3400	1150	200,610	237,000	3,000,000	24,386,040	237,000	
Transfer from Energy	3400	1330	6,542					
Transfer from Forestry	3400	1629	7,802,836	9,586,000	3,000,000	4,689,000	4,689,000	
Transfer from LUBA		1662		26,267	30,000	27,239	27,239	
Transfer out to Forestry	3400	2629	(7,921,341)	(9,925,019)	(9,500,000)	(3,266,315)	(3,266,315)	

_____ Agency Request

_____ **X** _____ Governor's Budget

_____ Legislatively Adopted

Budget Page _____

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

**Lands, Dept of State
2017-19 Biennium**

Agency Number: 14100

Cross Reference Number: 14100-010-00-00-00000

Source	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Business Lic and Fees	41,151	-	-	-	-	-
Non-business Lic. and Fees	1,777,927	800,000	800,000	800,000	800,000	-
Charges for Services	407,597	273,750	273,750	273,750	273,750	-
Admin and Service Charges	131,177	130,000	130,000	130,000	130,000	-
Fines and Forfeitures	140,095	190,000	190,000	190,000	190,000	-
Rents and Royalties	10,780,038	9,500,000	9,500,000	9,500,000	9,500,000	-
Interest Income	1,443,906	150,001,000	150,001,000	150,001,000	140,000,000	-
Sales Income	62,930	120,000	120,000	120,000	120,000	-
Common School Lands Sales	1,255,118	-	-	-	-	-
Donations	100	12,000	12,000	12,000	12,000	-
Other Revenues	66,906	26,000	543,724	543,724	543,724	-
Transfer In - Intrafund	-	3,225,793	3,225,793	3,225,793	3,225,793	-
Transfer In Other	1	-	-	-	-	-
Tsfr From Revenue, Dept of	200,610	237,000	237,000	24,386,040	237,000	-
Tsfr From Energy, Dept of	6,542	-	-	-	-	-
Tsfr From Forestry, Dept of	7,802,836	9,586,000	9,586,000	4,689,000	4,689,000	-
Tsfr From Land Use Bd of Appls	-	26,267	26,267	27,239	27,239	-
Transfer Out - Intrafund	(2,849,504)	(137,234,454)	(137,234,454)	(137,434,454)	(137,434,454)	-
Tsfr To Administrative Svcs	(1)	-	-	-	-	-
Tsfr To Forestry, Dept of	(7,921,341)	(9,925,019)	(9,925,019)	(3,266,315)	(3,266,315)	-
Tsfr To Water Resources Dept	-	-	-	(157,999)	(67,444)	-
Total Other Funds	\$13,346,088	\$26,968,337	\$27,486,061	\$53,039,778	\$18,980,293	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Lands, Dept of State
2017-19 Biennium

Agency Number: 14100
Cross Reference Number: 14100-010-00-00-00000

<i>Source</i>	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Federal Funds						
Federal Funds	201,317	246,505	461,007	461,007	461,007	-
Total Federal Funds	\$201,317	\$246,505	\$461,007	\$461,007	\$461,007	-
Nonlimited Other Funds						
Rents and Royalties	42,749	-	-	-	-	-
Interest Income	60,625,347	-	-	-	-	-
Other Revenues	173,490,749	69,974,000	69,974,000	69,974,000	69,974,000	-
Transfer In - Intrafund	-	130,002,450	130,002,450	130,002,450	130,002,450	-
Tsfr To Education, Dept of	(104,949,628)	(110,211,801)	(110,211,801)	(110,211,801)	(110,211,801)	-
Total Nonlimited Other Funds	\$129,209,217	\$89,764,649	\$89,764,649	\$89,764,649	\$89,764,649	-

DEPARTMENT OF STATE LANDS: Oregon Removal-Fill Mitigation Fund 2015-2017



DEPARTMENT OF STATE LANDS: Oregon Removal-Fill Mitigation Fund 2017-2019



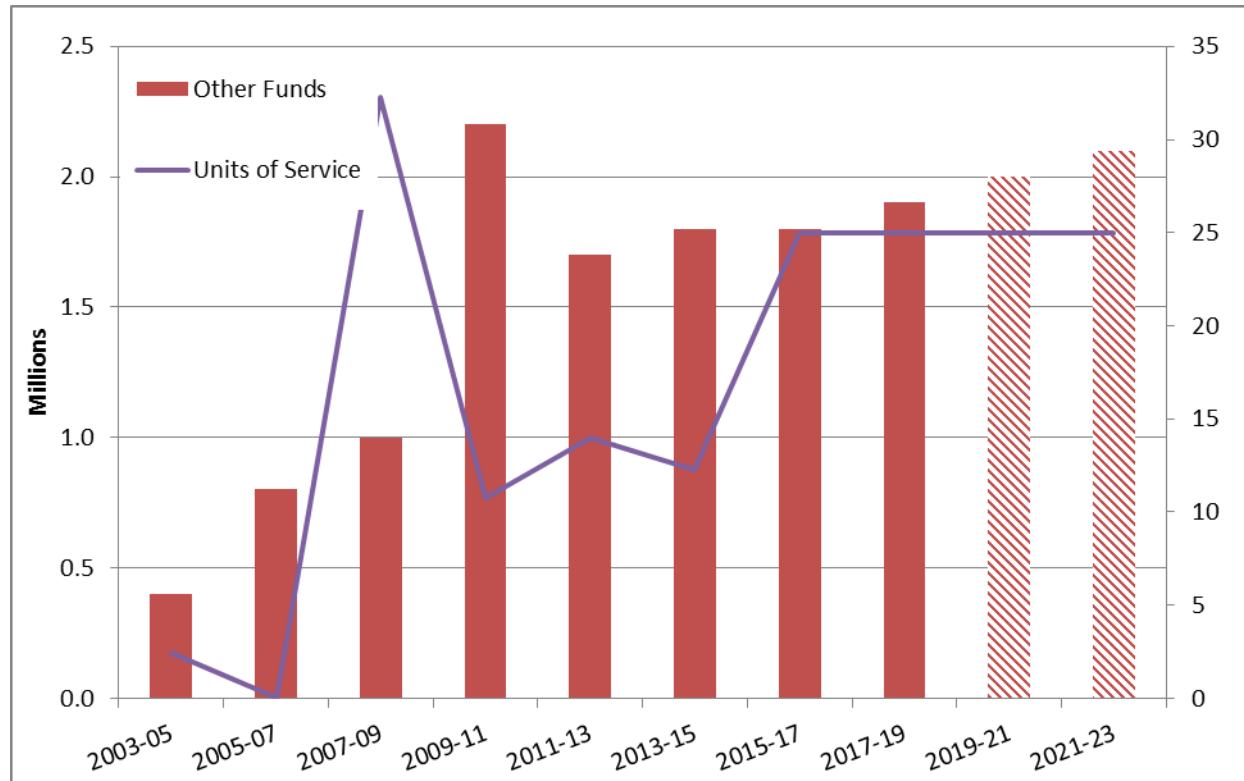
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BUDGET NARRATIVE

PROGRAM UNIT 013 – OREGON REMOVAL-FILL MITIGATION FUND

EXECUTIVE SUMMARY

Primary Outcome Area: Responsible Environmental Stewardship
 Program Contact: Bill Ryan, 503-986-5259; bill.ryan@state.or.us



Units of service are mitigation credits produced through the grant program. The dotted bars are projected data.

Program Overview

The Oregon Removal-Fill Mitigation Fund is used to provide a mitigation option for removal-fill permits for projects that impact wetlands and waterways. Mitigation credits are sold to applicants and the funds are used by the Department of State Lands to construct mitigation sites through a grant program.

BUDGET NARRATIVE

Program Funding Request

This program has a Governor's Budget of \$1,910,274. The program provides funding for one half (.5 FTE) of a position that is included in the Operations Division.

Program Description

Under state law, when impacts to aquatic resources (wetlands and waterways) occur as part of a removal-fill activity, mitigation to replace the lost functions of the resource is required. Mitigation may be accomplished through permittee-responsible mitigation, purchasing credits from private mitigation banks or, if there are no private bank credits available, purchasing credits from DSL. When mitigation credits are purchased from DSL, the funds are deposited into the Removal-Fill Mitigation Fund. DSL then uses these funds to administer a grant program to construct wetland and waterway mitigation projects in the watershed in which the impacts occurred. The credits are called *payment in-lieu* or *in-lieu fee* credits. The Department currently has three in-lieu fee sites providing credits and has an additional three sites under development.

The program involves a wide array of partners, including grantees, an interagency team for federally approved projects, and funding partners. A sampling includes the U.S. Forest Service; Clean Water Services in Washington County; nonprofits and land trusts such as the McKenzie River Land Trust and North Coast Land Conservancy; and watershed councils such as the Tualatin Riverkeepers, Salmon-Drift Creek Watershed Council and Clackamas River Basin Council. State agency partners include the Oregon Department of Fish and Wildlife, Department of Transportation, and Department of Environmental Quality.

Program Justification and Link to Long-Term Outcomes

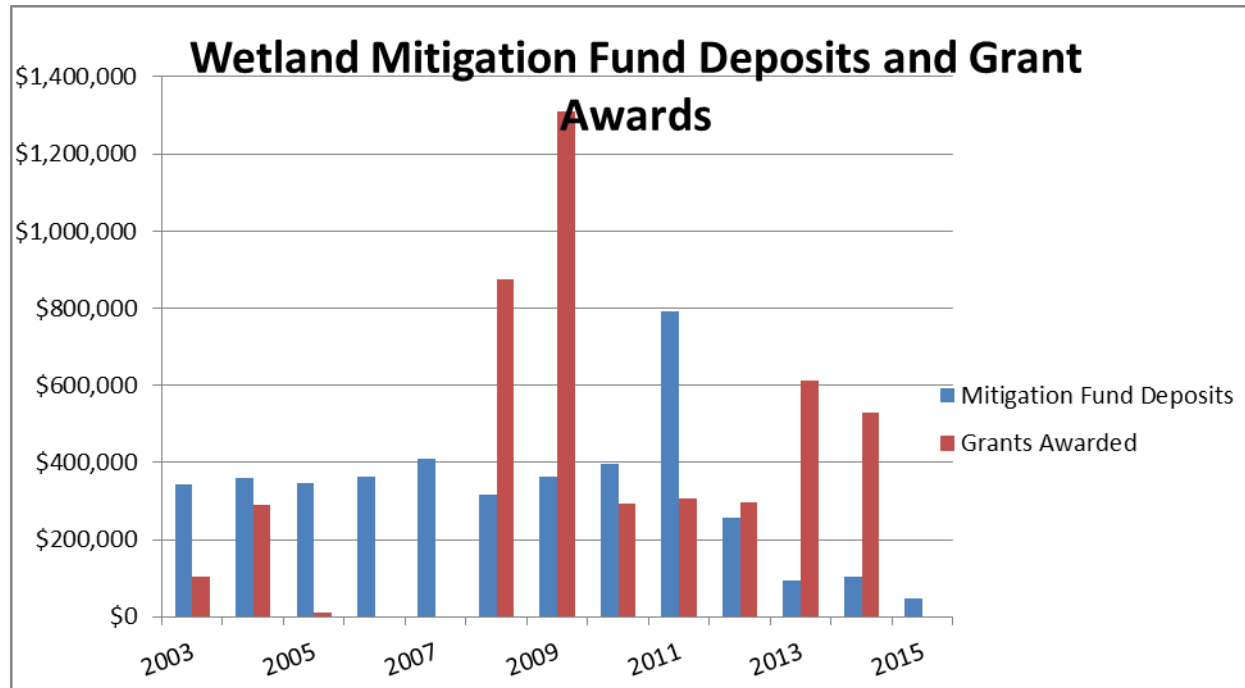
Primary Outcome Area: Responsible Environmental Stewardship. The Department takes a watershed approach to mitigation project selection. Projects that are funded must be strategically located to meet regional conservation priorities, address limiting factors identified in watershed assessments, provide habitat corridors, or add to the effectiveness of nearby protected natural areas. Mitigation projects that are able to provide multiple functions and functional gains, including improvement of fish and wildlife habitat and support for rare species, are given preference.

The use of DSL credits for mitigation can also provide improved outcomes for aquatic resources compared to small-scale individual mitigation sites. By pooling funds from multiple permits and collaborating with restoration partners, the Department is able to construct larger mitigation sites that are more sustainable and higher functioning. Larger mitigation sites also are more cost effective as they benefit from economies of scale relative to smaller mitigation sites. Because DSL approves only those mitigation grant projects that have a high likelihood of success and meet watershed needs for functional replacement, the Department is able to minimize risk of project failure and maximize environmental benefits.

By using existing conservation plans in the grant selection process, the program contributes to the effective coordination and implementation of natural resource management plans to sustain the environmental, economic and social well-being of Oregon for future generations. In addition, most approved grant projects involve funding from multiple sources, which has the effect of incorporating conservation priorities from other natural resource funding agencies.

BUDGET NARRATIVE

Program Performance



From FY 2001 through FY 2015, DSL was able to accept mitigation payment for nearly 700 permitted actions. DSL distributes these funds to projects that replace the impacts. In 2007, the Department obtained one FTE to administer the grant program and developed a performance measure (KPM 11) for DSL to commit 100 percent of the funds received through credit sales to mitigation project grants within one year. It has been challenging to commit all funds received each year since the amount of credit sales and the availability of appropriate grant projects are not correlated. DSL did not meet the target in FY 2015 because no projects were funded. Staff continues to seek opportunities to replace accumulated funds in the watersheds in which the impacts occurred.

The department projects an increase in credits sold in the future, in part because of an expansion of the In-Lieu Fee Mitigation Program in additional watersheds. Currently the department estimates a 10 percent increase per biennium in the near-term.

Enabling Legislation/Program Authorization

The Mitigation Fund is authorized in ORS 196.625-665. Applicants for removal-fill permits are required to provide compensatory mitigation for the adverse effects of their projects. The Mitigation Fund creates an added mitigation payment option for project proponents.

BUDGET NARRATIVE

Funding Streams

The program is funded completely from Other Funds. DSL accepts funds in lieu of physical mitigation and expends funds for mitigation projects.

Significant Proposed Program Changes from 2015-17

None.

BUDGET NARRATIVE

ESSENTIAL PACKAGES – Removal Fill Mitigation Fund

PURPOSE: The essential packages present budget adjustments needed to bring the base budget to Current Service Level (CSL), the calculated cost of continuing legislatively approved programs into the 2017-19 biennium.

HOW ACHIEVED:

Package 010: adjusts for vacancies and non-PICS personal services amounts using the standard adjustment and calculation factors specified in the budget instructions. The total adjustments were \$986 All Funds.

Package 031: adjusts the costs of Goods and Services based on the standard inflation factor of 3.7 percent as published in the budget instructions. The resulting Services and Supplies increase in this Program Unit is \$63,920.

STAFFING IMPACT: There was no staffing impact in this budget program relating to essential packages.

REVENUE SOURCE: Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: Oregon Wetlands Revolving Fund
 Cross Reference Number: 14100-013-00-00-0000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
All Other Differential	-	-	-	-	-	-	-
Pension Obligation Bond	-	-	899	-	-	-	899
Mass Transit Tax	-	-	87	-	-	-	87
Total Personal Services	-	-	\$986	-	-	-	\$986
Total Expenditures							
Total Expenditures	-	-	986	-	-	-	986
Total Expenditures	-	-	\$986	-	-	-	\$986
Ending Balance							
Ending Balance	-	-	(986)	-	-	-	(986)
Total Ending Balance	-	-	(\$986)	-	-	-	(\$986)

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon Wetlands Revolving Fund
Cross Reference Number: 14100-013-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	390	-	-	-	390
Out of State Travel	-	-	78	-	-	-	78
Employee Training	-	-	234	-	-	-	234
Office Expenses	-	-	117	-	-	-	117
Telecommunications	-	-	96	-	-	-	96
Data Processing	-	-	59	-	-	-	59
Employee Recruitment and Develop	-	-	19	-	-	-	19
Agency Program Related S and S	-	-	22,065	-	-	-	22,065
Other Services and Supplies	-	-	744	-	-	-	744
Expendable Prop 250 - 5000	-	-	39	-	-	-	39
IT Expendable Property	-	-	78	-	-	-	78
Total Services & Supplies	-	-	\$23,919	-	-	-	\$23,919
Capital Outlay							
Office Furniture and Fixtures	-	-	40	-	-	-	40
Total Capital Outlay	-	-	\$40	-	-	-	\$40
Special Payments							
Dist to Non-Gov Units	-	-	39,961	-	-	-	39,961
Total Special Payments	-	-	\$39,961	-	-	-	\$39,961

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: Oregon Wetlands Revolving Fund
Cross Reference Number: 14100-013-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Total Expenditures							
Total Expenditures	-	-	63,920	-	-	-	63,920
Total Expenditures	-	-	\$63,920	-	-	-	\$63,920
Ending Balance							
Ending Balance	-	-	(63,920)	-	-	-	(63,920)
Total Ending Balance	-	-	(\$63,920)	-	-	-	(\$63,920)

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS Revenue Acct	2013-2015 Actual	2015-17 Legislatively Adopted	2015-17 Estimated	2017-19		
						Agency Request	Governor's	Legislatively Adopted
Interest Earnings	3400	0605	27,826	170,000	170,000	170,000	170,000	
Other Revenues	3400	0975	560,503	851,596	850,000	853,903	853,903	

_____ Agency Request

_____ Governor's Budget

_____ Legislatively Adopted

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DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

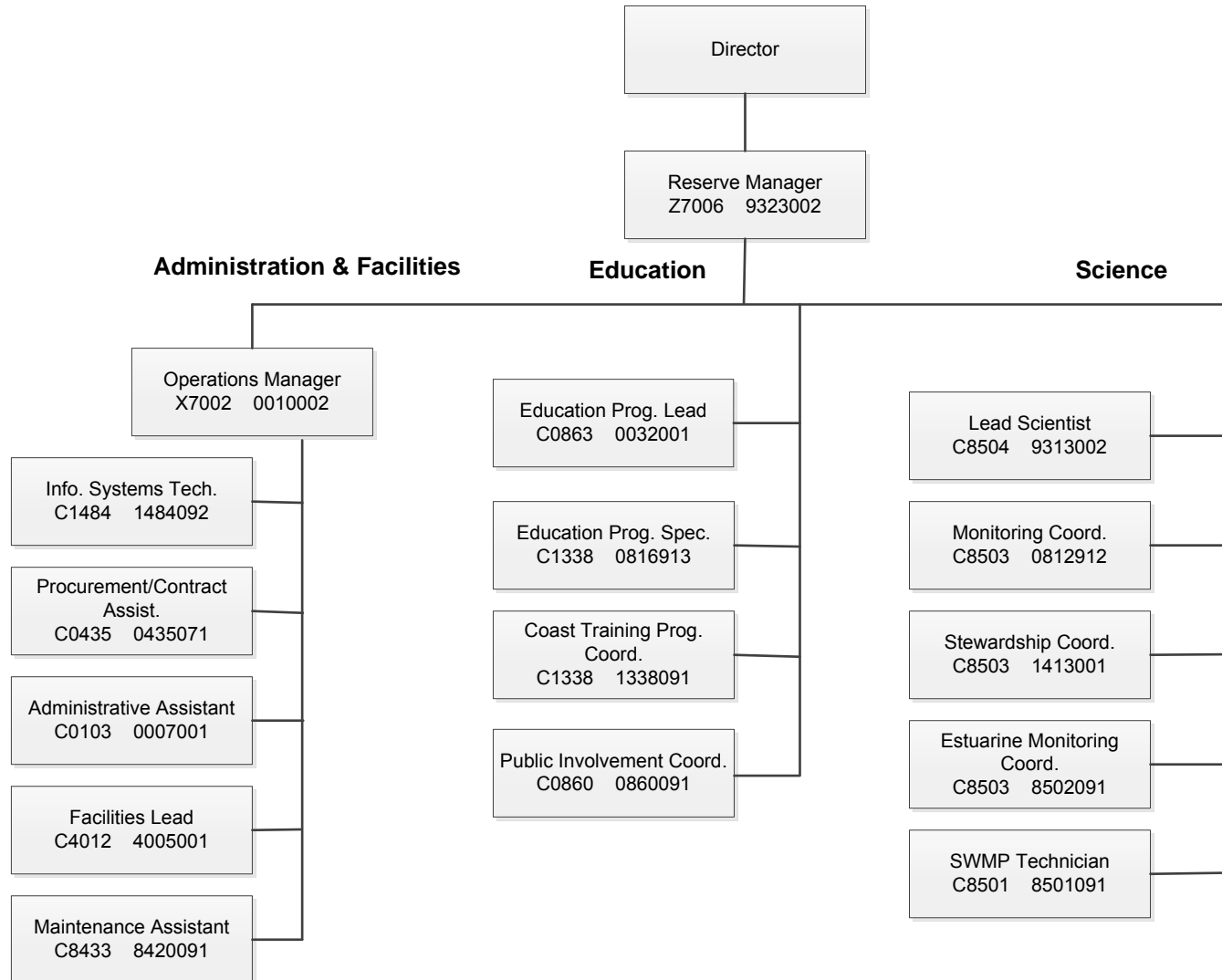
Lands, Dept of State
2017-19 Biennium

Agency Number: 14100

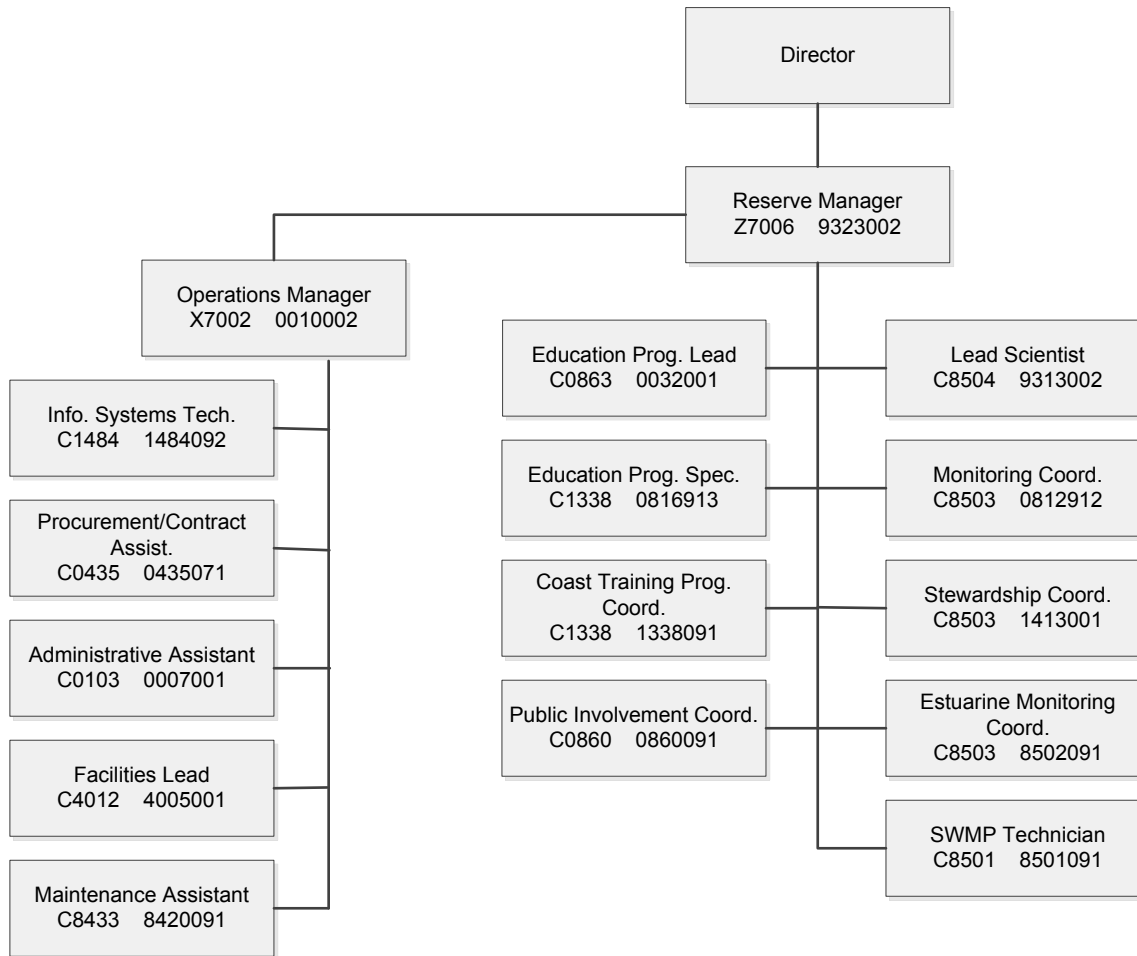
Cross Reference Number: 14100-013-00-00-00000

<i>Source</i>	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Interest Income	27,826	170,000	170,000	170,000	170,000	-
Other Revenues	560,503	851,596	853,903	853,903	853,903	-
Transfer In - Intrafund	-	1,203,059	1,203,059	1,203,059	1,203,059	-
Transfer Out - Intrafund	-	(17,050)	(17,050)	(17,050)	(17,050)	-
Total Other Funds	\$588,329	\$2,207,605	\$2,209,912	\$2,209,912	\$2,209,912	-

SOUTH SLOUGH NATIONAL ESTUARINE RESEARCH RESERVE 2015-2017



SOUTH SLOUGH NATIONAL ESTUARINE RESEARCH RESERVE 2017-2019

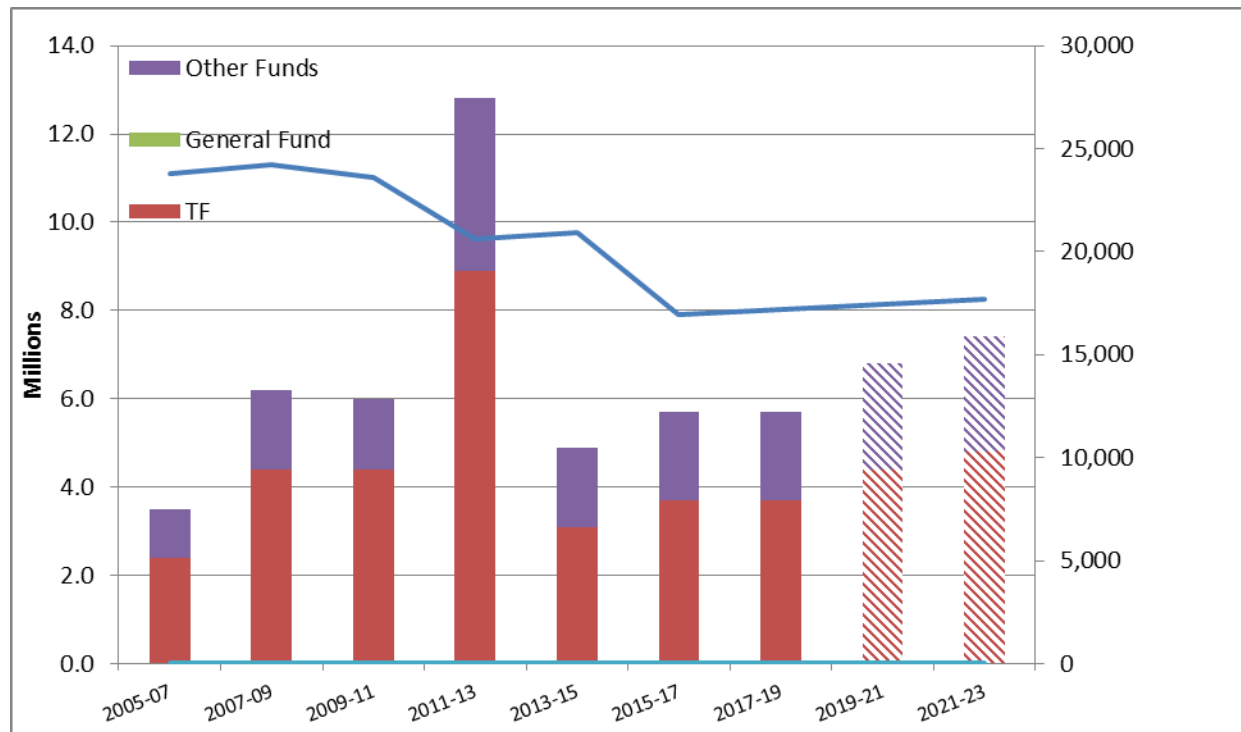


BUDGET NARRATIVE

PROGRAM UNIT 030 – SOUTH SLOUGH NATIONAL ESTUARINE RESEARCH RESERVE

EXECUTIVE SUMMARY

Primary Outcome Area: Responsible Environmental Stewardship
 Secondary Outcome Area: A Seamless System of Education
 Program Contact: Gary Cooper, 541-888-5558, ext. 315
gary.d.cooper@state.or.us



Units of service are total number of customers served by the South Slough (interpretive center visitors, education contacts, and coastal training program attendees)

Program Overview

The South Slough National Estuarine Research Reserve is a 5,900-acre protected area located on the South Slough inlet of the Coos Estuary near Coos Bay. Established in 1974 by the Oregon Legislature, it is a partnership with the National Oceanic and Atmospheric Administration (NOAA) and the Oregon Department of State Lands. The Reserve was the first of 28 National Estuarine Research Reserves

BUDGET NARRATIVE

in the nation. The mission of the South Slough Reserve is to improve the understanding and management of estuaries and coastal watersheds in the Pacific Northwest. It is a highly regarded regional asset and a well-respected educational and scientific entity. The Reserve provides leadership and guidance for local natural resource management, including wetland and shoreline protection. The Reserve also provides outreach and education to increase knowledge and stewardship of natural resources in Oregon.

Program Funding Request

This program has an Governor's Budget of \$2,028,962 Other Funds Limited and \$1,723,318 Federal Funds which totals \$3,752,280. There are 16 positions and 16 full-time employees in this program area.

Program Description

The Reserve has two core areas of service delivery: **Research** and **Education**. Research staff provide scientific data and reporting on water quality, wetland function, aquatic and terrestrial habitats and species, and ecological restoration monitoring. Data collected is used to inform best practices in regional ecological and mitigation restoration activities. Education and outreach staff provide training and educational opportunities to a wide variety of groups including coastal decision makers, Oregon students and teachers, interns and volunteers, community members and natural resource professionals in the lower Columbian biogeographic region (Oregon and northern California). The stewardship and public outreach components of the Reserve work in conjunction with the research and education programs to provide responsible public engagement and "public trust rights" (recreation, fishing, and navigation) on the Reserve. All programs at the Reserve provide data and information to national and regional organizations.

The Reserve's research and stewardship programs are highly engaged in community-driven projects and regional land management practices. The Reserve coordinates the Partnership for Coastal Watersheds, an effort among city planners; state, federal and non-profit organizations; industry; and local community members, working to update the local estuary management plan and inform shoreline land use. The Reserve also works closely with the Department of Land Conservation and Development, at present piloting a wetland classification project that will update statewide land-use planning processes.

Education and outreach staff provide teacher trainings, trainings for best practices in natural resource management, internship opportunities, interpretive experiences for local citizens, and programs for Oregonians of all ages. Local K-12 schools benefit from the Reserve's educational programs, including field trips and summer camps – all essential to a region where school funding is heavily strained. The volunteer program at the Reserve expands staff work, contributing to research, education and stewardship projects, as well as facilities maintenance.

The South Slough provides training for managers and decision makers whose activities affect the natural resources of Oregon's coastal zone. Trainees typically represent watershed councils, planning agencies, tribes, port districts, natural resource agencies and habitat restoration firms. Program priorities include water quality, habitat restoration, invasive species management, near-shore ocean management, coastal hazards, climate change and energy, and coastal ecosystems.

BUDGET NARRATIVE

The Reserve is guided by an eight-member, governor-appointed Management Commission, chaired by the Director of the Department of State Lands.

Administration and Facilities: The staff in this area are responsible for the overall administration of the Reserve, working with the management commission and program staff, and maintenance of the Reserve's facilities. Administrative and facilities services staff are essential to the productivity and continuity of the Reserve's programs.

Program Partners: The Reserve's housing under a state agency facilitates a number of collaborative working relationships. The Reserve works closely with sovereign tribal nations; natural and cultural resource agencies and organizations; port authorities; national coastal management organizations; aquaculture, fisheries, wetlands and forestry professionals; universities, schools, and teachers; state education initiatives and regional economic development organizations. The Reserve has invested in volunteer recruitment and training to build community support and supplement work by staff. In 2015, volunteers contributed 4,463 hours of their time and talent to support the mission of the Reserve, a contribution valued at nearly \$102,600.

Program Justification and Link to Long-Term Outcomes

Primary Outcome Area: Responsible Environmental Stewardship. The Reserve protects wetlands, waterways and uplands in the 5,900-acre South Slough Reserve for the purpose of education, research and "public trust rights" that include recreation, navigation and fisheries. The Reserve also provides scientific information that informs best practices for natural resource management regionally and as part of the nationwide National Estuarine Research Reserve system. As a result, the work of the Reserve contributes to improved watershed health.

Secondary Outcome Area: A Seamless System of Education. Every program, class, workshop, event, research and stewardship project is geared toward a better understanding of coastal wetlands and watersheds, and better management of natural resources. The South Slough Interpretive Center is dedicated to helping visitors learn about estuaries and coastal watersheds, and a system of hiking trails allows visitors to connect to one of Oregon's dynamic landscapes. Information produced from research and monitoring at the Reserve is transferred to the education, outreach, stewardship and coastal training programs that are able to provide diverse educational products for a wide variety of customers, including land managers. Reserve staff also serve as technical advisors to various natural resource agencies and groups throughout the state.

Program Performance

Performance measures include: 1) reducing the Reserve's reliance on funding from the Common School Fund by leveraging grants from external sources; and 2) the percent of projects that provide training, information and education related to stewardship of lands, wetlands and waterways.

BUDGET NARRATIVE

Enabling Legislation/Program Authorization

The South Slough Reserve was created under the authority of the 1972 Coastal Zone Management Act, Section 315 as amended (16 U.S.C. 1461). The Oregon Legislature established the Reserve in 1974. It is operated with oversight by the Oregon Department of State Lands through ORS 273.553(et seq.) and federal grant-in-aid support (fi 04-4-158-12001, as amended).

Funding Streams Reserve operations are supported by a nearly equal combination of Other Funds and Federal Funds that fund personal services and general operations. The Federal Funds come from NOAA through a grant-in-aid agreement (fi 04-4-158-12001, as amended). The state budget comes from Common School Fund investment returns. Reserve staff routinely apply for competitive grants to provide support for their research, monitoring, education, outreach and stewardship/restoration projects. The Reserve has a nonprofit partner organization – Friends of South Slough, Inc. – that assists with fundraising and events. The Reserve also charges fees for certain types of use as allowed by ORS 27.554, which contributed a total of \$73,984 in the 2013-2015 biennium.

BUDGET NARRATIVE

ESSENTIAL PACKAGES – SOUTH SLOUGH NATIONAL ESTUARINE RESEARCH RESERVE

PURPOSE: The essential packages present budget adjustments needed to bring the base budget to Current Service Level (CSL), the calculated cost of continuing legislatively approved programs into the 2017-19 biennium.

HOW ACHIEVED:

Package 010: adjusts for vacancies and non-PICS personal services amounts using the standard adjustment and calculation factors specified in the budget instructions. The vacancy factor adjustment is (\$13,288). There is an adjustment of \$4,959 All Funds in Temporary Appointments, Overtime Payments and Shift Differential. Adjustment for the Pension Bond Contribution is \$1,005 All Funds. Other adjustments totaling \$217 All Funds were made in Unemployment Assessments.

Package 031: adjusts the costs of Goods and Services based on the standard inflation factor of 3.7 percent as published in the budget instructions. The resulting Services and Supplies increase in this Program Unit is \$15,649 Other Funds and \$10,486 in Federal Funds.

STAFFING IMPACT: There was no staffing impact in this budget program relating to essential packages.

REVENUE SOURCE: Other Funds and Federal Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 010 - Non-PICS Psnl Svc / Vacancy Factor

Cross Reference Name: South Slough National Estuarine
 Cross Reference Number: 14100-030-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Personal Services							
Temporary Appointments	-	-	1,860	2,686	-	-	4,546
Overtime Payments	-	-	-	116	-	-	116
Shift Differential	-	-	-	-	-	-	-
All Other Differential	-	-	297	-	-	-	297
Pension Obligation Bond	-	-	(437)	1,442	-	-	1,005
Unemployment Assessments	-	-	217	-	-	-	217
Vacancy Savings	-	-	(13,288)	-	-	-	(13,288)
Total Personal Services	-	-	(\$11,351)	\$4,244	-	-	(\$7,107)
Total Expenditures							
Total Expenditures	-	-	(11,351)	4,244	-	-	(7,107)
Total Expenditures	-	-	(\$11,351)	\$4,244	-	-	(\$7,107)
Ending Balance							
Ending Balance	-	-	11,351	(4,244)	-	-	7,107
Total Ending Balance	-	-	\$11,351	(\$4,244)	-	-	\$7,107

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: South Slough National Estuarine
Cross Reference Number: 14100-030-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	685	653	-	-	1,338
Out of State Travel	-	-	274	483	-	-	757
Employee Training	-	-	322	789	-	-	1,111
Office Expenses	-	-	831	702	-	-	1,533
Telecommunications	-	-	562	302	-	-	864
Data Processing	-	-	20	378	-	-	398
Publicity and Publications	-	-	19	55	-	-	74
Professional Services	-	-	4,672	2,992	-	-	7,664
IT Professional Services	-	-	-	-	-	-	-
Attorney General	-	-	716	-	-	-	716
Employee Recruitment and Develop	-	-	93	219	-	-	312
Dues and Subscriptions	-	-	-	31	-	-	31
Facilities Rental and Taxes	-	-	3	-	-	-	3
Fuels and Utilities	-	-	295	945	-	-	1,240
Facilities Maintenance	-	-	1,027	1,127	-	-	2,154
Agency Program Related S and S	-	-	-	202	-	-	202
Other Services and Supplies	-	-	2,138	414	-	-	2,552
Expendable Prop 250 - 5000	-	-	129	795	-	-	924
IT Expendable Property	-	-	1,763	54	-	-	1,817
Total Services & Supplies	-	-	\$13,549	\$10,141	-	-	\$23,690

Capital Outlay

Telecommunications Equipment	-	-	-	-	-	-	-
Technical Equipment	-	-	1,481	345	-	-	1,826
Data Processing Software	-	-	-	-	-	-	-

____ Agency Request
 2017-19 Biennium

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____ Legislatively Adopted
 Essential and Policy Package Fiscal Impact Summary - BPR013

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: South Slough National Estuarine
Cross Reference Number: 14100-030-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Capital Outlay							
Data Processing Hardware	-	-	619	-	-	-	619
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	-	-	\$2,100	\$345	-	-	\$2,445
Total Expenditures							
Total Expenditures	-	-	15,649	10,486	-	-	26,135
Total Expenditures	-	-	\$15,649	\$10,486	-	-	\$26,135
Ending Balance							
Ending Balance	-	-	(15,649)	(10,486)	-	-	(26,135)
Total Ending Balance	-	-	(\$15,649)	(\$10,486)	-	-	(\$26,135)

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS Revenue Acct	2013-2015 Actual	2015-17 Legislatively Adopted	2015-17 Estimated	2017-19		
						Agency Request	Governor's	Legislatively Adopted
Federal Rev (as other funds)	3400	0995	428,804	0	0	0		
Charges for Services	3400	0410	12,910					
Rents and Royalties	3400	0510	1,740					
Sales Income	3400	0705	59,334					
Grants (Non-Fed)	3400	0910	10,000	142,027		142,027	142,027	
Other Revenues	3400	0975	91,016	428,520	400,000	428,520	428,520	
Federal Funds Revenue	6400	0995	2,327,979	2,290,701	2,300,000	2,347,766	2,347,766	

_____ Agency Request

_____ Governor's Budget

_____ Legislatively Adopted

Budget Page _____

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Lands, Dept of State
2017-19 Biennium

Agency Number: 14100

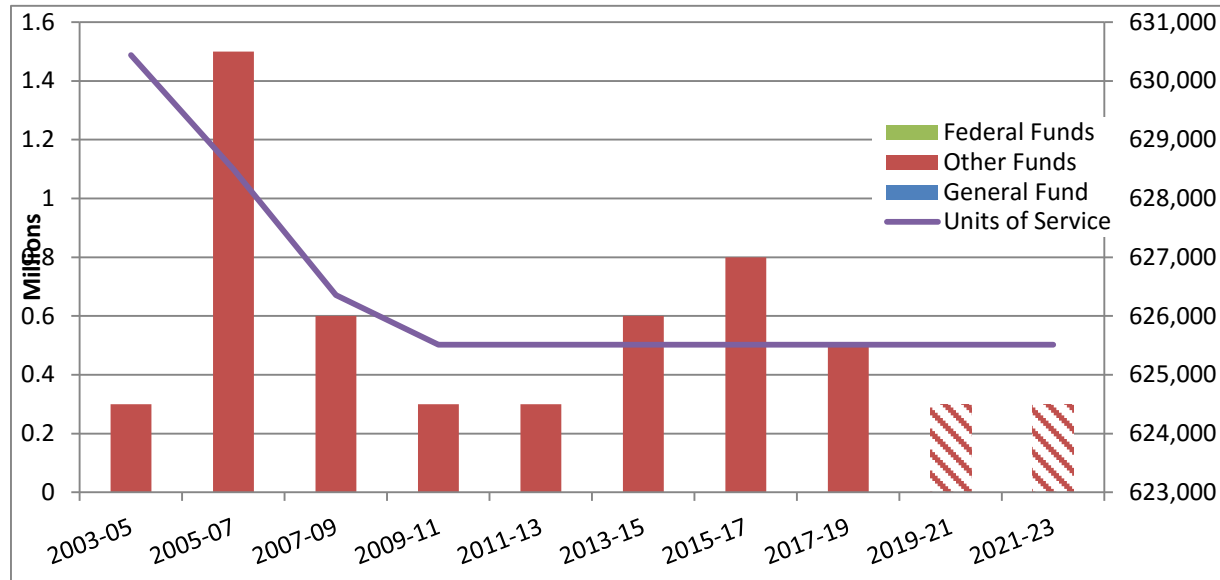
Cross Reference Number: 14100-030-00-00-00000

<i>Source</i>	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Federal Revenues	428,804	-	-	-	-	-
Charges for Services	12,910	-	-	-	-	-
Rents and Royalties	1,740	-	-	-	-	-
Sales Income	59,334	-	-	-	-	-
Grants (Non-Fed)	10,000	142,027	142,027	142,027	142,027	-
Other Revenues	91,016	386,341	428,520	428,520	428,520	-
Transfer In - Intrafund	1,484,552	1,770,785	1,770,785	1,770,785	1,770,785	-
Total Other Funds	\$2,088,356	\$2,299,153	\$2,341,332	\$2,341,332	\$2,341,332	-
Federal Funds						
Federal Funds	2,327,979	2,290,701	2,347,766	2,347,766	2,347,766	-
Total Federal Funds	\$2,327,979	\$2,290,701	\$2,347,766	\$2,347,766	\$2,347,766	-

BUDGET NARRATIVE

PROGRAM UNIT 088 – CAPITAL IMPROVEMENTS AND FACILITIES MAINTENANCE

Primary Outcome Area: Responsible Environmental Stewardship
 Secondary Outcome Area: A Seamless System of Education
 Program Contact: Bill Ryan; 503-986-5259; bill.ryan@state.or.us



Units of service are rangeland acres. Dotted bars are projected data.

Program Overview

This program provides funds for maintaining DSL-owned Common School Fund assets on about 770,000 acres of surface trust land throughout the state. The goal is to ensure that state properties maintain their asset value and revenue-generating potential over the long term.

Program Funding Request

This program has an Other Funded Capital Improvement Agency Request Budget of \$758,250. There are no positions or full-time employees in this program area.

BUDGET NARRATIVE

Program Description

The Department of State Lands owns and manages a significant number of assets of the Common School Fund. This program provides funds for maintaining a sub-set of this real property: about 770,000 acres of surface Trust lands throughout the state. The goal is to ensure that these state properties maintain their asset value and revenue-generating potential over the long term. These lands, which are under the jurisdiction of the State Land Board, have a wide range of capital improvement needs, and generally fall into two categories:

Management of large tracts of land. Ongoing expenses in this category include costs of fire rehabilitation, noxious weed abatement, rangeland improvement projects, urban upland cleanup, trash removal and other environmental cleanup.

Capital improvements and long-term repairs for DSL's headquarters building and land assets. The headquarters building was constructed in 1991 with Common School Fund monies, and until 2005 the Department of Administrative Services managed the building. When DSL assumed responsibility for managing the facility, the agency completed all major improvement projects that had been deferred by DAS. In the 2013-2015 biennium the Department invested in a project to upgrade and modernize the HVAC system in the building while doing remodeling to accommodate the reorganization of the agency. General benefits of the upgrade include energy cost savings, decreased maintenance costs, longer equipment life, better temperature control, and a quieter work environment for lessees. In combination, the upgrades are anticipated to both reduce operational costs and make the building space more marketable for future leasing while providing a more efficient work space for staff.

The overall strategic direction that guides capital improvements for DSL has been in place since 1993, when the State Land Board created an asset management planning strategy for all Common School Fund property. The plan was later revised in 2006, and most recently updated in 2012 with the adoption of the *Real Estate Asset Management Plan (REAMP)*. The plan guides state real property management with a broad range of strategies to enhance revenue production; protect and improve resource productivity; and rebalance assets through sale or exchange. Implementation of the REAMP will lead to a number of ongoing property maintenance and improvement needs consistent with good or improved management practices.

Program Justification and Link to Long-Term Outcomes

Primary Outcome Area: Responsible Environmental Stewardship: Healthy, sustainable, revenue-generating lands require regular investments and maintenance, a goal that is in line with this focus area. Rangeland improvements such as weed control, juniper thinning and fencing state lands are an important part of the overall maintenance of the 625,000 acres of southeast Oregon rangelands. Each year, DSL earmarks 12.5 percent of rangeland fees for land improvements.

Secondary Outcome Area: A Seamless System of Education: Investments in state property assets not only help sustain the market value of revenue-generating lands, but allow DSL to better manage state property, and ultimately create more funds for schools. An example is developing rangeland into agricultural land through adding irrigation, which will generate considerably more revenue from the land.

BUDGET NARRATIVE

Program Performance

Common School Fund land assets maintained by this program (state-owned rangelands, agricultural lands, and industrial/commercial/residential property) generate a steady and increasing source of revenue for the Fund, earning gross annual revenues of \$2.37 million (three-year moving average for fiscal years 2013-2015). Maintaining the productivity of this real property over time allows for continued revenue generation into the future, enhancing the value of this portion of Common School Fund portfolio.

Enabling Legislation/Program Authorization

The program derives authority from the Oregon Constitution, Article VII, Sections 2 & 5; and from the following Oregon Revised Statutes:

ORS Chapters 270 & 271

ORS 273.006 – 551

ORS 273.715 – 994

ORS 327.403 – 484

Funding Streams

The expenses for this program are covered by Other Funds – Common School Fund.

Significant Proposed Program Changes from 2011-13

The agency budget includes a request (POP 110) for limitation to upgrade and replace the lighting in the parking garage located under the building and to complete a permanent repair to the rooftop heating and cooling units. The garage lighting is original to the building and replacement will provide better lighting and improve safety for our lessees and employees, as well as security for state and personal vehicles parked under the building. The replacement of portions of the rooftop structure is needed to permanently repair leaks in order to protect the HVAC system from the elements. Temporary repairs intended to last for three to four years were completed in late 2014.

BUDGET NARRATIVE

ESSENTIAL PACKAGES – Capital Improvements

PURPOSE: The essential packages present budget adjustments needed to bring the base budget to Current Service Level (CSL), the calculated cost of continuing legislatively approved programs into the 2017-19 biennium.

HOW ACHIEVED:

Package 022: represents a cost reversal from the 2015-17 Legislatively Approved Budget for one-time budget package costs. This package phases out \$808,919 in Other Funds.

Package 031: adjusts the costs of Goods and Services based on the standard inflation factor of 3.7 percent as published in the budget instructions. The resulting Services and Supplies increase in this Program Unit is \$11,220.

STAFFING IMPACT: There was no staffing impact in this budget program relating to essential packages.

REVENUE SOURCE: Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 022 - Phase-out Pgm & One-time Costs

Cross Reference Name: Capital Improvements
 Cross Reference Number: 14100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Professional Services	-	-	(85,919)	-	-	-	(85,919)
Total Services & Supplies	-	-	(\$85,919)	-	-	-	(\$85,919)
Capital Outlay							
Land and Improvements	-	-	(455,000)	-	-	-	(455,000)
Professional Services	-	-	(268,000)	-	-	-	(268,000)
Total Capital Outlay	-	-	(\$723,000)	-	-	-	(\$723,000)
Total Expenditures							
Total Expenditures	-	-	(808,919)	-	-	-	(808,919)
Total Expenditures	-	-	(\$808,919)	-	-	-	(\$808,919)
Ending Balance							
Ending Balance	-	-	808,919	-	-	-	808,919
Total Ending Balance	-	-	\$808,919	-	-	-	\$808,919

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: Capital Improvements
Cross Reference Number: 14100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Services & Supplies							
Instate Travel	-	-	-	-	-	-	-
Office Expenses	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Attorney General	-	-	-	-	-	-	-
Facilities Maintenance	-	-	11,220	-	-	-	11,220
Agency Program Related S and S	-	-	-	-	-	-	-
Other Services and Supplies	-	-	-	-	-	-	-
Expendable Prop 250 - 5000	-	-	-	-	-	-	-
Total Services & Supplies	-	-	\$11,220	-	-	-	\$11,220
Capital Outlay							
Office Furniture and Fixtures	-	-	-	-	-	-	-
Land and Improvements	-	-	-	-	-	-	-
Professional Services	-	-	-	-	-	-	-
Other Capital Outlay	-	-	-	-	-	-	-
Total Capital Outlay	-	-	-	-	-	-	-
Total Expenditures							
Total Expenditures	-	-	11,220	-	-	-	11,220
Total Expenditures	-	-	\$11,220	-	-	-	\$11,220

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
Pkg: 031 - Standard Inflation

Cross Reference Name: Capital Improvements
Cross Reference Number: 14100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Ending Balance							
Ending Balance	-	-	(11,220)	-	-	-	(11,220)
Total Ending Balance	-	-	(\$11,220)	-	-	-	(\$11,220)

BUDGET NARRATIVE

POLICY OPTION PACKAGE 110 HEADQUARTERS BUILDING MAINTENANCE COMMON SCHOOL FUND/BUSINESS OPERATIONS AND SUPPORT SERVICES

PURPOSE: The Department of State Lands (DSL) owns its Salem headquarters building, a real estate asset of the Common School Fund. It is critical for the agency to perform ongoing maintenance of the building. This POP seeks funding for two projects: upgrading lighting in the parking garage and replacing mechanical-level (rooftop) siding.

Lighting: The lighting fixtures in the parking garage constructed in 1991 are very dim and potentially hazardous for users. Frequent complaints of low visibility, safety concerns, and the need to reduce energy usage through fixture upgrades have driven the need for this project, which will include: 1) replace existing metal halide 70-watt light fixtures with LED fixtures to reduce energy usage; 2) increase lighting levels for employee safety, easier vehicle operation, and deterring theft and vandalism; and 3) meet existing code requirements for parking garage lighting fixtures.

Mechanical-Level Siding Replacement: The current water-repellent gypsum used in the mechanical-level siding was considered the best product at the time the building was constructed in 1991. Time has proven that it is a substandard product, resulting in multiple water leaks into the building and considerable damage. A temporary repair project was completed in 2015, but complete removal, residing and flashing are required for a permanent repair.

HOW ACHIEVED: Using State of Oregon contract and purchasing requirements, these projects will go out for public bid.

ALTERNATIVES CONSIDERED: There are no other practical, long-term solutions to addressing these two maintenance projects.

QUANTIFYING RESULTS: Success will be measured by increased lighting levels in the parking garage with a reduction in energy usage, and stopping water leaks into the building.

STAFFING IMPACT: None

REVENUE SOURCE: \$200,000 Other Funds

ESSENTIAL AND POLICY PACKAGE FISCAL IMPACT SUMMARY

Lands, Dept of State
 Pkg: 110 - Headquarters Building Maintenance

Cross Reference Name: Capital Improvements
 Cross Reference Number: 14100-088-00-00-00000

<i>Description</i>	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	All Funds
Revenues							
Transfer In - Intrafund	-	-	200,000	-	-	-	200,000
Total Revenues	-	-	\$200,000	-	-	-	\$200,000
Capital Outlay							
Building Structures	-	-	200,000	-	-	-	200,000
Total Capital Outlay	-	-	\$200,000	-	-	-	\$200,000
Total Expenditures							
Total Expenditures	-	-	200,000	-	-	-	200,000
Total Expenditures	-	-	\$200,000	-	-	-	\$200,000
Ending Balance							
Ending Balance	-	-	-	-	-	-	-
Total Ending Balance	-	-	-	-	-	-	-

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Source	Fund	ORBITS Revenue Acct	2013-2015 Actual	2015-17 Legislatively Adopted	2015-17 Estimated	2017-19		
						Agency Request	Governor's	Legislatively Adopted
Transfer –In (Intrafund)	3400	1010	1,364,952	1,049,417	1,049,417	1,049,417	1,249,417	
Other Revenues	3400	0975			262,809	262,809	262,809	

_____ Agency Request

_____ Governor's Budget

_____ Legislatively Adopted

Budget Page _____

DETAIL OF LOTTERY FUNDS, OTHER FUNDS, AND FEDERAL FUNDS REVENUE

Lands, Dept of State
2017-19 Biennium

Agency Number: 14100

Cross Reference Number: 14100-088-00-00-00000

<i>Source</i>	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
Other Funds						
Other Revenues	-	-	262,809	262,809	262,809	-
Transfer In - Intrafund	1,364,952	1,049,417	1,049,417	1,249,417	1,249,417	-
Total Other Funds	\$1,364,952	\$1,049,417	\$1,312,226	\$1,512,226	\$1,512,226	-

Facilities Summary Report

2017-19 Biennium

Facility Plan - Facilities Planning Narrative 107BF02 2017-19 Biennium

Agency Name

Department of State Lands

What are the key drivers for your agency's facility needs, and how do you measure space/facility demand?

- Desire to meet sustainability and energy conservation needs.
- Provide a professional and welcoming location for DSL customers to do business.
- Respond to the needs of the tenants that rent space in the Lands building.

2. What are the key facility-related challenges over the next 10-years? (Please answer in order of priority)

- Repairing the infrastructure of an aging buildings restrooms, elevators, flooring, paint, windows, roofing systems, lighting and emergency power.

Meeting building energy and resource usage reduction requirements through system upgrades.

- Modernization and remodeling of building systems to include seismic evaluation and upgrades.
- DSL will be getting an FCA in the 2017-19 biennium that will allow us to plan our facilities needs for the next 10 years

3. What do you need to meet these challenges?

DSL is on track to procure the necessary A & E service, construction repair contracts, and be proactive in addressing them in a timely manner. The current repair projects for the Salem Headquarters building do not exceed the million dollar project threshold and are being addressed with DSL budgeting at this time. However future needs for seismic upgrades and other large scale projects may require alternate funding sources.

Facilities Summary Report

2017-19 Biennium

Agency Name:

Department of State Lands

Owned Facilities Over \$1 million

FY 2016 DATA

Number of Facilities	2
Current Replacement Value \$ (CRV) ¹	\$23,914,024
Gross Square Feet (GSF)	76,396
Usable Square Feet (USF) ²	67,228
Occupants Position Count (PC) ³	260

Source⁴ RISK Risk or FCA

Estimate/Actual³ 88% estimate % USF/GSF

USF/PC⁹ 258

Or Agency Measure¹

Owned Facilities Under \$1 million

Number of Facilities	
CRV ¹	2
GSF	\$405,253

Leased Facilities

Total Rentable SF ⁸	6,058
Biennial Lease Cost	\$214,367.00
Additional Costs for Lease Properties (O&M) ⁹	0
Usable Square Feet (USF) ²	(4600*) 2673sqft DSL; 1927sqft OPRD
Occupants Position Count (PC) ³	12

Estimate/Actual⁵ 75% % RSF/GSF

USF/PC⁶ 222

***NOTE: DSL sublets 1927.05 sq ft of office space and 364.5 sq ft of storage space to OPRD @\$74,556 per biennium**

***Note: DSL leases space to tenants on 2nd and 3rd floor of Lands building.**

Definitions

- Current Replacement Value Reported to Risk Management *or Calculated Replacement*
- CRV 1 Value Reported from iPlan Facility Conditions Assessment (FCA)**
 - USF 2 Usable Square Feet per BOMA definition for office/administrative uses. Area of a floor**
Total Legislatively Approved Budget (LAB) Position Count within the buildings or leases as
 - Occupant Postion Count (PC) 3 applicable.**
 - Source 4 Enter Source of CRV as "Risk" or "FCA"**
 - Estimate/Actual 5 Use actual USF % of USF to GSF, if available. If not known, estimate the percentage.**
 - Office/Administrative USF/PC 6 use, fill in N/A and fill in #7, "Agency Measure".**
 - Agency Measure 7 If not using USF/PC, insert Agency Measure as defined in 107BF02 question #1.**
 - RSF 8 Rentable SF per BOMA definition. The total usable area plus a pro-rated allocation of the**
 - O&M 9 Total Operations and Maintenance Costs for facilities including all maintenance, utilities and**

Facilities Operations and Maintenance and Deferred Maintenance Report

2017-19 Biennium

**Facility Plan - Facility O&M/DM Report 107B16b
2017-19 Biennium**

Agency Name

Department of State Lands

**Facilities Operations and Maintenance (O&M) Budget
excluding Capital Improvements and Deferred
Maintenance**

Personal Services (PS) Operations and Maintenance
Services and Supplies (S&S) Operations and Maintenance
Utilities not included in PS and S&S above
Total O&M
O&M \$/SF

1	2013-15 Actual	2015-17 LAB	2017-19 Budgeted	2019-21 Projected
	\$115,000	\$139,022	\$160,000	\$176,000
	\$494,214	\$205,559	\$212,000	\$220,000
	\$209,909	\$185,000	\$191,000	\$197,000
	\$704,238	\$529,581	\$563,000	\$593,000
	\$9	\$7	\$7	\$8

Total O&M SF

	76,396	Include only the SF for which your agency provides O&M funding.
--	--------	---

O&M Estimated Fund Split Percentage %

2	General Fund	Lottery Fund	Other Funds	Federal Funds
			100%	

**Total Short and Long Term Deferred Maintenance Plan for
Facilities Value Over \$1M**

Priorities 1-3 - Currently, Potentially and Not Yet Critical
Priority 4 - Seismic & Natural Hazard
Priority 5 - Modernization
Total Priority Need

3	Current Costs (2015)	Ten Year Projection	2017-19 Budgeted	2019-21 Projected
4,5,6	\$160,000	FCA in 2017-19	TBD	TBD
7	FCA/ needed	FCA in 2017-19	TBD	TBD
8	FCA/ needed	FCA in 2017-19	TBD	TBD
	\$160,000			
9	1%	TBD/FCA		

Facility Condition Index (Priority 1-3 Needs/CRV)

Assets Over \$1M CRV

	\$23,914,024	Current Replacement Value Reported to Risk <i>or Calculated</i> Reported from Facility Conditions Assessment (FCA)
--	--------------	--

Process/Software for routine maintenance (O&M)
Process/Software for deferred maintenance/renewal
Process for funding facilities maintenance

Spiceworks Work order system : Ongoing requests for facilities	Provide narrative
Spiceworks allows work orders to be classified as projects and will	Provide narrative
It is DSL's practice to include funding for maintenance in its Agency	Provide narrative

From iPlan FCA
Definitions

Facilities Operations and Maintenance Budget	1	The Facilities Operations and Maintenance budget includes costs to operate and maintain facilities and keep them in repair including utilities, janitorial and maintenance costs. Maintenance costs are categorized as external building (roof, siding, windows, etc.); interior systems (electrical, mechanical, interior walls, doors, etc.); roads and ground (groundskeeper, parking lots, sidewalks, etc.) and centrally operated systems (electrical, mechanical, etc.). Agencies with significant facilities may include support staff if directly associated with facilities maintenance activities. Do not include other overhead costs such as accounting, central government charges, etc.
O&M Estimated Fund Split Percentage %	2	Show the fund split by percentage of fund source allocated to facility O&M for your agency
Total Short and Long Term Maintenance and Deferred Maintenance Plan for Facilities Value Over \$1M	3	All Maintenance excluding routine O&M costs
Priority One: Currently Critical	4	From the Budget Instruction: Priority One projects are conditions that require immediate action in order to address code and accessibility violations that affect life safety. Building envelope issues (roof, sides, windows and doors) that pose immediate safety concerns should be included in this category.
Priority Two: Potentially Critical	5	From the Budget Instruction: Priority Two projects are to be undertaken in the near future to maintain the integrity of the facility and accommodate current agency program requirements. Included are systems that are functioning improperly or at limited capacity, and if not addressed, will cause additional system deterioration and added repair costs. Also included are significant building envelope issues (roof, sides, windows and doors) that, if not addressed, will cause additional system deterioration and added repair costs.
Priority Three: Necessary - Not yet Critical	6	From the Budget Instructions: Priority Three projects could be undertaken in the near to mid-term future to maintain the integrity of a building and to address building systems, building components and site work that have reached or exceeded their useful life based on industry standards, but are still functioning in some capacity. These projects may require attention currently to avoid deterioration, potential downtime and consequently higher costs if corrective action is deferred.
Priority Four: Seismic and Natural Hazard Remediation	7	From the Budget Instructions: Priority Four projects improve seismic performance of buildings constructed prior to 1995 building code changes to protect occupants, minimize building damage and speed recovery after a major earthquake. Projects also include those that mitigate significant flood hazards.
Priority Five: Modernization	8	From the Budget Instructions: Priority Five projects are alterations or replacement of facilities solely to implement new or higher standards to accommodate new functions, significantly improve existing functionality as well as replacement of building components that typically last more than 50 years (such as the building structure or foundations). These standards include system and aesthetic upgrades which represent sensible improvements to the existing condition. These projects improve the overall usability and reduce long-term maintenance requirements. Given the significant nature of these projects, the work typically addresses deficiencies that do not conform to current codes, but are 'grandfathered' in their existing condition to the extent feasible.
Facility Condition Index	9	A calculated measure of facility condition relative to its current replacement value (expressed as a percentage)

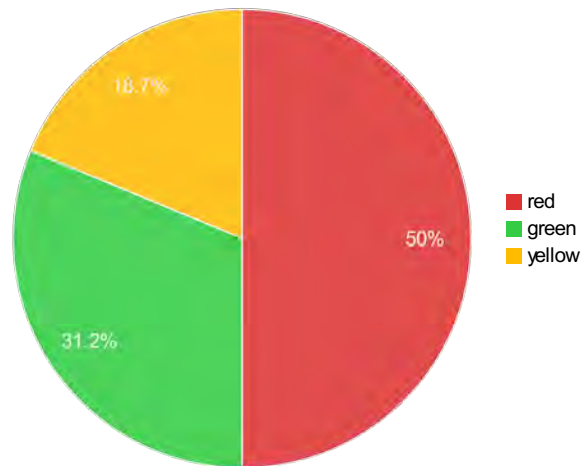
Lands, Department of State

Annual Performance Progress Report

Reporting Year 2016

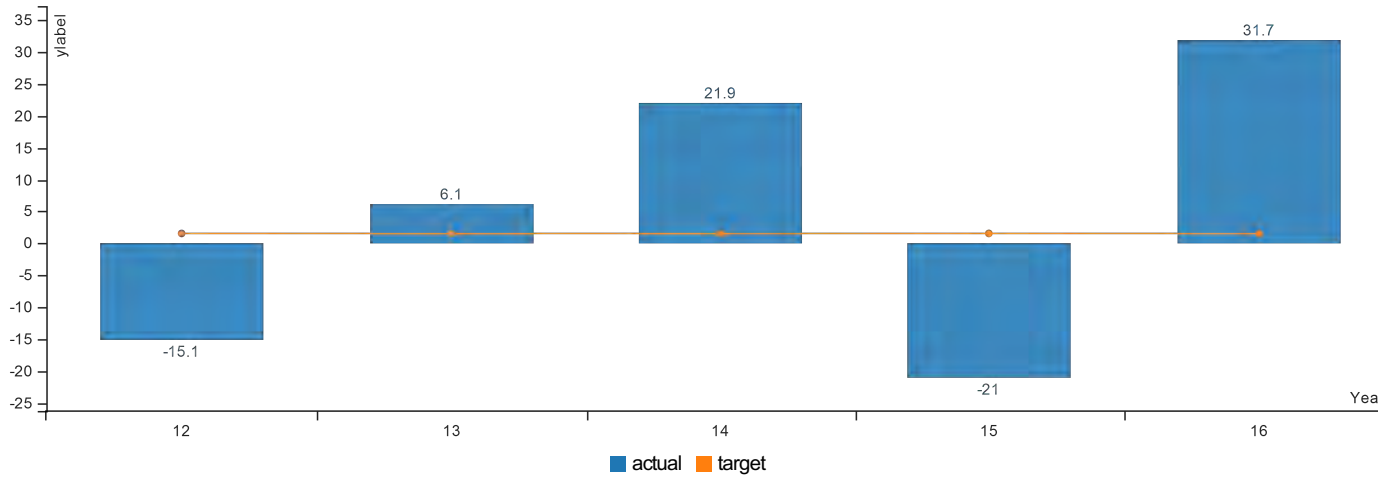
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KPM #	Approved Key Performance Measures (KPMs)
1	Increase in Deposits to the Common School Fund - Percent annual increase in amount of cash generated by agency activities deposited to the Common School Fund.
2	Administrative and Operational Costs - Percent of program revenue streams used to cover administrative and operational costs of programs for forest lands.
3	Increase in Revenues from Land Management Activities - Percent increase in revenues generated by all Land Management activities, exclusive of timber harvest receipts.
4	Complete Management Plans or Policies - Percent of DSL lands and waterways with completed area management plans or policies.
5	No Net Loss of Wetlands - Change in wetland acreage due to permit actions.
6	Number of Days for a Permit Decision - Average number of days for an agency permit decision after receipt of a complete application.
7	Annual Resolution of Removal-Fill Permit Non-Compliance - Percent of removal-fill permit non-compliance conditions that have a final resolution in place within 12 months from date non-compliance is determined.
8	Annual Resolution of Removal - Fill Violations Related to Unauthorized Activities-Percent of removal-fill violations that have a final resolution in place within 12 months of receipt of a complaint generating determination of a violation.
9	Agency Response Time to Wetland Delineation Reports - Average number of days for the agency initial review and response to a complete wetland delineation report.
10	Agency Response Time for Wetland Land Use Notices - Average number of days for an agency response to wetland land use notices.
11	Use of Payment to Provide Moneys - Percent payment-to-provide money received in Mitigation Bank Fund obligated and committed within one year.
12	Increase Unclaimed Property Holder Reporting. - Percent annual increase in amount of unclaimed property reported and remitted annually.
13	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.
15	South Slough National Estuarine Research Reserve Operation Costs Leveraged. - Percent of SSNERR operations funded from sources other than CSF, including leverage from grants, fees, program revenues and gifts.
16	South Slough National Estuarine Research Reserve Education Actions - Percentage of SSNERR education programs that use a structured assessment process surveys to provide information and decision support services responsive to audience needs.
17	Best Practices - Percent of total best practices met by the Land Board.



Performance Summary	Green	Yellow	Red
	= Target to -5%	= Target -6% to -15%	= Target > -15%
Summary Stats:	31.25%	18.75%	50%

KPM #1	Increase in Deposits to the Common School Fund - Percent annual increase in amount of cash generated by agency activities deposited to the Common School Fund.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Annual amount of cash generated by agency activities deposited to the Common School Fund					
Actual	-15.10%	6.10%	21.90%	-21%	31.70%
Target	1.50%	1.50%	1.50%	1.50%	1.50%

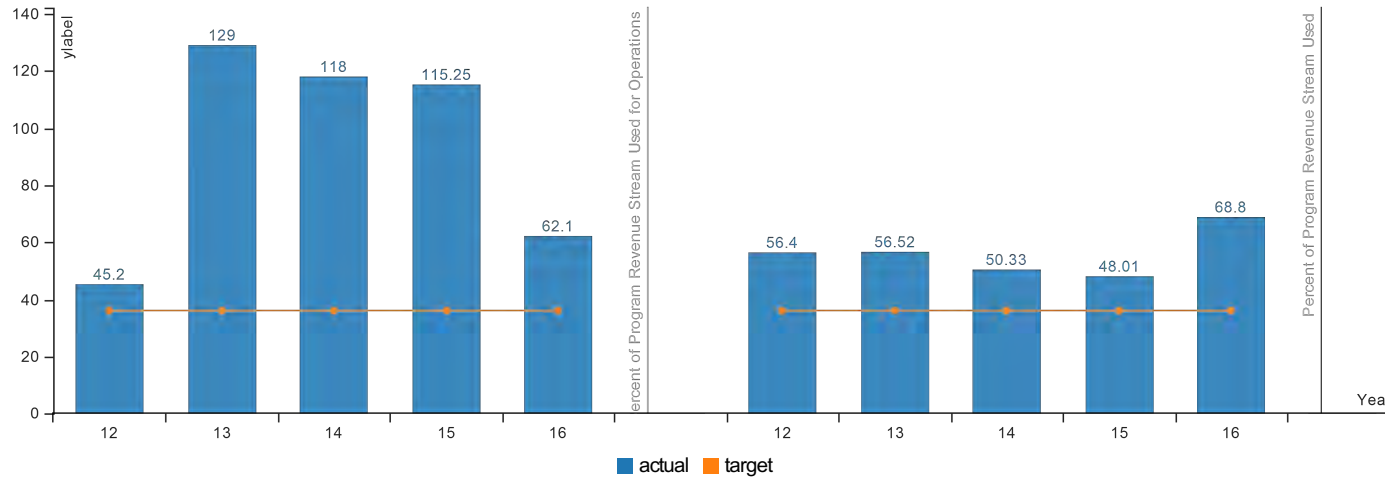
How Are We Doing

This is the sixth year for this measure. Data for earlier years is included to provide historical context. Deposits to the fund increased by 31.7% in FY2016. The majority of the increase can be attributed to a 31.7% increase in unclaimed property receipts. The Department anticipates the revenues and receipts to be at or above the target during the next 2-3 years.

Factors Affecting Results

Timber revenues, once the largest cash flow into the CSFP, are now minimal and are expected to decrease. Unclaimed property receipts have remained relatively steady over the past five years. The sharp increase in unclaimed property receipts in 2016 can be attributed to increased reporting and securities sales in 2016.

KPM #2	Administrative and Operational Costs - Percent of program revenue streams used to cover administrative and operational costs of programs for forest lands.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percent of Program Revenue Stream Used for Operations					
Actual	45.20%	129%	118%	115.25%	62.10%
Target	36%	36%	36%	36%	36%
Percent of Program Revenue Stream Used					
Actual	56.40%	56.52%	50.33%	48.01%	68.80%
Target	36%	36%	36%	36%	36%

How Are We Doing

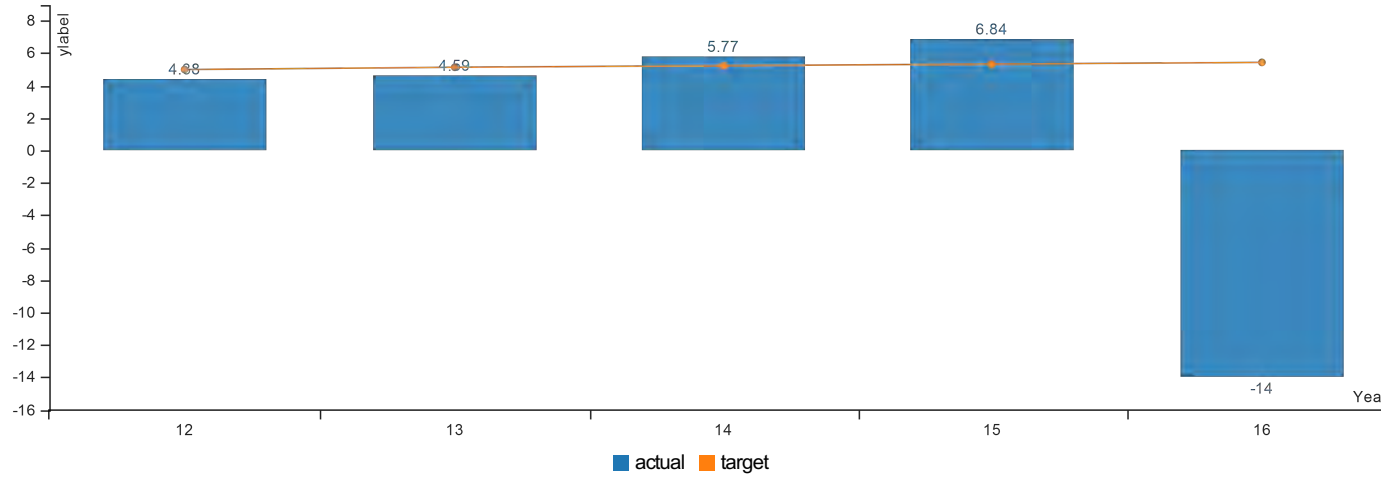
Although this report year's data appears to reflect an improvement in revenues from timber operations and a significant increase in the costs of managing the other land, there are timing differences and environmental factors that have a considerable effect on the report.

Factors Affecting Results

Revenue from timber sales is not recognized until harvest. The uptick in Forest revenues is a result of timber from prior years' sales being harvested. As the number of sales has been reduced over the past two biennia, the forest revenues will decline sharply.

The steep incline in costs for all other lands is directly related to the 2014 fire season in Eastern Oregon. Fire suppression bills are paid out of operational expenditures and the 2014 fire bill was paid and recognized as an expenditure in fiscal year 2016.

KPM #3 Increase in Revenues from Land Management Activities - Percent increase in revenues generated by all Land Management activities, exclusive of timber harvest receipts.
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Annual Revenue from Real Estate Assets					
Actual	\$4.38	\$4.59	\$5.77	\$6.84	(\$14.00)
Target	\$4.96	\$5.10	\$5.20	\$5.30	\$5.40

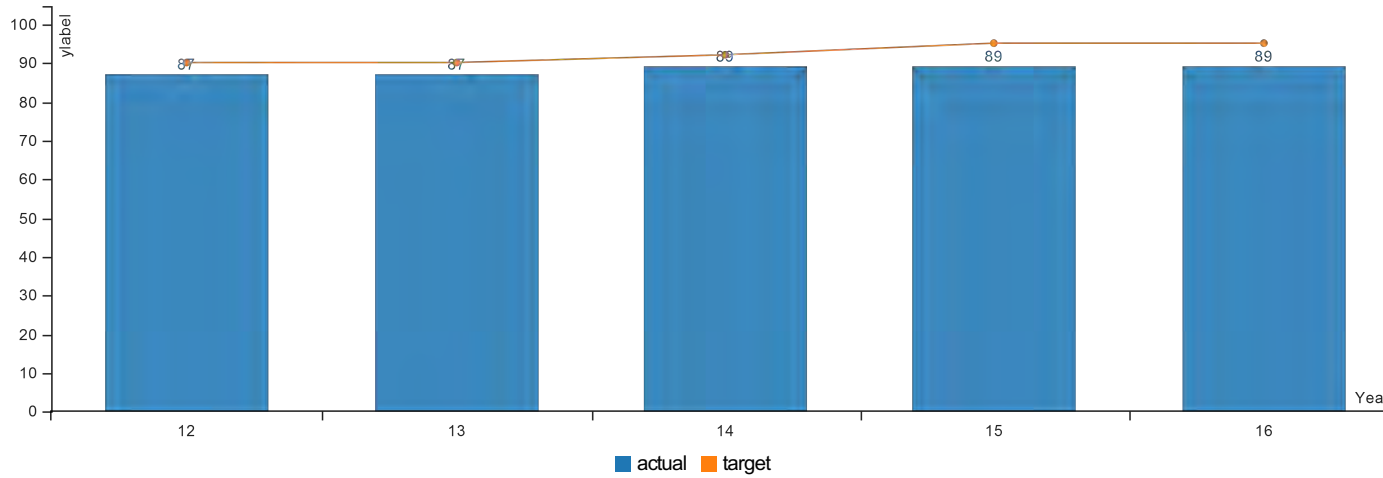
How Are We Doing

The reduction in revenue is primarily related to an accounting correction that crossed fiscal years. The result was an artificial inflation in FY15 and a corresponding deflation in FY16. Revenue from current industrial property and agriculture lands is expected to increase gradually.

Factors Affecting Results

Fluctuations in waterway authorizations and occupancy rates in industrial properties causes a certain amount of unpredictability in this measure.

KPM #4	Complete Management Plans or Policies - Percent of DSL lands and waterways with completed area management plans or policies.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percent of Completed Area Mgmt Plans or Policies					
Actual	87%	87%	89%	89%	89%
Target	90%	90%	92%	95%	95%

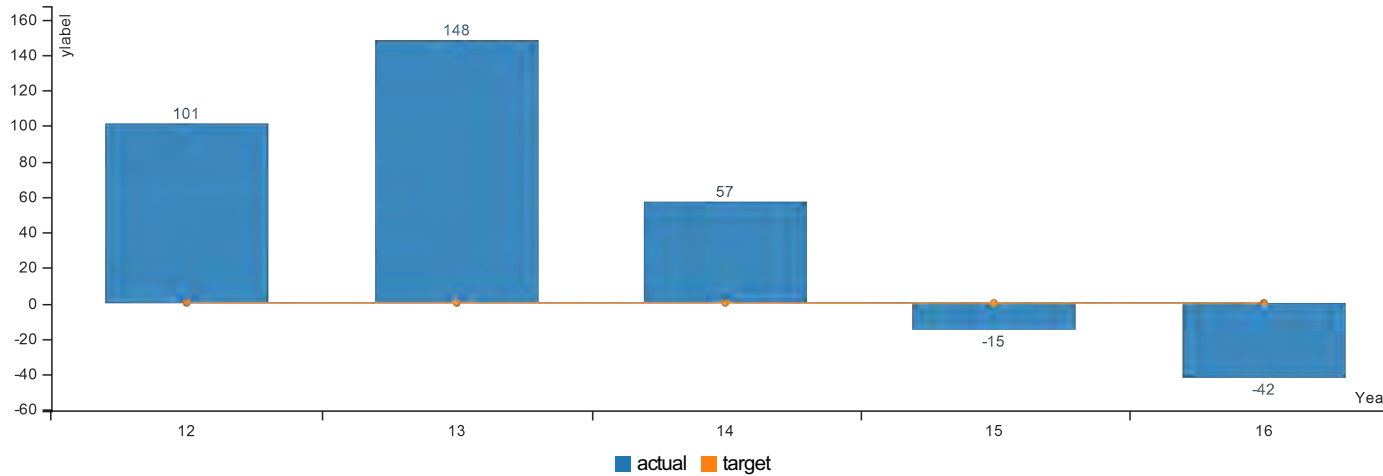
How Are We Doing

In FY2016 there was no change in this measure.

Factors Affecting Results

Agency work priorities and available staffing are both factors affecting the pace of work relative to this measure.

KPM #5	No Net Loss of Wetlands - Change in wetland acreage due to permit actions.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Gain or Loss of Wetlands (In Acres)					
Actual	101	148	57	-15	-42
Target	0	0	0	0	0

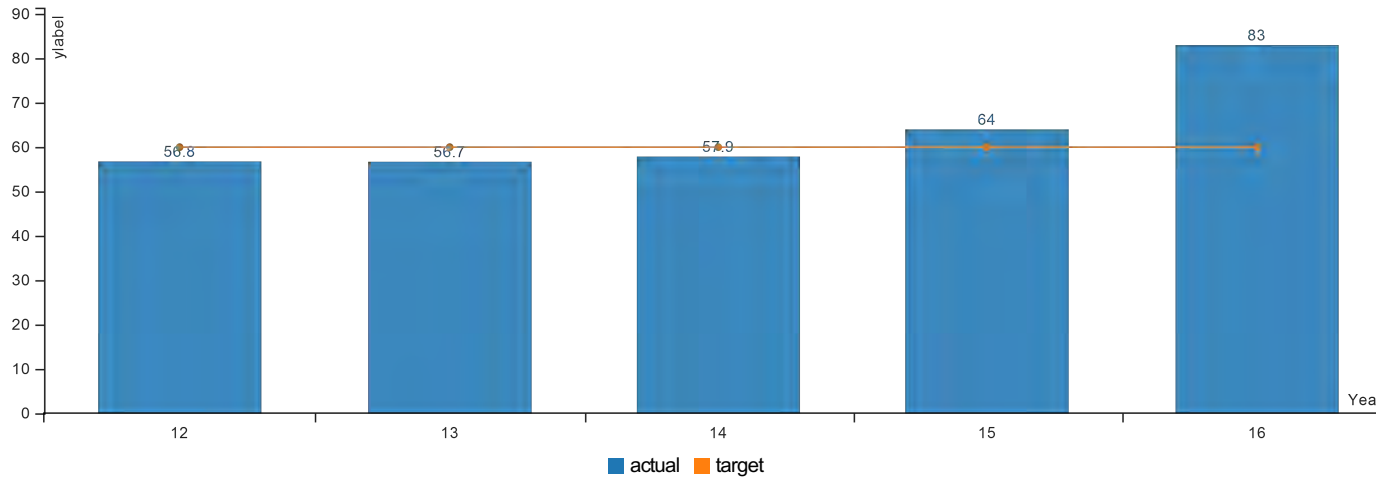
How Are We Doing

During the period shown in the graph, DSL has typically met and exceeded this performance measure showing a net gain of wetland. There was a net loss of 42 acres of wetlands due to permitted activities in FY2016. The principle reason for this is that no wetland mitigation banks were approved during the reporting period.

Factors Affecting Results

The agency has been diligent in applying mitigation requirements based upon its regulatory authorities and responsibilities. The rules contain policies and standards to achieve compensatory mitigation. While the economy continues to recover, many compensatory mitigation projects consist of either wetland enhancement, which the Department does not count toward acreage gains, or purchase of credits from approved mitigation banks, which were reported as wetland gains in previous years.

KPM #6	Number of Days for a Permit Decision - Average number of days for an agency permit decision after receipt of a complete application.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Average number of days for an agency permit decision					
Actual	56.80	56.70	57.90	64	83
Target	60	60	60	60	60

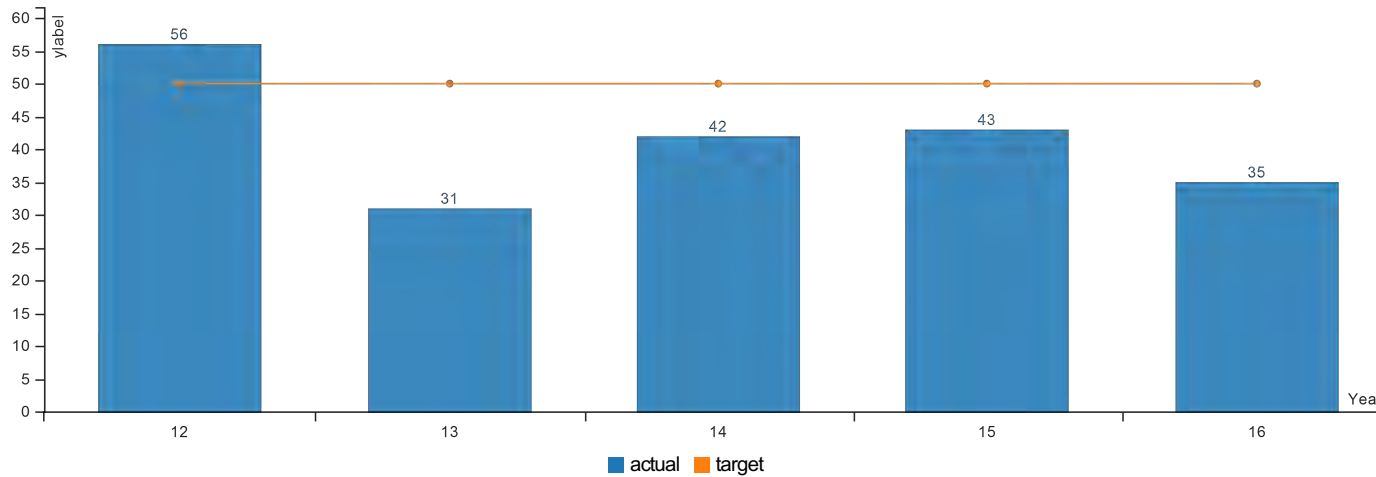
How Are We Doing

The agency averaged 83 days to make a permit decision in FY2016. This does not meet the agency target of 60 days or less.

Factors Affecting Results

This measure is for Individual Permits, which are generally related to large projects with significant impacts. The applications usually require a high level of technical information and agency review. Factors that affect the results are the number of permit applications and the level of staff resources. During this time period the Department received 365 Individual Permit applications, compared to 315 received the previous reporting period.

KPM #7 Annual Resolution of Removal-Fill Permit Non-Compliance - Percent of removal-fill permit non-compliance conditions that have a final resolution in place within 12 months from date non-compliance is determined.
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Annual Resolution of Non-Compliance Conditions					
Actual	56%	31%	42%	43%	35%
Target	50%	50%	50%	50%	50%

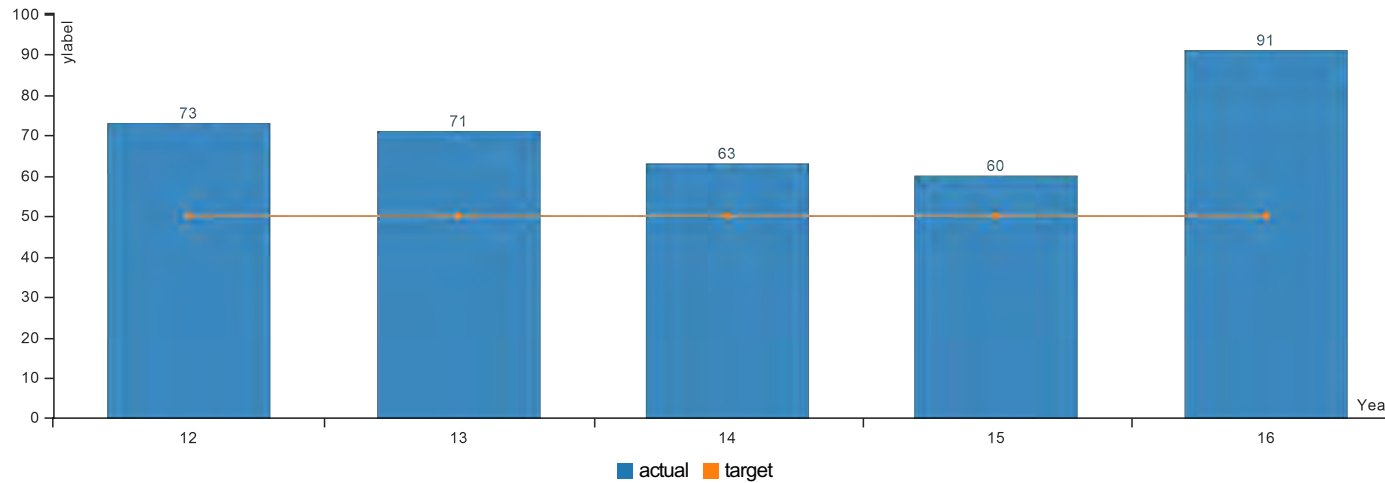
How Are We Doing

The Department did not meet the target of having a resolution in place within 12 months for 50% of the permit non-compliance instances in FY2016. The Department recorded a total of 35 permit non-compliance cases, 14 (40%) of which were resolved within 12 months. Approximately 95% of the cases involved non-compliance with mitigation-related conditions. Nearly all of the non-compliant permits were handled informally, with only three involving formal enforcement action. The number of permit-related non-compliance issues is roughly the same as in 2014, when there were 43 cases. The resolution rate decreased from 42% in FY2014 to 40% in FY2016.

Factors Affecting Results

The amount of time it takes to resolve permit non-compliance is highly dependent on the number of pending agency actions that have higher priority: namely processing permit applications and responding to complaints of unauthorized activities. While the Department did not meet the target of 50%, the results are comparable with the previous year even with the disruptions to staff work caused by the reorganization and remodeling of the Department over the past year.

KPM #8	Annual Resolution of Removal - Fill Violations Related to Unauthorized Activities-Percent of removal-fill violations that have a final resolution in place within 12 months of receipt of a complaint generating determination of a violation.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percent of Removal-Fill Violations					
Actual	73%	71%	63%	60%	91%
Target	50%	50%	50%	50%	50%

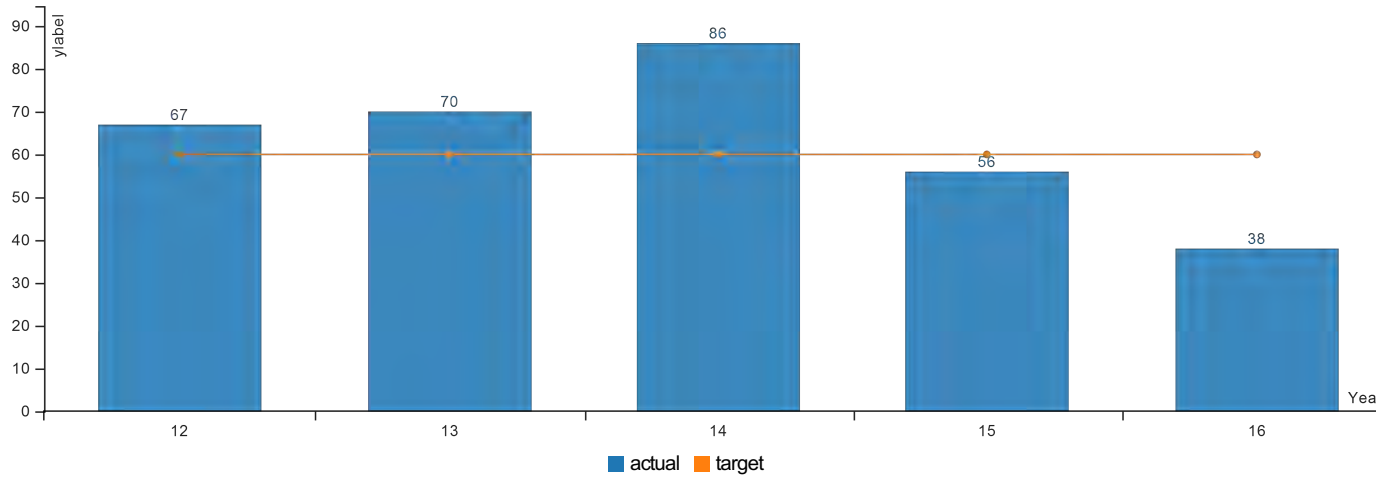
How Are We Doing

The Department exceeded the target of having a resolution in place within 12 months for 50% of the violations for unauthorized activity. The Department received 74 complaints of unauthorized activities during the reporting period. Of those, 23 were determined to be violations. Of the 23 violations, 21 (91%) were resolved within 12 months.

Factors Affecting Results

The percentage of violations resolved during the 12 month period was 31% higher than the previous year. This may have been the result of increased program emphasis in resolving cases within 12 months.

KPM #9	Agency Response Time to Wetland Delineation Reports - Average number of days for the agency initial review and response to a complete wetland delineation report.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Agency Response Time to Wetland Delineation Reports Within 120 Days					
Actual	67	70	86	56	38
Target	60	60	60	60	60

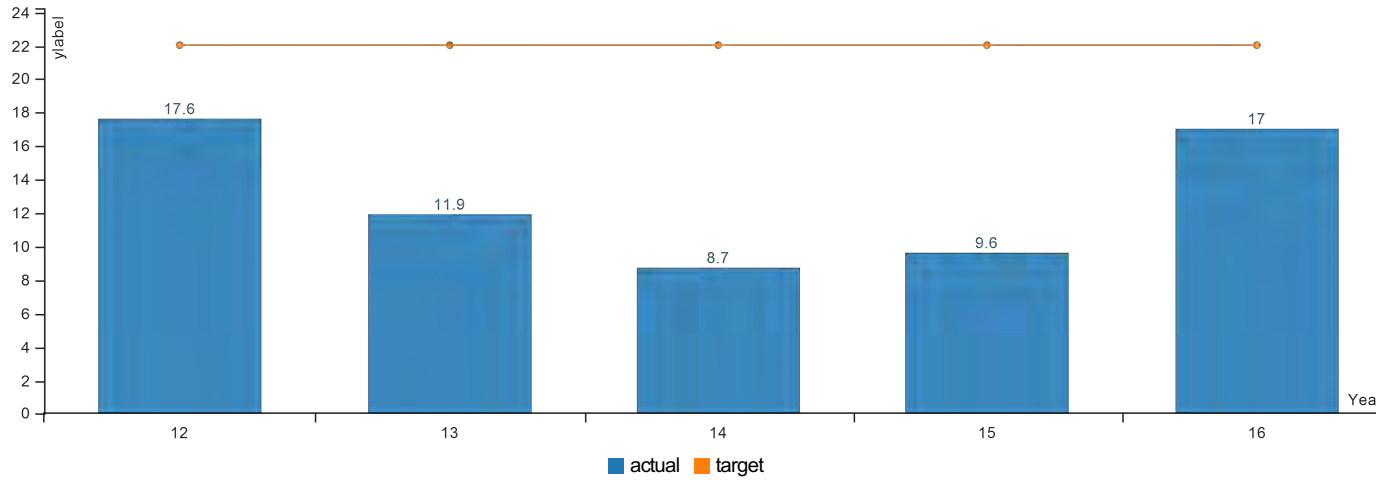
How Are We Doing

The Department began tracking initial review timelines when the 120 day statutory requirement took effect on January 1, 2008. The average agency response time for FY2016 is 38 days, which is lower than our 60 day target, and 18 days lower than FY2015, and lower than the five previous years. The Department has met the statutory requirement of 120 days for initial review since FY2009.

Factors Affecting Results

The number of delineation reports submitted for review is heavily influenced by the economy. The number of delineation reports steadily increased through FY2015 (259 reports) with a slight decline for FY2016 (241 reports).

KPM #10	Agency Response Time for Wetland Land Use Notices - Average number of days for an agency response to wetland land use notices.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Agency Response Time for Wetland Land Use Notices Within 30 Days					
Actual	17.60	11.90	8.70	9.60	17
Target	22	22	22	22	22

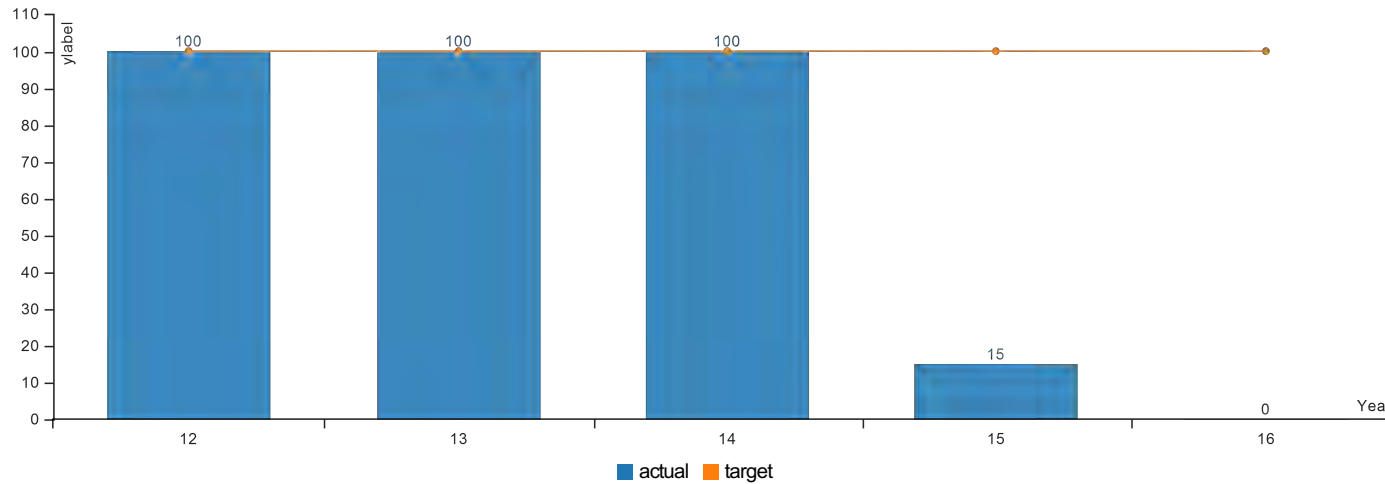
How Are We Doing

During FY2016, the average agency response time was 17 days, which is about 5 days faster than the 22 day target. This review time is 7 days more than the previous fiscal year but still well within the 22 day target.

Factors Affecting Results

The number of land use notices submitted during FY2016 was 443; 223 less than received in FY2015. The number of wetland use notices submitted for review appears to be heavily influenced by the economy and, to a lesser degree, by the availability of wetland information (ie: new local wetland inventories) and DSL outreach efforts to local governments regarding the requirement. Since the 2008 recession, the number of notices steadily dropped to a low of 173 in FY2011 but has increased again as the economy has improved.

KPM #11	Use of Payment to Provide Moneys - Percent payment-to-provide money received in Mitigation Bank Fund obligated and committed within one year.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Payments into and out of revolving fund					
Actual	100%	100%	100%	15%	0%
Target	100%	100%	100%	100%	100%

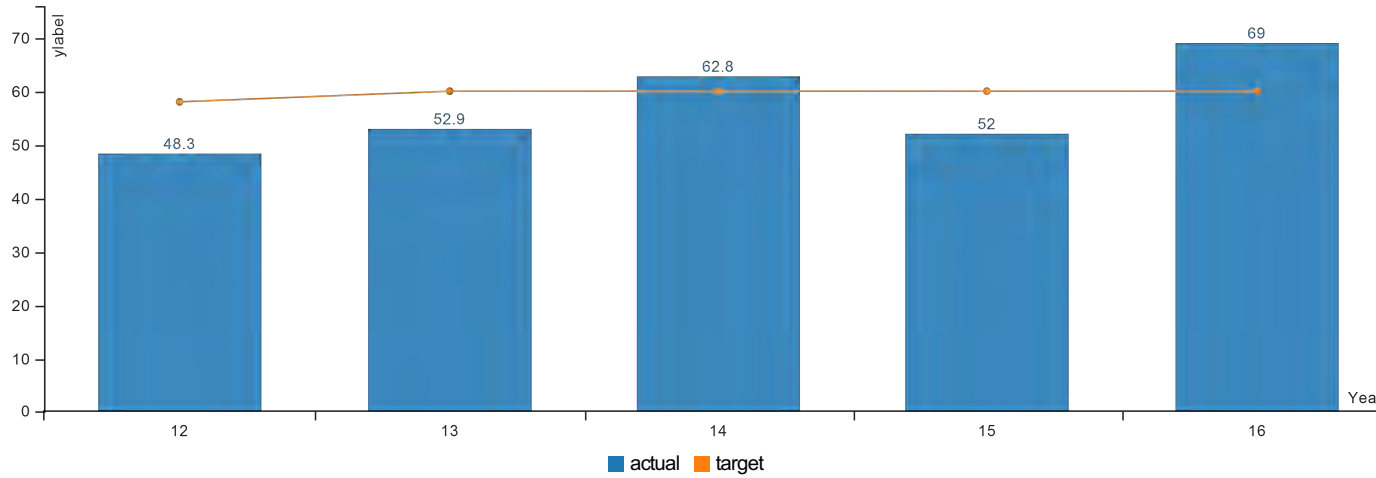
How Are We Doing

The Department did not meet the target for FY2016. Deposits into the fund in FY2016 totaled \$368,855. Of this amount, \$17,765 was from deposits associated with mitigation credit sales from projects that were implemented in prior years. Credits from these projects were counted in the fiscal year the project was approved by DSL. The remaining deposits totaled \$351,091 which represents funds that should be obligated to projects within one year. The Department did not obligate funds to any projects in FY2016.

Factors Affecting Results

Deposits to the Oregon Removal-Fill Fund continued to increase in 2015 from a low in 2013. This is partly due to economic recovery and more permit and mitigation activity, but also due to the availability of advance mitigation credits through the Department's In-Lieu Fee Program in Douglas County, and the collection of financial sureties from failed, permittee-responsible mitigation sites. Of the \$351,091 deposited to the Oregon Removal-Fill Fund in FY2015, \$249,384 was from advance credit sales in Douglas County. DSL began selling these advance credits in May 2014 and has been seeking a restoration project and project partners in the area. DSL will continue to seek opportunities to replace accumulated funds in the watersheds in which the impacts occurred.

KPM #12	Increase Unclaimed Property Holder Reporting. - Percent annual increase in amount of unclaimed property reported and remitted annually.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Annual Increase in Revenues from All Sources (In Millions)					
Actual	\$48.30	\$52.90	\$62.80	\$52.00	\$69.00
Target	\$58.00	\$60.00	\$60.00	\$60.00	\$60.00

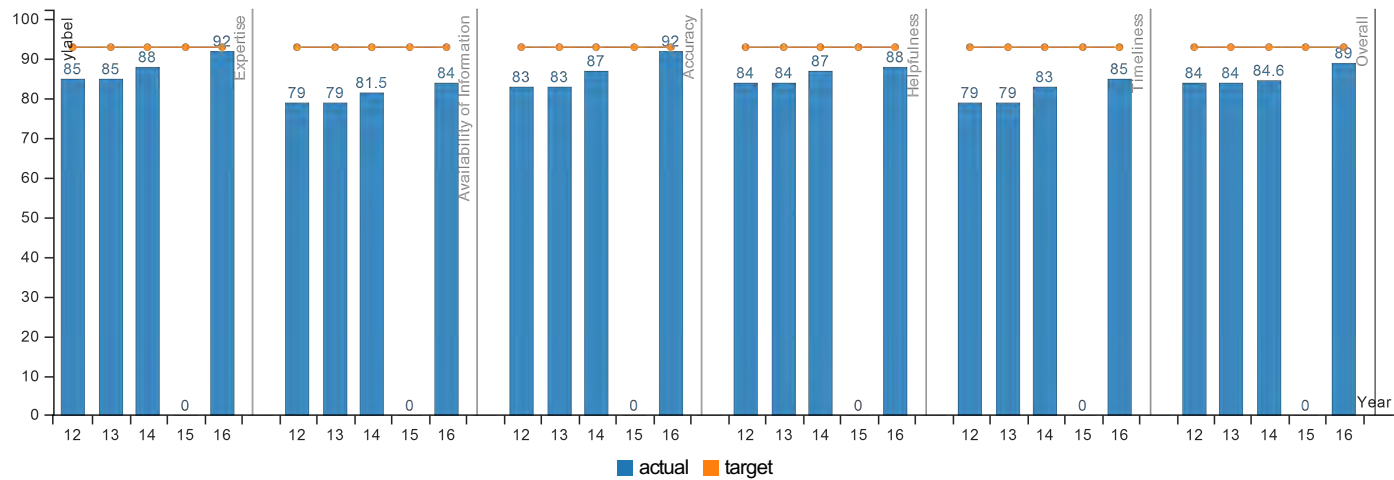
How Are We Doing

2016 receipts increased \$17.6 million from FY2015. The increase is related primarily to securities sale receipts in FY2016, which were a record \$17.5 million. Securities are not sold until an effort is made to locate the owners. That outreach process was delayed in FY2015 by remodeling, switching securities brokers and an extended absence of key staff.

Factors Affecting Results

Completed audits of out-of-state companies by our contracted audit vendors have been the most important factor increasing our receipts. We have initiated contracts with an additional seven audit vendors in FY2016. We have one full time in-state auditor. In addition to our in-state audits and consultation visits with non-reporters, twelve free holder workshops were conducted this year around the state and over 200 business professionals attended.

KPM #13 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.
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Expertise					
Actual	85%	85%	88%	No Data	92%
Target	93%	93%	93%	93%	93%
Availability of Information					
Actual	79%	79%	81.50%	No Data	84%
Target	93%	93%	93%	93%	93%
Accuracy					
Actual	83%	83%	87%	No Data	92%
Target	93%	93%	93%	93%	93%
Helpfulness					
Actual	84%	84%	87%	No Data	88%
Target	93%	93%	93%	93%	93%
Timeliness					
Actual	79%	79%	83%	No Data	85%
Target	93%	93%	93%	93%	93%
Overall					
Actual	84%	84%	84.60%	No Data	89%
Target	93%	93%	93%	93%	93%

How Are We Doing

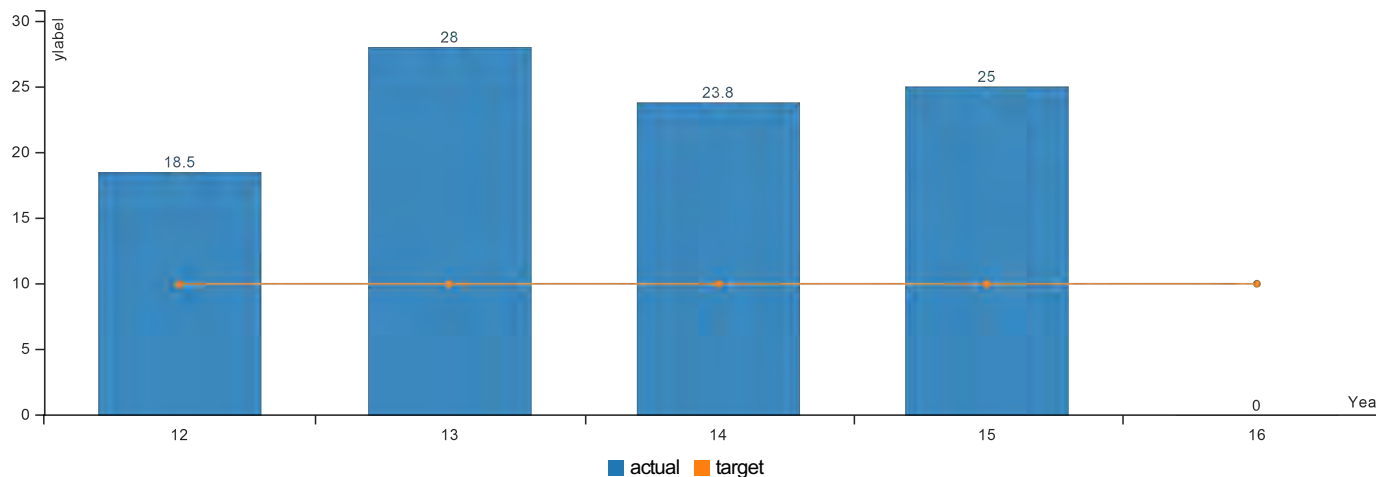
As an agency with regulatory responsibilities, DSL realizes the DAS standard of 93 percent of our customers rating our service as good or excellent is a very high bar. However, the agency has made solid progress over the years in improving in all areas. The relatively high customer ratings in 2016 exceeded those reported in 2007. Perhaps the most importantly, overall quality of service improved from 72% percent in 2007 to 89% in 2016.

Factors Affecting Results

Approximately 6,300 customers who interacted with DSL in FY 2016 were emailed a link to the online survey (done via Survey Monkey). About 15 percent of the recipients started the survey, which was slightly less than our goal of a 20 percent response rate. Previous years' response rates varied from 16 to 29 percent.

KPM #15 South Slough National Estuarine Research Reserve Operation Costs Leveraged. - Percent of SSNERR operations funded from sources other than CSF, including leverage from grants, fees, program revenues and gifts.

Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percent of Operations Funded from Non-CSF Sources					
Actual	18.50%	28%	23.80%	25%	0%
Target	10%	10%	10%	10%	10%

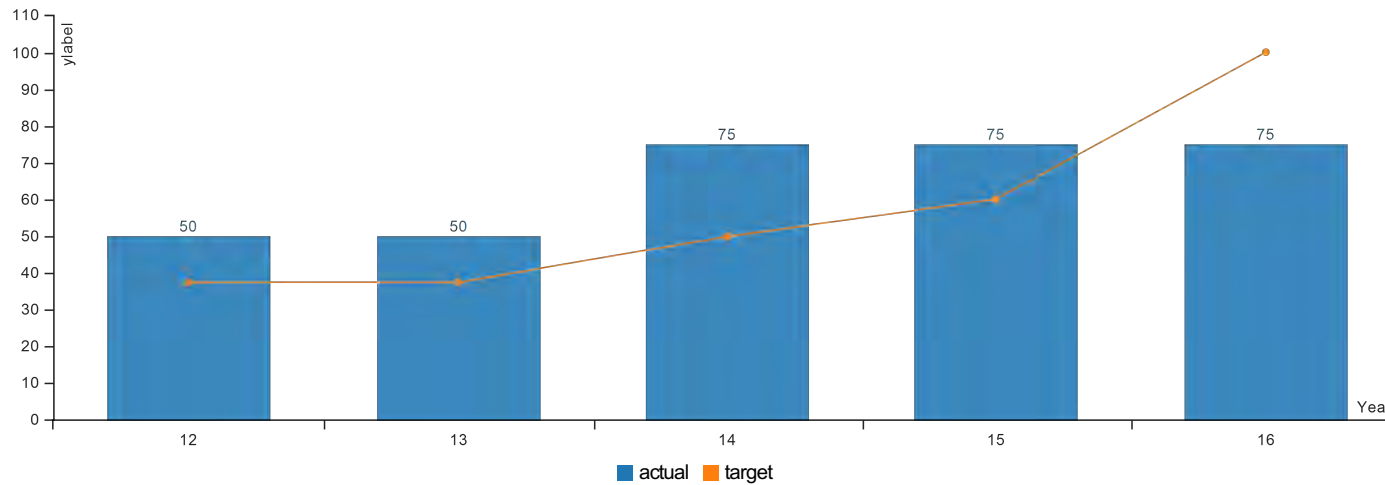
How Are We Doing

Staff continually seek grants and other funding opportunities to support Reserve operations and projects. Opportunities over the past year and successful applications for grants and awards allowed the Reserve to leverage funding using state budget funds as match. The fee rule adopted in 2008 has provided the Reserve with the opportunity to charge fees for building use. In this report period, \$2,175 has been collected.

Factors Affecting Results

Grant and award opportunities are highly unpredictable. The Reserve was fortunate to maintain level funding within its Federal Fund operations budget vs. receiving a budget cut. A successful Other Funds award with significant value has raised the percentage of funds leveraged. That award will continue through the next reporting period. The amount of fees to be collected is also difficult to predict, and local organizations will generally use space that is available for no fee. Additionally, the Reserve's public space is located a distance from the communities that typically use gathering places for events and meetings. When individuals or organizations do choose to use the Reserve's resources, availability is dependent upon prioritizing the needs of the Reserve to support its programs. Gifts, donations and bequests are another source of funding and resources that cannot be planned upon.

KPM #16 South Slough National Estuarine Research Reserve Education Actions - Percentage of SSNERR education programs that use a structured assessment process surveys to provide information and decision support services responsive to audience needs.
 Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percentage of SSNERR Programs using a structured assessment process					
Actual	50%	50%	75%	75%	75%
Target	37.50%	37.50%	50%	60%	100%

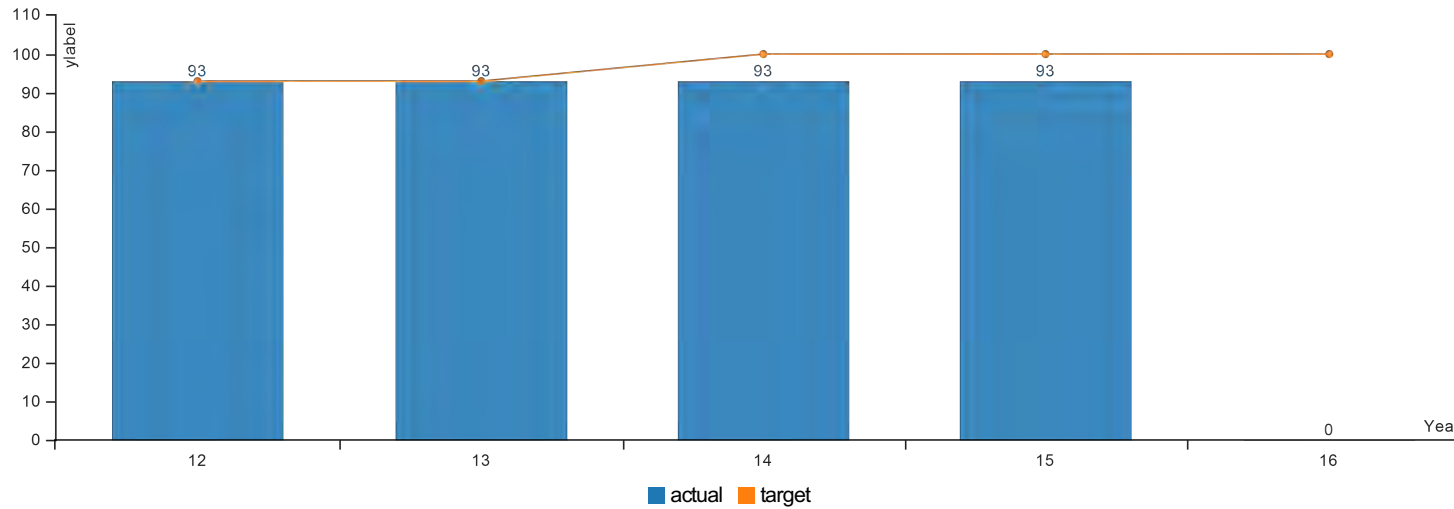
How Are We Doing

The process of conducting a formal market analysis has occurred within the K-12 education and CTP program areas. Six of the eight identified program areas currently use some form of needs assessment to identify audience-driven program development, information and services.

Factors Affecting Results

Grant funding for projects is competitive and unpredictable, although Reserve staff continually seek grant opportunities. Evaluation techniques are incorporated in project and grant application development, though adequate resources for surveying are not always received. Without specifically identified recourses, existing staff are tasked with collecting necessary data and this occurs in the most efficient way feasible to assess and address audience needs.

KPM #17	Best Practices - Percent of total best practices met by the Land Board.
	Data Collection Period: Jul 01 - Jun 30



Report Year	2012	2013	2014	2015	2016
Percent of Criteria Being Met					
Actual	93%	93%	93%	93%	No Data
Target	93%	93%	100%	100%	100%

How Are We Doing

The agency is confident that the Board will consistently achieve high scores in the assessment process.

Factors Affecting Results

Factors will be identified as the data is collected and reported.

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State of Oregon
Department of
State Lands
Common
School Fund

Annual Financial
Statements
for the Fiscal
Year Ended
June 30, 2015

Common School Fund
Annual Financial Report
For the Fiscal Year Ended June 30, 2015

Oregon Department of State Lands
An Agency of the State of Oregon



Stephanie Hallock Cummins
Interim Director

Cynthia Wickham
Chief Financial Officer

Report Prepared by:

Vena McCoy, CPA, Fiscal Manager
Star Thomson, CPA

State of Oregon Department of State Lands
Common School Fund
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June 30, 2015

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State of Oregon Department of State Lands
Common School Fund
June 30, 2015

FINANCIAL SECTION

State of Oregon Department of State Lands
Common School Fund
June 30, 2015

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INDEPENDENT AUDITOR'S REPORT

State Land Board
Department of State Lands
Salem, Oregon

We have audited the accompanying financial statements of the Common School Fund, a major governmental fund of the State of Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

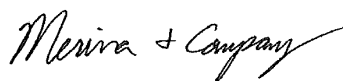
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Common School Fund as of June 30, 2015, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Common School Fund and do not purport to, and do not, present fairly the financial position of the State of Oregon or the Department of State Lands, as of June 30, 2015, the changes in their financial position, or where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2015, on our consideration of Common School Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Common School Fund's internal control over financial reporting and compliance.



Merina & Company, LLP
West Linn, Oregon
November 9, 2015

State of Oregon Department of State Lands
Common School Fund
June 30, 2015

BASIC FINANCIAL STATEMENTS

State of Oregon Department of State Lands
Common School Fund
June 30, 2015

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State of Oregon Department of State Lands
Common School Fund
June 30, 2015

Balance Sheet

ASSETS

Cash and Cash Equivalents	\$	47,759,998
Investments		1,371,105,457
Custodial Assets		22,334,982
Securities Lending Collateral		65,442,551
Accounts and Interest Receivables (net)		14,486,453
Due from Other Funds		630,555
Advances to Other Funds		300,000
Net Contracts, Notes, and Other Receivables		608,774

Total Assets	\$	1,522,668,770
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LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable	\$	29,862,345
Obligations Under Securities Lending		65,442,551
Due to Other Funds		760,931
Custodial Liabilities		232,191,378

Total Liabilities		328,257,205
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - contracts		608,774
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Total Deferred Inflows of Resources		608,774
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Fund Balances:

Restricted by:		
Oregon Constitution		878,427,711
Enabling Legislation		315,375,080
Total Fund Balances		1,193,802,791

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$	1,522,668,770
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The notes to the financial statements are an integral part of this statement.

State of Oregon Department of State Lands
Common School Fund
For the Year Ended June 30, 2015

Statement of Revenues, Expenditures, and Changes in Fund Balances

REVENUES	
Licenses and fees	\$ 668,195
Charges for Services	285,083
Rebates and Recoveries	337
Fines, Forfeitures, and Penalties	55,206
Rents and Royalties	5,671,548
Investment Income	54,472,641
Sales	1,196,906
Unclaimed and Escheat Property Revenue	18,213,746
Donations and Grants	100
Other	46,818
Total Revenues	<u>80,610,580</u>
EXPENDITURES	
Personal Services	7,831,923
Services and Supplies	10,205,651
Capital Improvements	539,202
Investment Expenditures	5,092,968
Total Expenditures	<u>23,669,744</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	56,940,836
OTHER FINANCING SOURCES (USES)	
Transfers From Other Funds	4,354,174
Transfers to Other Funds	(58,844,810)
Insurance Recoveries	2,281,451
Total Other Financing Sources (Uses)	<u>(52,209,185)</u>
Net Change in Fund Balances	<u>4,731,651</u>
Fund Balances - Beginning	1,190,529,038
Prior Period Adjustments	(1,457,898)
Fund Balances - Beginning - As Restated	<u>1,189,071,140</u>
Fund Balances - Ending	<u>\$ 1,193,802,791</u>

The notes to the financial statements are an integral part of this statement.

State of Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements as of June 30, 2015

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Oregon Department of State Lands' Common School Fund have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants (AICPA).

A – THE REPORTING ENTITY

The Department of State Lands (Department) is the administrative agency of the State Land Board handling the day-to-day work of the board in managing the land and other resources dedicated to the Common School Fund. The State Land Board, which consists of the Governor, the Secretary of State and the State Treasurer, is the trustee of the fund as outlined in the Oregon Constitution.

The Common School Fund, a governmental fund, was established at statehood and is intended to generate earnings to distribute to public schools. The Common School Fund accounts for programs that manage state-owned land, including a leasing program that generates annual revenues, for the benefit of the public school system. Estate funds that become the property of the state, unclaimed property, and income derived from unclaimed property are also accounted for in this fund. Statutory and constitutional provisions stipulate that the assets of the fund, including investment income, must be used for common school purposes. The primary funding sources for these programs include investment income, leasing revenues, forest management, unclaimed property receipts, and transfers from other funds.

B – FUND FINANCIAL STATEMENTS

The fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances. The balance sheet is presented as: total assets equal liabilities, deferred inflows of resources, and fund balances. Information for receivables not expected to be collected within one year of the date of the financial statements and payables reported in the financial statements is discussed in Note 4. The statement of revenues, expenditures, and changes in fund balances reports revenues by type and expenditures by function. Other financing sources and other financing uses are reported in the last section of the statement.

C - MEASUREMENT FOCUS, BASIS OF ACCOUNTING AND FINANCIAL STATEMENT PRESENTATION

The Common School Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities existing at the end of the year. For this purpose, revenues are considered available, if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recognized when a liability is incurred, as under accrual accounting.

D – DEPOSITS AND INVESTMENTS

DEPOSITS

Cash deposits not held in a cash management or investment pool are classified as cash and cash equivalents. Cash deposits that are held in a cash management or investment pool are classified as cash and cash equivalents when the pool has the general characteristics of a demand deposit account. Cash and cash equivalents include: cash on hand, cash and investments held by the Office of the State Treasurer in the Oregon Short-Term Fund (OSTF), cash deposits held in demand deposit accounts with custodial banks, and cash deposits of debt proceeds in investment funds held by a trustee.

INVESTMENTS

Investments are reported at fair value with the following exceptions, which are reported using cost-based measures:

- Investments in private equities are reported at cost.
- Investments in the OSTF with remaining maturities of up to 90 days are carried at amortized cost, which approximates fair value. The Department reports these investments as cash and cash equivalents on the balance sheet, but as investments in Note 2.

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Changes in the fair value of investments are recognized as investment income (loss) in the current year.

DERIVATIVES

In accordance with State investment policies, the Office of the State Treasurer participates in contracts that have derivative characteristics. Derivative instruments are used to lower the cost of borrowing, to hedge against fluctuations in foreign currency rates, and to manage the overall risk of investment portfolios. The fair value of all derivative instruments within the Common School Fund are reported on the balance sheet as investments, accounts and interest receivable, and accounts and interest payable. The change in fair value for all Common School Fund derivative instruments is reported with investment income on the statement of revenues, expenditures, and changes in fund balances.

E – RECEIVABLES AND PAYABLES

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as “advances to other funds.” Receivables consist of revenues earned or accrued in the current period and are shown net of estimated uncollectible amounts. Payables consist of amounts owed to vendors for operational expenditures, other state agencies for services received and investment liabilities outstanding.

F – INTERFUND TRANSACTIONS

Interfund transactions are transactions between the Common School Fund and other funds included in the Oregon Comprehensive Annual Financial Report. Interfund balances (due to/from other funds and advances to/from other funds) result from the time lag between dates that (1) interfund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds are not expected to be repaid within one year. See Note 7 for more on interfund transactions.

G – RESTRICTED ASSETS

Custodial assets are non-cash assets held in trust for third parties in the Unclaimed Property Program.

H – FUND EQUITY

The difference between assets and liabilities plus deferred inflows of resources is labeled “Fund Balance” on the fund financial statements. Fund balance is reported in five components: (1) Nonspendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned.

Restricted fund balances are the result of constraints imposed by law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Common School Fund Balances are all restricted.

For fund balance classification purposes, the Department determines the appropriate classification of each of their detail-level funds based on the resources accounted for in those funds and the constraints on spending those resources. The Department expends resources from the appropriate fund based on each fund’s specific spending constraints. Ending fund balances, therefore, are the result of that spending.

NOTE 2 – DEPOSITS AND INVESTMENTS

Common School Fund Investment Portfolio held at Treasury

Investments of the Common School Fund held by the State Treasurer (Treasurer) require the exercise of prudent and reasonable care in the context of the Common School Fund’s investment portfolio and as part of an overall investment strategy. The Treasurer is required to diversify investments unless it is not prudent to do so. In addition, the Treasurer must exercise reasonable care to incorporate risk and return objectives suitable to the particular investment fund. The Treasurer has a policy and procedure that addresses objectives and strategies for investments of the Common School Fund.

The Common School Fund’s investment policies are governed by statute and the Oregon Investment Council (Council). The Treasurer is the investment officer for the Council and is responsible for the funds on deposit

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with the Oregon State Treasury (Treasury). The Treasurer works with the State Land Board to ensure implementation of the asset allocation policy that meets the business needs of the Common School Fund. The Council does not make asset allocation changes without considering input from the State Land Board. In accordance with Oregon statutes, the investment funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill and caution. The Treasurer is authorized to use demand deposit accounts, fixed income investments, and direct equity investment transactions, although the majority of equity investments are directed by external investment managers under contract with the Council. Investments are managed around a 70 percent equity and a 30 percent fixed income target with a range of plus or minus 5 percent, as detailed below. The Common School Fund's actual asset allocation is monitored monthly relative to established asset allocation policy targets and ranges. A deviation outside of any of the ranges triggers a review and rebalancing back toward the target asset allocation with due consideration given to the liquidity of the investments and transaction costs. Whenever possible, cash flows into and out of the fund are used to rebalance between asset classes. Cash is held only for business operating purposes.

Asset Class	Benchmark	Target Allocation	Range
Domestic Equities	Russell 3000 Index	30%	25% - 35%
International Equities	MSCI ACWI ex-US	30%	25% - 35 %
Private Equity	Russell 3000 + 300 bps	10%	0% -12%
	Total Equities	70%	65% - 75%
US Fixed Income	Barclays Capital Universal Bond Index	30%	25% - 35%
Cash		0%	0% - 3%
Policy Mix	Weighted aggregate of indexes listed above at target allocation	100%	

Common School Fund Participation in the Oregon Short Term Fund Held at Treasury

The Treasurer maintains the Oregon Short-Term Fund (OSTF), a cash and investment pool that is available for use by the Common School Fund. Because the pool operates as a demand deposit account, the Common School Fund portion of the OSTF is classified on the financial statements as cash and cash equivalents. Additional information about the OSTF can be found in the OSTF financial statements at [http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

Common School Fund Investments Held Outside Treasury

Statutes govern the placement of investments of the Common School Fund held outside Treasury as part of trust agreements or mandatory asset holdings by regulatory agencies. The Common School Fund investment portfolio includes \$22,059,982 held outside Treasury and included in the \$22,334,982 identified as custodial assets on the balance sheet.

A – DEPOSITS

Custodial Credit Risk for Deposits

The custodial credit risk for deposits is the risk that, in the event of a bank failure, the Department will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Department does not have a formal policy regarding custodial credit risk for deposits. However, banking regulations and Oregon law establish the insurance and collateral requirements for deposit in the OSTF.

Oregon Revised Statutes (ORS) Chapter 295 governs the collateralization of public funds. Bank depositories are required to pledge collateral against any public fund deposits in excess of the deposit insurance amounts. This requirement provides additional protection for public funds in the event of a bank loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

ORS Chapter 295 provides the statutory authority for the Public Funds Collateralization Program (PFCP). The PFCP is an application created by Treasury to facilitate bank depository, custodian, and public official

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compliance with ORS Chapter 295. Under the PFCP, banks are required to report quarterly to Treasury, providing quarter-end public fund balances in excess of Federal Deposit Insurance Corporation (FDIC) limits. Banks are also required to report their net worth and FDIC Capitalization information. The FDIC assigns each bank a capitalization category quarterly; well capitalized, adequately capitalized or undercapitalized. Based on this information, the bank's minimum collateral required to be pledged with the custodian and the maximum liability in the pool of all banks is calculated for the next quarter. The maximum liability is reported to the bank, Treasury and the custodian.

Barring any exceptions, a bank depository is required to pledge collateral valued at 10 percent or more of the bank's quarter-end public fund deposits if the bank is well capitalized and 110 percent if the bank is adequately capitalized, undercapitalized, or assigned to pledge 110 percent by Treasury.

There are three exceptions to this calculation, and any exceptions are required to be collateralized at 100 percent.

1. A bank may not accept public fund deposits from one depositor in excess of the bank's net worth. If the bank has a drop in net worth that takes it out of compliance, the bank is required to post 100 percent collateral on any amount the depositor has in excess of the bank's net worth while working to eliminate that excess.
2. A bank may not hold aggregate public funds in excess of a percentage of the bank's net worth based on its capitalization category (100 percent for undercapitalized, 150 percent for adequately capitalized, 200 percent for well capitalized) unless approved for a period of 90 days or less by Treasury.
3. A bank may hold in excess of 30 percent of all aggregate public funds reported by all banks holding Oregon public funds, only if the excess is collateralized at 100 percent.

Where interest-bearing balances within the OSTF exceed the FDIC or NCUA amount of \$250,000, the balances were covered by collateral held in the PFCP.

As of June 30, 2015 \$201,505 in other bank balances of the Common School Fund was held by an investment firm, not covered by the FDIC rules. However the firm is a member of the Securities Investor Protection Corporation which provides protection up to \$500,000, of which \$250,000 applies to cash credit balances. Consequently the entire bank balance of uninvested Common School Fund deposits was fully insured.

B – INVESTMENTS

Custodial Credit Risk

Custodial credit risk for investments of the Common School Fund is the risk that, in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The Council has no formal policy regarding the holding of securities by a custodian or counter party. For the year ended June 30, 2015, no investment holdings of the Common School Fund held at Treasury were exposed to custodial credit risk.

At June 30, 2015 the Common School Fund held \$21,858,477 in investments outside Treasury. These investments were held with Wedbush, an investment firm. The firm is a member of the Securities Investor Protection Corporation (SIPC) which provides protection up to \$500,000 of which a maximum of \$250,000 applies to cash credit balances. In addition to the coverage provide by the SIPC, the Firm has purchased from Lloyd's of London an excess SIPC bond that provides additional coverage for up to \$25,000,000 in cash and securities for each client, subject to an aggregate loss limit of \$100,000,000. The excess SIPC bond, together with SIPC coverage, provides for cash credit balances to each client to a maximum of \$1,000,000. This protection will replace client's cash and/or securities that are otherwise unrecoverable. It does not cover clients from losses resulting from the decline in the market value of securities in their accounts. No investment holdings of the Common School Fund held outside Treasury were exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk (variable in value) borne by an interest bearing asset such as a loan or a bond, due to variability of interest rates. Approximately 30 percent of the Common School Fund's investment portfolio is

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invested in fixed income securities. Investment policy for fixed income investments of the Common School Fund is to maintain a well-diversified bond portfolio, managed to maximize total return, that reflects the overall characteristics of the Barclays Capital Universal Index Benchmark and to invest opportunistically, using innovative investment approaches within a controlled and defined portfolio allocation.

Credit Risk and Concentration of Credit Risk

Credit risk refers to the risk that a borrower will default on any type of debt by failing to make payments which it is obligated to make. Treasury investment policies for fixed income investments of the Common School Fund maintain an overall portfolio quality of at least "A" or higher; maintain an average bond duration level of plus or minus 20 percent of the Barclays Capital Universal Index. No more than 30 percent of the total fixed income portfolio at market value, may be maintained in securities rated less than Baa3. No more than 10 percent of the total fixed income portfolio, at market value, may be maintained in Rule 144A securities. No more than 25 percent of the fixed income allocation shall be invested in a single industry, or Government Agency. Use of leverage in any fixed income securities is not allowed (excluding use of securities in a securities lending program).

Interest Rate Sensitive Investments

The Common School Fund held approximately \$57.9 million in debt instruments backed by pooled mortgages, TBAs (to-be-announced federal agency-issued mortgage pools), collateralized mortgage obligations (CMOs), or fixed-rate mortgages. These securities represent a stream of principal and interest payments from underlying mortgages and consequently, the value of these securities can be volatile as interest rates fluctuate. Assets with these characteristics may also be susceptible to prepayment by the mortgage holders which may result in a decrease in total interest realized. Additionally, the risk of default exists and collateral held may potentially be insufficient to cover the principal due. The Common School Fund also held approximately \$8.5 million of asset-backed securities backed primarily by student loan and manufactured housing loan receivables.

The credit rating for the Common School Fund's investments held at Treasury and using the segmented time distribution method at June 30, 2015 follows:

Investment Type	Credit Rating ¹	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 or none	
U.S. Treasury Obligations	Exempt	\$ 4,250,291	\$ 10,920,109	\$ 12,052,860	\$ 15,834,348	\$ 43,057,608
U.S. Treasury Strips	Exempt	-	-	211,256	-	211,256
U.S. Treasury TIPS	Exempt	1,146,537	-	3,639,693	2,948,174	7,734,404
U.S. Federal Agency Debt	AA	-	129,003	-	121,671	250,674
U.S. Federal Agency Mortgages	AAA	-	-	245,786	-	245,786
U.S. Federal Agency Mortgages	Not Rated	5,267,567	89,071	110,176	30,943,452	36,410,266
		10,664,395	11,138,183	16,259,771	49,847,645	87,909,994
Corporate Bonds	AA	-	250,637	884,946	-	1,135,583
	A	392,832	4,862,028	3,720,836	2,759,706	11,735,402
	BBB	721,539	3,959,249	7,691,501	9,221,259	21,593,548
	BB	764,696	71,031	621,348	1,851,222	3,308,297
	B	-	31,204	93,825	64,720	189,749
	CC	-	5,800	-	-	5,800
	CCC	-	-	17,700	-	17,700
		1,879,067	9,179,949	13,030,156	13,896,907	37,986,079
Non-US Government Debt	A	-	2,985	1,502,472	1,481,213	2,986,670
	BBB	-	-	294,330	2,247,089	2,541,419
	BB	416,610	-	453,100	-	869,710
		416,610	2,985	2,249,902	3,728,302	6,397,799

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Investment Type	Credit Rating ¹	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 or none	
International Debt Securities	AA	-	-	-	138,316	138,316
	A	91,571	1,077,233	1,192,118	134,944	2,495,866
	BBB	618,322	274,441	1,866,279	1,785,352	4,544,394
	BB	30,128	774,827	2,200,915	164,072	3,169,942
	B	37,350	-	8,855	-	46,205
	Not Rated	-	60,337	-	-	60,337
			<u>777,371</u>	<u>2,186,838</u>	<u>5,268,167</u>	<u>2,222,684</u>
Asset Backed Securities	AAA	488,516	-	-	24,935	513,451
	AA	1,546,003	-	-	-	1,546,003
	A	1,766,819	-	-	-	1,766,819
	BBB	77,020	3,189	-	-	80,209
	BB	1,081,045	-	-	-	1,081,045
	B	328,851	-	-	-	328,851
	CCC	792,048	-	-	-	792,048
	CC	2,104,690	-	-	-	2,104,690
	Not Rated	80,000	-	-	200,300	280,300
		<u>8,264,992</u>	<u>3,189</u>	<u>-</u>	<u>225,235</u>	<u>8,493,416</u>
Collateralized Mortgage	AAA	458,013	-	-	343,915	801,928
	AA	374,425	-	-	824,934	1,199,359
	A	2,144,989	-	-	72,625	2,217,614
	BBB	4,415,342	-	-	-	4,415,342
	BB	1,307,849	-	-	-	1,307,849
	B	4,848,929	-	-	1,008,501	5,857,430
	CCC	1,754,902	-	-	251,986	2,006,888
	CC	1,439,083	-	-	-	1,439,083
	Not Rated	2,020,346	-	-	-	2,020,346
		<u>18,763,878</u>	<u>-</u>	<u>-</u>	<u>2,501,961</u>	<u>21,265,839</u>
Municipals	AAA	211,727	-	-	-	211,727
Mutual Funds, Domestic Fixed	Not Rated	-	-	-	224,198,030	224,198,030
Mutual Funds, International Fixed	Not Rated	-	-	-	8,121,895	8,121,895
Total Debt Investments		<u>\$ 40,978,040</u>	<u>\$ 22,511,144</u>	<u>\$ 36,807,996</u>	<u>\$ 304,742,659</u>	<u>\$ 405,039,839</u>
Equity - Domestic						302,991,840
Equity - International						336,071,736
Equity - Mutual Funds						190,958,985
Private Equity - Domestic						122,261,717
Real Estate - Domestic						11,138,658
Real Estate - International						2,642,682
						<u>966,065,618</u>
Total Investments						<u>\$1,371,105,457</u>

¹ Investments of \$43,057,608 in U.S. Treasury obligations, \$211,256 in U.S. Treasury Strips, \$7,734,404 in U.S. Treasury Inflation Protected Securities (TIPS), and \$5,495,134 in Government National Mortgage Association (GNMA), which are reported within U.S. Federal agency mortgages, are explicitly guaranteed by the U.S. government, and therefore, are exempt from credit risk disclosure requirements.

Investments Held at Treasury

Fixed income securities are classified using final maturity date or next rate reset date, whichever is sooner. Fixed income mutual funds are classified by effective duration, the measurement used by the fund manager.

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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. State agencies are required to deposit moneys in state-qualified depositories under Oregon law. Exceptions due to foreign field offices and related circumstances are approved by the Treasurer. International debt securities denominated in U.S. dollars are not subject to currency risk if the investment's obligations will be paid in U.S. dollars. Investment policies for fixed income investments under the management of the Treasurer provides for investments of the Common School Fund in non-dollar denominated securities within a target allocation range of 25 to 35 percent of their portfolio. For investments not under the management of the Treasurer there are no formal policies on foreign currency risk. Deposits and investments exposed to foreign currency risk for the Common School Fund as of June 30, 2015.

Foreign Currency Denominations	Deposits and Investments (U.S. Dollars)				
	Deposits	International Equity Securities	Non-US Government Debt	International Real Estate	Total
Australian Dollar	\$ 77,281	\$ 7,761,575	\$ -	\$ 471,853	\$ 8,310,709
Brazil Real	-	-	180,299	-	180,299
Canadian Dollar	63,567	12,049,409	-	-	12,112,976
Swiss Franc	44,716	19,393,692	-	-	19,438,408
Danish Krone	2,292	8,115,111	-	-	8,117,403
Euro	170,770	98,847,931	-	668,289	99,686,990
British Pound	114,553	33,838,187	-	496,604	34,449,344
Hong Kong Dollar	48,698	5,016,267	-	549,685	5,614,650
Israeli Shekel	35,589	2,873,965	-	112,154	3,021,708
Japanese Yen	392,714	78,616,022	-	344,097	79,352,833
Mexican Peso	-	-	2,390,307	-	2,390,307
Norwegian Krona	95,445	1,859,057	-	-	1,954,502
New Zealand Dollar	-	71,029	-	-	71,029
Swedish Krona	10,672	12,310,648	-	-	12,321,320
Singapore Dollar	48,978	1,879,847	-	-	1,928,825
Total	\$ 1,105,275	\$282,632,740	\$ 2,570,606	\$ 2,642,682	\$288,951,303

Investments Held Outside Treasury

Some custodial assets held outside Treasury are not investments. The following table shows the credit rating and segmented time distribution for Investments Held Outside Treasury at June 30, 2015.

Investment Type	Credit Rating	Investment Maturities (in years)			Total Market Value
		Less than 1	1 to 5	6 to 10	
U.S. Agency Securities ¹	AAA	\$ -	\$ -	\$ 6	\$ 6
U.S. Treasury Strips ¹	AAA	-	4,669	-	4,669
GNMA ¹	AAA	-	2	-	2
Municipal Bonds ¹	AAA	4,944	4,584	-	9,528
Domestic Mutual Funds-debt ¹	not rated	7,340,314	-	-	7,340,314
		<u>\$ 7,345,258</u>	<u>\$ 9,255</u>	<u>\$ 6</u>	<u>7,354,519</u>
Alternative Equities ¹	N/A				3,998
Domestic Equity Securities ¹	N/A				14,499,960
Total					<u>\$ 21,858,477</u>

¹ Some investments (along with certain cash deposits) are reported as part of custodial assets on the balance sheet.

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C – SECURITIES LENDING

CSF participates in securities lending transactions in accordance with State investment policies. The Oregon State Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the CSF securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. There were no significant violations of the provisions of securities lending agreements during the year ended June 30, 2015.

During the year, State Street had the authority to loan short-term, fixed income, and equity securities and to receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned U.S. securities, international fixed income securities, or 105 percent in the case of international equity. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the fiscal year the State did impose restrictions on the amount of loans the custodian made on its behalf. The State is fully indemnified against losses due to borrower default by its custodian. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

As of June 30, 2015, the fair value of cash and non-cash collateral received was \$68.4 million and invested cash collateral was \$64.7 million for CSF. There were no significant violations of the provisions of securities lending agreements during the period of these financial statements.

State Street, as lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF. CSF receives an allocated portion of this activity based on its deposits in OSTF. As of June 30, 2015, CSF's allocated portion of cash collateral received and invested cash collateral were \$0.8 million and \$0.8 million, respectively. Securities on loan from the OSTF in total included U.S. Treasury securities (80.38%), U.S. Agency securities (10.33%), and domestic fixed income securities (9.29%).

As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at \$1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the balance sheet and statement of net position.

The fair value of investments held by the fund is based upon valuations provided by a recognized pricing service. These funds are not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the funds was assigned to any other funds.

The maturities of investments made with cash collateral did not generally match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2015, is effectively one day. On June 30, 2015, the CSF had no credit risk exposure to borrowers because the amounts the State owes to borrowers exceed the amounts borrowers owe the State. The following table shows the combined balances of the securities on loan, cash and securities collateral received, and investments of cash collateral held.

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Securities Lending as of June 30, 2015			
Investment Type	Cash and Securities Collateral Received	Securities on Loan at Fair Value	Investments of Cash Collateral at Fair Value
U.S. Treasury Securities	\$ 29,087,580	\$ 28,484,939	\$ 29,089,034
U.S. Agency Securities	1,334,725	1,306,395	-
Domestic Equity Securities	15,069,514	14,713,359	13,535,370
Domestic Debt Securities	1,161,648	1,138,889	1,882,827
International Equity Securities	21,788,342	20,716,636	20,187,098
	<u>68,441,809</u>	<u>66,360,218</u>	<u>64,694,329</u>
Allocation from Oregon Short Term Fund	1,240,122	1,214,600	751,493
Total	<u>\$ 69,681,931</u>	<u>\$ 67,574,818</u>	<u>\$ 65,445,822</u>

NOTE 3 – DERIVATIVES

Derivatives are financial instruments whose value is derived from underlying assets, reference rates, or indexes. They generally take the form of contracts in which two parties agree to make payments at a later date based on the value of the underlying assets, reference rates, or indexes. The main types of derivatives are futures, forwards, options and swaps.

In the Common School Fund portfolio, forward currency exchange contracts may be used to gain exposure or hedge against the effects of fluctuations in foreign currency exchange rates. A foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at the future date at a negotiated forward rate. Foreign currency forward contracts are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. Risk associated with such contracts includes movement in the value of foreign currencies and the failure of the counter party to perform.

The following table shows the foreign currency exchange contracts within the Common School Fund as of June 30, 2015.

Currency	Currency Forward Contracts		
	Net Receivables	Net Payables	Total Exposure
Australian Dollar	\$ 26,721	\$ -	\$ 26,721
Brazilian Real	2,043	(5,162)	(3,119)
Canadian Dollar	(229,160)	50,466	(178,694)
Swiss Franc	(6,850)	7,195	345
Danish Krone	(88,270)	311	(87,959)
Euro Currency	(14,017)	320,191	306,174
Pound Sterling	588,732	(100,457)	488,275
Hong Kong Dollar	2	(46)	(44)
New Israeli Sheqel	45	(38,048)	(38,003)
Japanese Yen	16,272	(209,672)	(193,400)
Norwegian Krone	(255)	147	(108)
New Zealand Dollar	(527)	4,186	3,659
Swedish Krona	(1,646)	(23,316)	(24,962)
Singapore Dollar	-	(900)	(900)
Total	<u>\$ 293,090</u>	<u>\$ 4,895</u>	<u>\$ 297,985</u>

In the Common School Fund portfolio, rights and warrants are often obtained and held due to existing investments. Rights are the right, but not the obligation, to purchase newly issued equity shares, often in

State of Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements as of June 30, 2015

proportion to the number of shares currently owned, in a specified company, at a pre-established price on or within a predetermined date. A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain period. Rights and warrants are privately transacted in over-the-counter markets. Both are subject to general market risk and liquidity risk.

The following table shows the changes in fair value and the fair value of rights and warrants within the Common School Fund as of June 30, 2015.

	Changes in Fair Value ¹		Fair Value at June 30, 2015		Notional ²
	Classification	Amount	Classification	Amount	
Rights	Investment Revenue	\$ (93,224)	Common Stock	\$ -	\$ -
Warrants	Investment Revenue	2,557,007	Long Term Instruments	297,984	147,451,717
Total Fair Value		\$ 2,463,783		\$ 297,984	

¹ Excludes futures margin payments
² Notional may be a dollar amount or size of underlying for futures and options

The fair value of derivative instruments is reported on the balance sheet as investments, accounts and interest receivables, and accounts payable, and the changes in fair value of derivative instruments are reported on the statement of revenues, expenditures and changes in fund balance as investment income.

NOTE 4 – RECEIVABLES AND PAYABLES

A – RECEIVABLES

The following table disaggregates receivable balances reported in the financial statements as accounts and interest receivable (net) and net contracts. Contracts are not expected to be collected within one year of the date of the financial statements. Receivables reported for governmental activities at June 30, 2015:

Governmental activities	Total
General accounts	\$ 88,953
Interest	1,778,662
Investment broker receivable	12,618,838
Contracts	654,784
Other Noncurrent Receivables	4,559
Gross receivables	15,145,796
Allowance for doubtful accounts	(50,569)
Total receivables, net	\$ 15,095,227

B – PAYABLES

The following table disaggregates accounts payable reported in the financial statements as general accounts payable and broker payable. Payables reported for governmental activities at June 30, 2015:

Governmental activities	Total
General accounts payable	\$ 3,942,806
Investment broker payable	25,919,539
Total payables	\$ 29,862,345

C – CUSTODIAL LIABILITIES

Custodial liabilities consist of unclaimed property held in custody by the Department in perpetuity for the rightful owner as required by ORS 98.302-98.436 and 98.991-98.992. The unclaimed property liability is reported at

State of Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements as of June 30, 2015

approximately 39% of the total unclaimed property being held. An annual adjustment is made to this account to reduce the amount reported to the amount actually expected to be paid out based on a history of the account. The total legal liability for the unclaimed property program as of June 30, 2015 was \$547,571,081. The accumulated annual adjustment as of June 30, 2015 was \$315,379,703.

NOTE 5 – LEASES

A – OPERATING LEASES

The Department has entered into various non-cancelable rental agreements that are accounted for as operating leases because the agreements do not meet the criteria to be classified as capital leases. Operating lease payments are chargeable as rent expense and reported in services and supplies. Rental costs for operating leases for the year ended June 30, 2015, were \$112,839. Future minimum rental payments for operating leases in effect as of June 30, 2015:

Year ending June 30,	Payments
2016	\$ 55,820
2017	1,279
Total future minimum rental payments	<u>\$ 57,099</u>

B – LEASE RECEIVABLES

The Department receives rental income from land and property leased to non-state entities. For the year ended June 30, 2015, the Department received rental income of \$270,646 on leased assets with a carrying value of \$1,818,034, net of \$123,609 in accumulated depreciation. Future minimum lease revenues for non-cancelable operating leases as of June 30, 2015:

Year ending June 30,	Amount
2016	\$ 133,486
2017	106,070
2018	76,387
2019	22,606
Total future minimum rental revenues	<u>\$ 338,549</u>

NOTE 6 – POLLUTION REMEDIATION OBLIGATION

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, including pre-cleanup activities, cleanup activities, government oversight and enforcement-related activities, and post remediation monitoring. Excluded from pollution remediation obligations are obligations for pollution prevention and control activities, fines and penalties, landfill closure and post closure care, and other future remediation activities required upon retirement of an asset.

The Common School Fund recognizes a pollution remediation obligation when it can reasonably estimate the range of expected cash outlays. As of June 30, 2015 the Department is involved in negotiations related to a confidential, non-judicial mediation process that will result in an allocation of costs associated with the investigation and cleanup of contamination in the Portland Harbor Superfund site. There are over 200 parties, private and public, that may eventually bear a share of the costs. It is too early in the Environmental Protection Agency's remedial action process to estimate the total cleanup costs that may be shared by the liable parties and what portion of that, if any, will be assessed against the Common School Fund. The Portland Harbor Superfund site is discussed in greater detail in Note 14.

State of Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements as of June 30, 2015

NOTE 7 – INTERFUND TRANSACTIONS

Interfund balances reported in the financial statements as of June 30, 2015.

Due to Other Funds	Due from Other Funds		
	General	Environmental Management	Common School
Capital Projects	\$ -	\$ -	\$ 1,439
Environmental Management	-	-	759,492
Common School	23,982	606,573	-
Total	\$ 23,982	\$ 606,573	\$ 760,931

Advances from Other Funds	Advances to Other Funds		
			Common School
Environmental Management	\$ -	\$ -	\$ 300,000

Interfund balances result from the time lag between the date a transaction for interfund goods and services or reimbursable expenditures is recorded and the date the payment between funds is made. Advances to other funds are not expected to be repaid within one year.

NOTE 8 – RISK FINANCING

The State of Oregon administers property and casualty programs covering State government through its Insurance Fund. The Insurance Fund services claims for: direct physical loss or damage to state property; tort liability claims brought against the State, its officers, employees or agents; workers' compensation; employee dishonesty; and faithful performance coverage for certain positions by law to be covered and other key positions.

As a state agency, the Department participates in the Insurance Fund. The cost of servicing insurance claims and payments is covered by charging an assessment to each entity based on its share of services provided in a prior period. The total statewide coverage assessment is based on independent biennial actuarial forecasts and administrative expenses, less carry-forward or equity in the Insurance fund. For the Common School Fund the amount of claim settlements did not exceed insurance coverage for each of the past three years.

NOTE 9 - COMMITMENTS

Commitments are defined as existing arrangements to enter into future transactions or events, such as contractual obligations with vendors for future purchases or services at specified prices and sometimes at specified quantities. Commitments may also include agreements to make grants and loans.

The Oregon Investment Council has entered into agreements that commit the investment managers for the Common School Fund (CSF), upon request, to additional investment purchases up to a predetermined amount. As of June 30, 2015 the Common School Fund had approximately \$101 million in commitments to purchase private equity investments. These amounts are unfunded and are not recorded in the financial statements.

NOTE 10 – RELATED PARTY DISCLOSURES

The Oregon State Treasurer (Treasurer) is a constitutional officer within the executive branch of the state of Oregon, elected by statewide vote. As chief financial officer for the state, the Treasurer heads the Oregon State

State of Oregon Department of State Lands
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Notes to the Financial Statements as of June 30, 2015

Treasury (Treasury). Treasury acts as the central bank for all state agencies and is the largest financial institution in the state. Treasury manages the portfolio of investments for the state's funds, including the Common School Fund.

The State Land Board, which consists of the Governor, Secretary of State and Treasurer, is the trustee of the Common School Fund as outlined in the Oregon Constitution. The Common School Fund's investment policies are governed by statute and the Oregon Investment Council. The Treasurer is the investment officer for the Investment Council. During the year ended June 30, 2015 the Common School Fund paid Treasury \$338,580 in fees for the management of the Common School Fund investment portfolio.

NOTE 11– PRIOR PERIOD ADJUSTMENTS

As of June 30, 2015, the beginning fund balance was restated by \$1,457,898. An adjustment of \$356,924 was made to correct expenditures and revenue that were recognized in the incorrect period. A \$1,100,974 adjustment was made to reclassify land reported as other investments in the Common School Fund to a capital asset reported in the State of Oregon Government-wide Financial Statements as required by GASB 34. The land was recorded as an investment prior to the implementation of GASB 34, and therefore, the reclassification reflects a change in accounting principal from a prior period.

NOTE 12– CONTINGENCIES

A – PORTLAND HARBOR SUPERFUND SITE

The Department is involved in negotiations related to a confidential, non-judicial mediation process that will result in an allocation of costs associated with the investigation and cleanup of sediment contamination in the Portland Harbor, a ten-mile stretch of the lower Willamette River area that the U.S. Environmental Protection Agency has listed as a Superfund site under the federal Superfund law (CERCLA). The Department is one of over 200 parties, private companies, and public entities that may eventually be found liable for a share of the costs related to investigation and cleanup of the site.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

State Land Board
Department of State Lands
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Balance Sheet and the related Statement of Revenues, Expenditures, and Changes in Fund Balance of the Common School Fund, a major governmental fund of the State of Oregon, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Common School Fund's basic financial statements, and have issued our report thereon dated November 9, 2015.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Common School Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Common School Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Common School Fund's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did

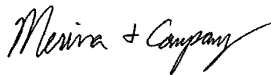
not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Common School Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Merina & Company, LLP
West Linn, Oregon
November 9, 2015

Common School Fund
Annual Financial Report
For the Fiscal Year Ended June 30, 2016

Oregon Department of State Lands
An Agency of the State of Oregon



James T. Paul
Director

Cynthia Wickham
Deputy Director, Administration Division

Report Prepared by:

Vena McCoy, CPA, Fiscal Manager
Star Thomson, CPA, MBA

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Common School Fund
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FINANCIAL SECTION

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Common School Fund
June 30, 2016

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INDEPENDENT AUDITOR'S REPORT

State Land Board
Department of State Lands
Salem, Oregon

We have audited the accompanying financial statements of the Common School Fund, a major governmental fund of the State of Oregon, as of and for the year ended June 30, 2016, and the related notes to the financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Common School Fund, as of June 30, 2016, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

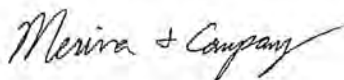
As discussed in Note 1 I Change in Accounting Principle to the financial statements, the Common School Fund adopted new accounting guidance, GASB Statement No. 72, *Fair Value Measurement and Application*. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Common School Fund and do not purport to, and do not present fairly the financial position of the State of Oregon or the Department of State Lands, as of June 30, 2016, the changes in their financial position, or where applicable, their cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 17, 2016 on our consideration of the Common School Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Common School Fund's internal control over financial reporting and compliance.



Merina & Company, LLP
West Linn, Oregon
November 17, 2016

BASIC FINANCIAL STATEMENTS

Oregon Department of State Lands
Common School Fund
June 30, 2016

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Oregon Department of State Lands
Common School Fund
June 30, 2016

Balance Sheet

ASSETS

Cash and Cash Equivalents	\$ 52,821,970
Investments	1,369,484,934
Custodial Assets	15,918,116
Securities Lending Collateral	31,277,287
Accounts and Interest Receivables (net)	26,288,014
Due from Other Funds	299,093
Advances to Other Funds	300,000
Net Contracts, Notes, and Other Receivables	55,128

Total Assets	\$ 1,496,444,542
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LIABILITIES AND FUND BALANCES

Liabilities:

Accounts Payable	\$ 34,127,226
Obligations Under Securities Lending	31,277,287
Due to Other Funds	548,957
Custodial Liabilities	255,858,740

Total Liabilities	321,812,210
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DEFERRED INFLOWS OF RESOURCES

Unavailable revenue - contracts	55,128
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Total Deferred Inflows of Resources	55,128
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Fund Balances:

Restricted by:	
Oregon Constitution	846,067,726
Enabling Legislation	328,509,478
Total Fund Balances	1,174,577,204

Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 1,496,444,542
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The notes to the financial statements are an integral part of this statement.

Oregon Department of State Lands
Common School Fund
June 30, 2016

Statement of Revenues, Expenditures, and Changes in Fund Balances

REVENUES	
Licenses and fees	\$ 995,297
Charges for Services	206,019
Rebates and Recoveries	14,474
Fines, Forfeitures, and Penalties	48,694
Rents and Royalties	5,712,323
Investment (Loss)	(5,086,670)
Sales	468,703
Unclaimed and Escheat Property Revenue	13,628,642
Other	1,145,045
Total Revenues	17,132,527
EXPENDITURES	
Personal Services	8,205,265
Services and Supplies	11,431,071
Capital Improvements	199,681
Investment Expenditures	5,675,959
Total Expenditures	25,511,976
Excess (Deficiency) of Revenues Over (Under)	
Expenditures	(8,379,449)
OTHER FINANCING SOURCES (USES)	
Transfers From Other Funds	6,521,195
Transfers to Other Funds	(71,285,556)
Insurance Recoveries	3,635,847
Total Other Financing Sources (Uses)	(61,128,514)
Net Change in Fund Balances	(69,507,963)
Fund Balances - Beginning	1,193,802,791
Prior Period Adjustments	85,184
Cumulative Effect of a Change in Accounting Principles	50,197,192
Fund Balances - Beginning - As Restated	1,244,085,167
Fund Balances - Ending	\$ 1,174,577,204

The notes to the financial statements are an integral part of this statement.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the Oregon Department of State Lands' Common School Fund have been prepared in conformity with generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB), and the American Institute of Certified Public Accountants (AICPA).

A – THE REPORTING ENTITY

The Department of State Lands (Department) is the administrative agency of the State Land Board handling the day-to-day work of the board in managing the land and other resources dedicated to the Common School Fund. The State Land Board, which consists of the Governor, the Secretary of State, and the State Treasurer, is the trustee of the fund as outlined in the Oregon Constitution.

The Common School Fund, a governmental fund, was established at statehood and is intended to generate earnings to distribute to public schools. The Common School Fund accounts for programs that manage state-owned land, including a leasing program that generates annual revenues, for the benefit of the public school system. Estate funds that become the property of the state, unclaimed property, and income derived from unclaimed property are also accounted for in this fund. Statutory and constitutional provisions stipulate that the assets of the fund, including investment income, must be used for common school purposes. The primary funding sources for these programs include investment income, leasing revenues, forest management, unclaimed property receipts, and transfers from other funds.

B – FUND FINANCIAL STATEMENTS

The fund financial statements consist of a balance sheet and a statement of revenues, expenditures and changes in fund balances. The statement of revenues, expenditures, and changes in fund balances reports revenues by type and expenditures by natural classification. Other financing sources and other financing uses are reported in the last section of the statement.

C – MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The Common School Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both measurable and available. Revenues are considered to be available when they are collectible within the current year or soon enough thereafter to pay liabilities existing at the end of the year. For this purpose, revenues are considered available if they are collected within 90 days of the end of the current fiscal year. Expenditures generally are recognized when a liability is incurred, as under accrual accounting. Information for receivables not expected to be collected within one year of the date of the financial statements and payables reported in the financial statements is discussed in Note 4.

D – DEPOSITS AND INVESTMENTS

Deposits

Cash deposits not held in a cash management or investment pool are classified as cash and cash equivalents. Cash deposits that are held in a cash management or investment pool are classified as cash and cash equivalents when the pool has the general characteristics of a demand deposit account. Cash and cash equivalents include: cash on hand, cash and investments held by the Office of the State Treasurer in the Oregon Short-Term Fund (OSTF), cash deposits held in demand deposit accounts with custodial banks, and cash deposits of debt proceeds in investment funds held by a trustee.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

Investments

Investments are reported at fair value except for investments in the OSTF with remaining maturities of up to 90 days are carried at amortized cost, which approximates fair value. The Department reports these investments as cash and cash equivalents on the balance sheet, but as investments in Note 2.

Changes in the fair value of investments are recognized as investment income (loss) in the current year.

The fair value of publicly traded debt and equity securities in active markets is determined by the custodian's pricing agent using nationally recognized pricing services. The custodian's pricing agent values equity securities traded on a national or international exchange at the last reported sales price and generally values debt securities by using evaluated bid prices. The fair value of publicly traded real estate investment trust (REIT) securities is determined by the custodian's pricing agent using recognized pricing services.

Derivatives

In accordance with State investment policies, the Office of the State Treasurer participates in contracts that have derivative characteristics. Derivative instruments are used to lower the cost of borrowing, to hedge against fluctuations in foreign currency rates, and to manage the overall risk of investment portfolios. The fair value of all derivative instruments within the Common School Fund are reported on the balance sheet as investments, accounts and interest receivable, and accounts and interest payable. The change in fair value for all Common School Fund derivative instruments is reported with investment income on the statement of revenues, expenditures, and changes in fund balances.

E – RECEIVABLES AND PAYABLES

Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to other funds." Receivables consist of revenues earned or accrued in the current period and are shown net of estimated uncollectable accounts. Payables consist of amounts owed to vendors for operational expenditures, other state agencies for services received and investment liabilities outstanding.

F – INTERFUND TRANSACTIONS

Inter-fund transactions are transactions between the Common School Fund and other funds included in the Oregon Comprehensive Annual Financial Report. Inter-fund balances (due to/from other funds and advances to/from other funds) result from the time lag between the dates that (1) inter-fund goods and services are provided or reimbursable expenditures/expenses occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made. Advances to/from other funds are not expected to be repaid within one year. See Note 7 for more in inter-fund transactions.

G – RESTRICTED ASSETS

Custodial assets are non-cash assets held in trust for third parties in the Unclaimed Property Program.

H – FUND EQUITY

The difference between assets and liabilities plus deferred inflows of resources is labeled "Fund Balance" on the fund financial statements. Fund balance is reported in five components: (1) Non-spendable, (2) Restricted, (3) Committed, (4) Assigned, and (5) Unassigned.

Restricted fund balances are the result of constraints imposed by the law through constitutional provisions or enabling legislation or by parties outside the State, such as creditors, grantors, contributors, or laws or regulations of other governments. Common School Fund Balances are all restricted.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

For fund balance classification purposes, the Department determines the appropriate classification of each of their detail-level funds based on the resources accounted for in those funds and the constraints on spending those resources. The Department expends resources from the appropriate fund based on each fund's specific spending constraints. Ending fund balances, therefore, are the result of that spending.

1 – CHANGES IN ACCOUNTING PRINCIPLE

For the fiscal year ended June 30, 2016, the Department implemented GASB Statement No. 72, *Fair Value Measurement and Application*, which establishes general principles for measuring fair value and standards of accounting and financial reporting for assets and liabilities measured at fair value. Additional information can be found in Note 2 – Deposits and Investments and Note 10 – Fund Equity.

NOTE 2 – DEPOSITS AND INVESTMENTS

Common School Fund Investment Portfolio held at Treasury

Investments of the Common School Fund held by the State Treasurer (Treasurer) require the exercise of prudent and reasonable care in the context of the Common School Fund's investment portfolio and as part of an overall investment strategy. The Treasurer is required diversify investments unless it is not prudent to do so. In addition, the Treasurer must exercise reasonable care to incorporate risk and return objectives suitable to the particular investment fund. The Treasurer has a policy and procedure that addresses objectives and strategies for investments of the Common School Fund.

The Common School Fund's investment policies are governed by statute and the Oregon Investment Council (Council). The Treasurer is the investment officer for the Council and is responsible for the funds on deposit with the Oregon State Treasury (Treasury). The Treasurer works with the State Land Board to ensure implementation of the asset allocation policy that meets the business needs of the Common School Fund. The Council does not make asset allocation changes without considering input from the State Land Board. In accordance with Oregon statutes, the investment funds are invested, and the investments of those funds managed, as a prudent investor would do, exercising reasonable care, skill and caution. The Treasurer is authorized to use demand deposit accounts, fixed income investments, and direct equity investment transactions, although the majority of equity investments are directed by external investment managers under contract with the Council. Investments are managed around an 70 percent equity and a 30 percent fixed income target with a range of plus or minus 5 percent, as detailed below. The Common School Fund's actual asset allocation is monitored monthly relative to established asset allocation policy targets and ranges. A deviation outside of any of the ranges triggers a review and rebalancing back toward the target asset allocation with due consideration given to the liquidity of the investments and transaction costs. Whenever possible, cash flows into and out of the fund are used to rebalance between asset classes. Cash is held only for business operating purposes.

Asset Class	Benchmark	Target Allocation	Range
Domestic Equities	Russell 3000 Index	30%	25% - 35%
International Equities	MSCI ACWI ex-US	30%	25% - 35%
Private Equities	Russell 3000 + 300 bps	10%	0% - 12%
	Total Equities	70%	65% - 75%
US Fixed Income	Barclays Capital Universal Bond Inde	30%	25% - 35%
Cash		0%	0% - 3%
	Weighted aggregate of indexes		
Policy Mix	listed above at target allocation	100%	

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

Common School Fund Participation in the Oregon Short Term Fund Held at Treasury

The Treasurer maintains the Oregon Short-Term Fund (OSTF), a cash and investment pool that is available for use by the Common School Fund. Because the pool operates as a demand deposit account, the Common School Fund portion of the OSTF is classified on the financial statements as cash and cash equivalents. Additional information about the OSTF can be found in the OSTF financial statements at:

[http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-\(OSTF\).aspx](http://www.oregon.gov/treasury/Divisions/Investment/Pages/Oregon-Short-Term-Fund-(OSTF).aspx)

Common School Fund Investments Held Outside Treasury

Statutes govern the placement of investments of the Common School Fund held outside Treasury as part of trust agreements or mandatory asset holdings by regulatory agencies. The Common School Fund investment portfolio includes \$15,718,116 held outside Treasury and included in the \$15,918,116 identified as custodial assets on the balance sheet.

A – DEPOSITS

Custodial Credit Risk for Deposits

The custodial credit risk for deposits is the risk that, in the event of a depository financial institution failure, the Department will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Department does not have a formal policy regarding custodial credit risk for deposits. However, banking regulations and Oregon law establish the insurance and collateral requirements for deposit in the OSTF.

Oregon Revised Statutes (ORS) Chapter 295 governs the collateralization of public funds. Depositories are required to pledge collateral against any public fund deposits in excess of the deposit insurance amounts. This requirement provides additional protection for public funds in the event of a depository loss. ORS Chapter 295 sets the specific value of the collateral, as well as the types of collateral that are acceptable.

ORS Chapter 295 provides the statutory authority for the Public Funds Collateralization Program (PFCP). The Treasury uses an internally-developed web application to administer the PFCP and facilitate depository, custodian, and public official compliance with ORS Chapter 295. Under the PFCP, depositories are required to report quarterly to Treasury, providing quarter-end public fund balances in excess of Federal Deposit Insurance Corporation (FDIC) or National Credit Union Administration (NCUA) limits. Depositories are also required to report their net worth and capitalization information. The FDIC or NCUA assigns each bank or credit union a capitalization category quarterly: well capitalized, adequately capitalized, or undercapitalized. Based on this information, the depository's minimum collateral required to be pledged with the custodian and the maximum liability in the pool of all depositories is calculated for the next quarter. The maximum liability is reported to the depository, Treasury, and the custodian.

Barring any exceptions, a depository is required to pledge collateral valued at no less than 10 percent of its last reported uninsured public fund deposits if the depository is well capitalized and as much as 110 percent if the depository is adequately capitalized, undercapitalized, or assigned to pledge 110 percent by Treasury.

There are three exceptions to this calculation, and any exceptions are required to be collateralized at 100 percent.

1. A depository may not accept public fund deposits from one depositor in excess of the depository's net worth. If the depository has a drop in net worth that takes it out of compliance, the depository is required to post 100 percent collateral on any amount the depositor has in excess of the depository's net worth while working to eliminate that excess.
2. A depository may not hold aggregate public funds in excess of a percentage of the depository's net worth based on its capitalization category (100 percent for undercapitalization, 150 percent for adequately capitalized, 200 percent for well capitalized) unless approved for a period of 90 days or less by Treasury.

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3. A depository may hold in excess of 30 percent of all aggregate public funds reported by all depositories holding Oregon public funds, only if the excess is collateralized at 100 percent.

Where interest bearing balances within the OSTF exceed the FDIC or NCUA amount of \$250,000 the balances were covered by collateral held in the PFCP.

As of June 30, 2016 \$776,446 in other depository balances of the Common School Fund was held by an investment firm, not covered by the FDIC rules. However, the firm is a member of the Securities Investor Protection Corporation (SIPC) which provides protection up to \$500,000, of which \$250,000 applies to cash credit balances. Consequently, the entire depository balance of uninvested Common School Fund deposits was fully insured.

B – INVESTMENTS

Custodial Credit Risk

Custodial credit risk for investments of the Common School Fund is the risk that, in the event of the failure of the counterparty to a transaction, the State will not be able to recover the value of an investment or collateral securities in the possession of an outside party. The Council has no formal policy regarding the holding of the securities by a custodian or counter party. For the year ended June 30, 2016 no investment holdings of the Common School Fund held at Treasury were exposed to custodial credit risk.

At June 30, 2016 the Common School Fund held \$14,941,669 in investments outside Treasury. These investments were held with Wedbush and Xerox investment firms. The firms are members of the Securities Investor Protection Corporation (SIPC) which provides protection up to \$500,000 of which a maximum of \$250,000 applies to cash credit balances. In addition to the coverage provided by the SIPC, the Firm has purchased from Lloyd's of London an excess SIPC bond that provides additional coverage for up to \$25,000,000 in cash and securities for each client, subject to an aggregate loss limit of \$100,000,000. The excess SIPC bond, together with SIPC coverage, provides for cash credit balances for each client to a maximum of \$1,000,000. This protection will replace client's cash and/or securities that are otherwise unrecoverable. It does not cover clients from losses resulting from the decline in the market value of securities in the accounts. No investment holdings of the Common School Fund held outside Treasury were exposed to custodial credit risk.

Interest Rate Risk

Interest rate risk is the risk (variable in value) borne by an interest bearing asset such as a loan or a bond, due to variability of interest rates. Approximately 31 percent of the Common School Fund's investment portfolio is invested in fixed income securities. Investment policy for fixed income investments of the Common School Fund is to maintain a well-diversified bond portfolio, managed to maximize total return, that reflects the overall characteristics of the Barclays Capital Universal Index Benchmark and to invest opportunistically, using innovative investment approaches within a controlled and defined portfolio allocation.

Credit Risk and Concentration of credit Risk

Credit risk refers to the risk that a borrower will default on any type of debt by failing to make payments which it is obligated to make. Treasury investment policies for fixed income investments of the Common School Fund maintain an overall portfolio quality of at least "A" or higher, maintain an average bond duration level of plus or minus 20 percent of the Barclays Capital Universal Index. No more than 30 percent of the total fixed income portfolio at market value, may be maintained in securities rated less than Baa3. No more than 10 percent of the total fixed income portfolio, at market value, may be maintained in Rule 144A securities. No more than 25 percent of the fixed income allocation shall be invested in a single industry, or Government Agency. Use of leverage in any fixed income securities is not allowed (excluding use of securities in a securities lending program).

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Interest Rate Sensitive Investments

The Common School Fund held approximately \$49.7 million in debt instruments backed by pooled mortgages, TBAs (to-be-announced federal agency-issued mortgage pools), collateralized mortgage obligations (CMOs), or fixed rate mortgages. These securities represent a stream of principal and interest payments from underlying mortgages and consequently, the value of these securities can be volatile as interest rates fluctuate. Assets with these characteristics may also be susceptible to prepayment by mortgage holders which may result in a decrease in total interest realized. Additionally, the risk of default exists and collateral held may potentially be insufficient to cover the principal due. The Common School Fund also held approximately \$10.9 million of asset-backed securities backed primarily by student loan and manufactured housing loan receivables.

The credit rating of the Common School Fund's investments held at Treasury and using the segmented time distribution method at June 30, 2016 follows.

Investment Type	Credit Rating ¹	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 or none	
U.S. Treasury Obligations	Exempt	\$ -	\$ 14,094,915	\$ 2,031,557	\$ 15,958,754	\$ 32,085,225
U.S. Treasury TIPS	Exempt	1,854,642	-	3,633,406	4,580,147	10,048,194
U.S. Federal Agency Debt	AA	-	-	-	137,045	137,045
U.S. Federal Agency Mortgages	Not Rated	5,575,103	45,332	336,784	27,802,169	33,759,388
		<u>7,429,745</u>	<u>14,140,247</u>	<u>6,001,746</u>	<u>48,458,114</u>	<u>76,029,852</u>
Corporate Bonds	AA	-	251,018	480,720	33,835	765,572
	A	149,910	4,120,570	5,964,494	4,450,230	14,685,204
	BBB	1,865,644	5,325,587	8,735,261	9,748,150	25,674,642
	BB	128,363	759,743	1,248,415	3,346,630	5,483,151
	B	-	207,012	376,859	-	583,871
	CCC	-	17,800	49,400	-	67,200
	Not Rated	-	41	-	20	61
		<u>2,143,916</u>	<u>10,681,772</u>	<u>16,855,149</u>	<u>17,578,864</u>	<u>47,259,701</u>
Non-US Government Debt	AA	-	-	297,186	-	297,186
	A	-	2,488	2,444,381	1,314,802	3,761,670
	BBB	-	-	1,990,127	1,954,325	3,944,452
	BB	392,212	-	1,921,556	562,600	2,876,368
	B	-	170,640	599,675	470,000	1,240,315
	CCC	-	246,125	-	-	246,125
	Not Rated	-	-	589,936	-	589,936
		<u>392,212</u>	<u>419,253</u>	<u>7,842,862</u>	<u>4,301,727</u>	<u>12,956,053</u>
International Debt Securities	AA	-	409,611	-	-	409,611
	A	202,586	1,632,261	2,061,115	574,153	4,470,114
	BBB	189,000	1,410,658	2,411,127	1,587,392	5,598,176
	BB	-	572,292	1,091,145	489,186	2,152,623
	B	-	727,495	391,845	152,000	1,271,340
	CCC	-	-	205,680	-	205,680
		<u>391,586</u>	<u>4,752,316</u>	<u>6,160,912</u>	<u>2,802,731</u>	<u>14,107,544</u>

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Investment Type	Credit Rating ¹	Investment Maturities (in years)				Total Market Value
		Less than 1	1 to 5	6 to 10	More than 10 or none	
Asset Backed Securities	AAA	546,712	-	-	7,443	554,155
	AA	3,035,337	-	-	259,041	3,294,378
	A	1,512,251	1,536	-	-	1,513,787
	BB	1,468,770	-	-	-	1,468,770
	B	317,136	-	-	-	317,136
	CCC	1,468,240	-	-	-	1,468,240
	CC	1,160,536	-	-	-	1,160,536
	C	811,138	-	-	-	811,138
	Not Rated	80,416	-	-	185,716	266,132
		<u>10,400,538</u>	<u>1,536</u>	<u>-</u>	<u>452,199</u>	<u>10,854,273</u>
Collateralized Mortgage Obligations	AAA	9,248	-	-	-	9,248
	AA	458,227	-	-	-	458,227
	A	2,105,447	-	-	-	2,105,447
	BBB	1,639,245	-	-	-	1,639,245
	BB	1,050,692	-	-	-	1,050,692
	B	577,499	-	-	-	577,499
	CCC	388,597	-	-	-	388,597
	D	284,759	-	-	-	284,759
		<u>6,513,713</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,513,713</u>
Collateralized Mortgage Backed Securities	AAA	402,164	-	-	965,544	1,367,708
	AA	575,626	-	104,138	774,433	1,454,196
	A	64,174	-	-	69,990	134,164
	BBB	57,024	-	-	-	57,024
	B	851,946	-	-	716,929	1,568,875
	CCC	2,560,765	233,264	-	189,887	2,983,916
	Not Rated	1,729,662	-	179,770	-	1,909,432
		<u>6,241,360</u>	<u>233,264</u>	<u>283,907</u>	<u>2,716,783</u>	<u>9,475,315</u>
Municipals	AAA	194,817	-	-	-	194,817
Mutual Funds, Domestic Fixed Income	Not Rated	235,507,500	-	-	-	235,507,500
Mutual Funds, International Fixed	Not Rated	3,748,256	-	-	-	3,748,256
Total Debt Investments		<u>\$ 272,963,643</u>	<u>\$ 30,228,387</u>	<u>\$ 37,144,576</u>	<u>\$ 76,310,418</u>	<u>416,647,025</u>
Equity - Domestic						295,570,712
Equity - International						307,396,867
Equity - Mutual Funds						169,080,609
Private Equity - Domestic						158,412,436
Real Estate - Domestic						13,697,563
Real Estate - International						4,141,853
Rights/Warrants - International						37,869
Investments Held at Treasury						<u>1,364,984,934</u>
Investments Not Held at Treasury, Real Estate						<u>4,500,000</u>
Total Investments						<u>\$ 1,369,484,934</u>

¹ Investments of \$32,085,225 in U.S. Treasury obligations, \$10,048,194 in U.S. Treasury Inflation Protected Securities (TIPS), and \$4,908,025 in Government National Mortgage Association (GNMA), which are reported within U.S. Federal agency mortgages, are explicitly guaranteed by the U.S. government, and therefore, are exempt from credit risk disclosure requirements.

Investments Held at Treasury

Fixed income securities are classified using final maturity date or next rate reset date, whichever is sooner. Fixed income mutual funds are classified by effective duration, the measurement used by the fund manager.

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Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. State agencies are required to deposit moneys in state-qualified depositories under Oregon law. Exceptions due to foreign field offices and related circumstances are approved by the Treasurer. International debt securities denominated in U.S. dollars are not subject to currency risk if the investment's obligations will be paid in U.S. dollars. Investment policies for fixed income investments under the management of the Treasurer provides for investments of the Common School Fund in non-dollar denominated securities within a target allocation range of 25 to 35 percent of their portfolio. For investments not under the management of the Treasurer there are no formal policies on foreign currency risk. Deposits and investments exposed to foreign currency risk for the Common School Fund as of June 30, 2016 follow:

Foreign Currency Denominations	Deposits and Investments (U.S. Dollars)						
	Deposits	International Equity Securities	Non-US Government Debt	International Real Estate	Real Estate	Rights and Warrants	Total
Australian Dollar	\$ 13,317	\$ 14,217,298	\$ -	\$ 832,782	\$ -	\$ -	\$ 15,063,397
Brazil Real	-	-	182,808	-	-	-	182,808
Canadian Dollar	69,262	19,636,585	-	1,861,316	242,994	-	21,810,157
Swiss Franc	59,574	22,502,922	-	-	-	-	22,562,496
Chinese Yuan	20,226	-	887,123	-	-	-	907,349
Danish Krone	55,700	4,455,473	-	-	-	-	4,511,173
Euro	186,584	81,560,092	-	35,067	-	25,308	81,807,051
British Pound	16,012	36,756,895	-	-	-	-	36,772,907
Hong Kong Dollar	160,234	4,532,495	-	615,634	-	-	5,308,363
Israeli Shekel	34,861	1,339,836	-	330,870	-	12,561	1,718,128
Japanese Yen	372,746	54,092,497	-	185,944	-	-	54,651,187
Mexican Peso	274,720	-	3,761,670	-	-	-	4,036,390
Norwegian Krona	58,133	2,809,217	-	-	-	-	2,867,350
New Zealand Dollar	6,736	76,411	-	280,240	-	-	363,387
Swedish Krona	13,993	10,378,581	-	-	-	-	10,392,574
Singapore Dollar	11,829	1,310,298	-	-	-	-	1,322,127
Total	\$1,353,927	\$253,668,600	\$4,831,601	\$4,141,853	\$ 242,994	\$ 37,869	\$264,276,844

Investments Held Outside Treasury

Some custodial assets held outside Treasury are not investments. The following table shows the credit rating and segmented time distribution for Investments held outside Oregon State Treasury at June 30, 2016.

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Investment Type	Credit Rating	Investment Maturities (in years)			Total Market Value
		Less than 1	1 to 5	6 to 10	
U.S. Treasury Strips ¹	AAA	\$ 3,944	\$ -	\$ -	\$ 3,944
U.S. Agency Strips ¹	AAA	966	-	-	966
Municipal Bonds ¹	AAA	37,842	-	4	37,846
Corporate Bonds ¹	AAA	44,283	-	-	44,283
Debt Investments		<u>\$ 87,035</u>	<u>\$ -</u>	<u>\$ 4</u>	87,039
Alternative Equities ¹					4,516
Mutual Funds ¹					8,513,148
Domestic Equity Securities ¹					6,268,537
International Equity Securities ¹					68,429
Total					<u>\$ 14,941,669</u>

¹ Some investments (along with certain cash deposits) are reported as part of custodial assets on the balance sheet.

C – FAIR VALUE MEASUREMENTS

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Observable inputs are developed based on market data obtained from sources independent of the reporting entity. Unobservable inputs are developed based on the best information available about the assumptions market participants would use in pricing the asset. The classification of investments within the fair value hierarchy is based upon the activity level in the market for the security type and the inputs used to determine their fair value, as follows:

- Level 1 – Unadjusted quoted prices for identical instruments in active markets.
- Level 2 – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.
- Level 3 – Valuations derived from valuation techniques in which significant inputs are unobservable.

Inputs used to measure fair value might fall in different levels of the fair value hierarchy. Categorization within the hierarchy is based on the lowest level input that is significant to the fair value measurement.

The following table shows the fair value classification hierarchy for investments at June 30, 2016.

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Investments	Fair Value Classification Hierarchy			Total Investments
	Level 1	Level 2	Level 3	
U.S. Treasury Obligations	\$ -	\$ 32,085,225	\$ -	\$ 32,085,225
U.S. Treasury TIPS	-	10,048,194	-	10,048,194
U.S. Federal Agency Debt	-	137,045	-	137,045
U.S. Federal Agency Mortgages	-	33,759,388	-	33,759,388
Corporate Bonds	-	47,259,701	-	47,259,701
International Debt Securities	-	14,107,544	-	14,107,544
Non-US Government Debt	-	12,956,053	-	12,956,053
Asset Backed Securities	-	10,854,273	-	10,854,273
Collateralized Mortgage Obligations	-	6,513,713	-	6,513,713
Collateralized Mortgage Backed Securities	-	9,475,315	-	9,475,315
Municipals	-	194,818	-	194,818
Mutual Funds, Domestic Fixed Income	9,414,025	226,093,475	-	235,507,500
Mutual Funds, International Fixed Income	-	3,748,256	-	3,748,256
Total Debt Investments	9,414,025	407,233,000	-	416,647,025
Equity	602,963,928	-	3,651	602,967,579
Equity - Mutual Funds	106,876,909	62,203,700	-	169,080,609
Rights/Warrants - International	37,869	-	-	37,869
Private Equity - Domestic	-	-	158,412,436	158,412,436
Real Estate Investment Trust	17,839,416	-	-	17,839,416
Investments Held at Treasury	737,132,147	469,436,700	158,416,087	1,364,984,934
Investments Not Held at Treasury, Real Estate	-	-	4,500,000	4,500,000
Total Investments	\$737,132,147	\$469,436,700	\$162,916,087	\$1,369,484,934

Fair value classification hierarchy for investments reported in custodial assets at June 30, 2016 is shown on the following table:

Investments Reported in Custodial Assets	Fair Value Classification Hierarchy			Total
	Level 1	Level 2	Level 3	
U.S. Treasury Strips ¹	\$ 3,944	\$ -	\$ -	\$ 3,944
U.S. Agency Strips ¹	966	-	-	966
Municipal Bonds ¹	-	37,842	4	37,846
Corporate Bonds ¹	-	44,283	-	44,283
Alternative Equities ¹	-	-	4,516	4,516
Mutual Funds ¹	8,511,332	1,816	-	8,513,148
Domestic Equity Securities ¹	6,268,537	-	-	6,268,537
International Equity Securities ¹	68,425	-	4	68,429
Total	\$14,853,204	\$ 83,941	\$ 4,524	\$ 14,941,669

¹ Some investments (along with certain cash deposits) are reported as part of custodial assets on the balance sheet.

Equity securities, including exchange-traded derivatives, are generally valued based on quoted prices from an active market and are therefore categorized in level 1. In the absence of quoted market prices, such as equity securities that trade infrequently or not at all, valuations are based on the last traded price or prices provided by investment managers and are generally categorized in level 3.

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Debt securities classified as level 2 are valued using the latest bid prices or evaluated quotes from independent pricing vendors. The third-party vendors use a variety of methods when pricing these securities that incorporate relevant observable market data to arrive at an estimate of what a buyer in the marketplace would pay for a security under current market conditions. When independent price sources are not available, debt securities are priced based on the last traded price or a valuation provided by the investment manager and are categorized in level 3.

Funds priced using a net asset value ("NAV") that is published daily and validated with a sufficient level of observable activity are categorized in level 1. If observable activity is limited, yet supports that the NAV represents an exit value of the security at the measurement date, the securities are categorized in level 2. Investments that are measured at NAV as a practical expedient, such as private equity, are excluded from the fair value hierarchy if the NAV per share (or its equivalent) was calculated in a manner consistent with the Financial Accounting Standards Board's measurement principles for investment companies. Funds not meeting this criterion are categorized in level 3.

Investments in real estate, which consist of investments in real estate investment trusts, are generally valued based on an active market price and are categorized in level 1. Real estate property investments held outside of the Oregon State Treasury are valued by appraisals using market sales approach and income approach.

Private equity consists of 13 funds, organized as limited partnerships and limited liability companies, participating in diversified strategies including leveraged-buyouts, venture capital, growth equity, fund of funds, co-investments and special situations. The fair values of the private equity investments have been determined using the NAV per share (or its equivalent) as provided by the general partner or managing member. These investments can never be redeemed with the fund. Distributions will be received as the underlying investments of the funds are liquidated, which is expected to occur over the next 12-14 years.

D – SECURITIES LENDING

CSF participates in securities lending transactions in accordance with State investment policies. The Oregon State Treasury has, through a Securities Lending Agreement, authorized State Street Bank and Trust Company (State Street) to lend the CSF securities pursuant to a form of loan agreement. Both the State and borrowers maintain the right to terminate all securities lending transactions on demand. There were no significant violations of the provisions of securities lending agreements during the year ended June 30, 2016.

During the year State Street had the authority to loan short-term, fixed income, and equity securities and to receive as collateral U.S. dollar and foreign currency cash, U.S. government and agency securities, and foreign sovereign debt of Organization of Economic Cooperation and Development countries. Borrowers were required to deliver collateral for each loan equal to not less than 102 percent of the market value of the loaned U.S. securities, international fixed income securities, or 105 percent in the case of international equity. The custodian did not have the ability to pledge or sell collateral securities absent a borrower default, and during the fiscal year the State did impose restrictions on the amount of loans the custodian made on its behalf. The State is fully indemnified against losses due to borrower default by its custodian. There were no losses during the year from the failure of borrowers to return loaned securities and no recoveries of amounts from prior losses.

As of June 30, 2016, the fair value of cash and non-cash collateral received was \$33.9 million and invested cash collateral was \$30.8 million for CSF. There were no significant violations of the provisions of securities lending agreements during the period of these financial statements.

State Street, as a lending agent, has created a fund to reinvest cash collateral received on behalf of the OSTF. CSF receives an allocated portion of this activity based on its deposits in OSTF. As of June 30, 2016, CSF's allocated portion of cash collateral received and invested cash collateral were \$0.5 million and \$0.5 million

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respectively. Securities on loan from OSTF in total included U.S. Treasury securities (78.39%), U.S. Agency securities (13.11%), and domestic fixed income securities (8.50%).

As permitted under the fund's Declaration of Trust (Declaration), participant purchases and redemptions are transacted at \$1 per unit ("constant value") based on the amortized cost of the fund's investments. Accordingly, the securities lending collateral held and the obligation to the lending agent are both stated at constant value on the balance sheet and statement of net position.

The fair value of investments held by the fund is based upon valuations provided by a recognized pricing service. These funds are not registered with the Securities and Exchange Commission, but the custodial agent is subject to the oversight of the Federal Reserve Board and the Massachusetts Commissioner of Banks. No income from the funds was assigned to any other funds.

The maturities of investments made with cash collateral did not generally match the maturities of the securities loaned. Since the securities loaned are callable on demand by either the lender or borrower, the life of the loans at June 30, 2016 is effectively one day. On June 30, 2016, the CSF had no credit risk exposure to borrowers because the amounts the State owes to borrowers exceed the amounts borrowers owe the State. The following table shows the combined balances of the securities on loan, cash and securities collateral received, and investments of cash collateral held.

Securities Lending as of June 30, 2016			
Investment Type	Cash and Securities Collateral Received	Securities on Loan at Fair Value	Investments of Cash Collateral at Fair Value
U.S. Treasury Securities	\$ 75,425	\$ 73,547	\$ 75,449
U.S. Agency Securities	1,821,700	1,795,546	-
Domestic Equity Securities	12,265,551	12,225,894	11,958,444
Domestic Debt Securities	2,339,983	2,292,776	3,372,767
International Equity Securities	17,390,506	16,600,220	15,397,197
	<u>33,893,165</u>	<u>32,987,983</u>	<u>30,803,857</u>
Allocation from Oregon Short Term Fund	668,916	655,369	483,564
Total	<u>\$ 34,562,081</u>	<u>\$ 33,643,352</u>	<u>\$ 31,287,421</u>

NOTE 3 – DERIVATIVES

Derivatives are financial instruments whose value is derived from underlying assets, reference rates, or indexes. They generally take the form of contracts in which two parties agree to make payments at a later date based on the value of the underlying assets, reference rates, or indexes. The main types of derivatives are futures, forwards, options and swaps. In the Common School Fund portfolio, forward currency exchange contracts may be used to gain exposure or hedge against the effects of fluctuations of foreign currency exchange rates. A foreign currency exchange contract is a forward contract that is a commitment to purchase or sell a foreign currency at the future date at a negotiated forward rate. Foreign currency forward contracts are privately negotiated contracts with customized terms and are transacted in over-the-counter markets. Risk associated with such contracts includes movement in the value of foreign currencies and the failure of the counter party to perform.

The following table shows the foreign currency exchange contracts subject to foreign currency risk within the Common School Fund as of June 30, 2016:

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Currency	Options	Currency Forward Contracts		Total Exposure
		Net Receivables	Net Payables	
Australian Dollar	\$ -	\$ 166,239	\$ (39,743)	126,496
Brazilian Real	-	-	(23,807)	(23,807)
Canadian Dollar	-	(84,585)	67,161	(17,424)
Swiss Franc	-	(13,126)	16,471	3,345
Yuan Renminbi	-	-	18,476	18,476
Danish Krone	-	(200,901)	-	(200,901)
Euro Currency	25,308	(11,600)	436,540	450,248
Pound Sterling	-	(387,157)	198,631	(188,526)
Hong Kong Dollar	-	367	(8,284)	(7,917)
New Israeli Sheqel	12,561	37	26,771	39,369
Japanese Yen	-	15,387	(223,461)	(208,074)
Norwegian Krone	-	(2,868)	13,312	10,444
New Zealand Dollar	-	196,655	(587)	196,068
Swedish Krona	-	(120,951)	306,966	186,015
Singapore Dollar	-	877	(20,623)	(19,746)
Total	\$ 37,869	\$ (441,626)	\$ 767,823	\$ 364,066

In the Common School Fund portfolio, rights and warrants are often obtained and held due to existing investments. Rights are the right, but not the obligation, to purchase newly issued equity shares, often in proportion to the number of shares currently owned, in a specific company, at a pre-established price on or within a predetermined date. A warrant provides the holder the right, but not the obligation, to purchase securities from the issuing entity at a specific price and within a certain period. Rights and warrants are privately transacted in over-the-counter markets. Both are subject to general market risk and liquidity risk.

The following table shows the related net appreciation/ (depreciation) in fair value amounts and the notional amounts of derivative instruments outstanding within the Common School Fund as of June 30, 2016:

Investment Derivatives	Net Appreciation/ (Depreciation) in Fair Value ^{1,3}	Classification	Fair Value	Notional Value ²
Foreign Exchange Forwards	\$ (2,565,285)	Long Term Instruments	\$ 326,196	\$ 124,934,886
Rights	22,476	Common Stock	25,308	55,680
Warrants	(6,611)	Common Stock	12,561	23,675
Total	<u>\$ (2,549,420)</u>		<u>\$ 364,065</u>	<u>\$ 125,014,241</u>

¹ Negative values (in brackets) refer to losses
² Notional may be a dollar amount or size of underlying for futures and options
³ Excludes futures margin payments

The fair value of derivative instruments is reported on the balance sheet as investments, accounts and interest receivables, and accounts payable. Changes in fair value of derivative instruments during the fiscal year are reported on the statement of revenues, expenditures, and changes in fund balance as investment income.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

NOTE 4 – RECEIVABLES AND PAYABLES

A – RECEIVABLES

The following table disaggregates receivable balances reported in the financial statements as accounts and interest receivable (net) and net contracts. Contracts are not expected to be collected within one year of the date of the financial statements. Receivable reported for governmental activities at June 30, 2016.

<u>Governmental activities</u>	<u>Total</u>
General accounts	\$ 15,990
Interest	2,117,999
Investment broker receivable	24,154,025
Contracts	101,138
Other Noncurrent Receivables	4,559
Gross receivables	<u>26,393,711</u>
Allowance for doubtful accounts	(50,569)
Total receivables, net	<u>\$ 26,343,142</u>

B – PAYABLES

The following table disaggregates accounts payable reported in the financial statements as general accounts payable and broker payable. Payables reported for governmental activities at June 30, 2016.

<u>Governmental activities</u>	<u>Total</u>
General accounts payable	\$ 1,366,189
Investment broker payable	32,761,037
Total payables	<u>\$ 34,127,226</u>

C – CUSTODIAL LIABILITIES

Custodial liabilities consist of unclaimed property held in custody by the Department in perpetuity for the rightful owner as required by ORS 98.302-98.436 and 98.991-98.992. The unclaimed property liability is reported at approximately 42% of the total unclaimed property being held. An annual adjustment is made to this account to reduce the amount reported to the amount actually expected to be paid out based on a history of the account. The total legal liability for the unclaimed property program as of June 30, 2016 was \$584,372,890. The accumulated annual adjustment as of June 30, 2016 was \$328,514,150.

NOTE 5 – LEASES

A – OPERATING LEASES

The Department has entered into various non-cancelable rental agreements that are accounted for as operating leases because the agreements do not meet the criteria to be classified as capital leases. Operating lease payments are chargeable as rent expense and reported in services and supplies. Rental costs for operating leases for the year ended June 30, 2016 were \$114,744. The following table shows future minimum rental payments for operating leases in effect as of June 30, 2016.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

Year ending June 30,	Payments
2017	\$ 126,953
2018	127,340
2019	129,039
2020	109,771
Total future minimum rental payments	<u>\$ 493,103</u>

B – LEASE RECEIVABLES

The Department receives rental income from land and property leased to non-state entities. For the year ended June 30, 2016 the Department received rental income of \$159,987 on leased assets with a fair market value of \$4,500,000. The leased assets are considered investments of the Department of which the fair market value includes net depreciation of \$325,046 over the cost of the leased assets. Future minimum lease revenues for non-cancelable operating leases as of June 30, 2016:

Year ending June 30,	Amount
2017	\$ 159,614
2018	126,842
2019	74,612
2020	58,223
2021	29,542
Total future minimum rental revenues	<u>\$ 448,833</u>

NOTE 6 – POLLUTION REMEDIATION OBLIGATION

Pollution remediation obligations address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities, including pre-cleanup activities, cleanup activities, governmental oversight and enforcement-related activities and post remediation monitoring. Excluded from pollution remediation obligations are obligations for pollution prevention and control activities, fines and penalties, landfill closure and post closure care, and other future remediation activities required upon retirement of an asset.

The Common School Fund recognizes a pollution remediation obligation when it can reasonably estimate the range of expected cash outlays. As of June 30, 2016 the Department is involved in negotiations related to a confidential, non-judicial mediation process that will result in an allocation of costs associated with the investigation and cleanup of contamination in the Portland Harbor Superfund site. There are over 200 parties, private and public, that may eventually bear a share of the costs. It is too early in the Environmental Protection Agency's remedial action process to estimate the total cleanup costs that may be shared by the liable parties and what portion of that, if any, will be assessed against the Common School Fund. The Portland Harbor Superfund site is discussed in greater detail in note 12.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

NOTE 7 – INTERFUND TRANSACTIONS

Inter-fund balances reported in the financial statements as of June 30, 2016:

Due to Other Funds	Due from Other Funds		
	General	Environmental Management	Common School
Capital Projects	\$ -	\$ -	\$ 1,040
Environmental Management	-	-	547,917
Common School	20,663	278,430	-
Total	<u>\$ 20,663</u>	<u>\$ 278,430</u>	<u>\$ 548,957</u>

Advances from Other Funds	Advances to Other Funds		
	General	Environmental Management	Common School
Environmental Management	\$ -	\$ -	\$ 300,000

Inter-fund balances result from the time lag between the date a transaction for inter-fund goods and services or reimbursable expenditures is recorded and the date the payment between funds is made. Advances to other funds are not expected to be repaid within one year.

NOTE 8 – RELATED PARTY TRANSACTIONS

The Oregon State Treasurer (Treasurer) is a constitutional officer within the executive branch of the state of Oregon, elected by statewide vote. As chief financial officer for the state, the Treasurer heads the Oregon State Treasury (Treasury). Treasury acts as the central bank for all state agencies and is the largest financial institution in the state. Treasury manages the portfolio of investments for the state's funds, including the Common School Fund.

The State Land Board, which consists of the Governor, Secretary of State and Treasurer, is the trustee of the Common School Fund as outlined in the Oregon Constitution. The Common School Fund's investment policies are governed by statute and the Oregon Investment Council. The Treasurer is the investment officer for the Investment Council. During the year ended June 30, 2016 the Common School Fund paid Treasury \$333,545 in fees for the management of the Common School Fund investment portfolio.

NOTE 9 – RISK FINANCING

The State of Oregon administers property and casualty programs covering State government through its Insurance Fund. The Insurance Fund services claims for: direct physical loss or damage to state property; tort liability claims brought against the State, its officers, employees or agents, workers' compensation; employee dishonesty; and faithful performance coverage for certain positions by law to be covered and other key positions.

As a state agency, the Department participates in the Insurance Fund. The cost of servicing insurance claims and payments is covered by charging an assessment to each entity based on its share of services provided in a prior period. The total statewide coverage assessment is based on independent biennial actuarial forecasts and administrative expenses, less carry-forward or equity in the insurance fund. For the Common School Fund the amount of claim settlements did not exceed insurance coverage for each of the past three years.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

NOTE 10 – FUND EQUITY

As of June 30, 2016, the beginning fund balance was restated by \$50,282,376 as follows:

Beginning Balance	\$ 1,193,802,791
Prior Period Adjustments	85,184
Accounting Changes	50,197,192
Beginning Balance - Restated	<u>\$ 1,244,085,167</u>

An adjustment of \$85,184 was made to correct revenue that was recognized in the incorrect period.

Accounting changes of \$50,197,192 are the result of implementing GASB Statement Number 72. This statement established standards for defining and measuring investments at fair value. An adjustment of \$45,181,492 was made to reflect the change in valuation method to fair value from cost basis for reporting private equity investments. An adjustment of \$5,015,700 was made to classify real property as investments, of which \$4,701,437 was attributed to reclassifying the cost of real property net of depreciation reported as a capital asset in the State of Oregon Government-wide Financial Statements to other investments in the Common School Fund.

NOTE 11 – COMMITMENTS

Commitments are defined as existing arrangements to enter into future transactions or events, such as contractual obligations with vendors for future purchases or services at specified prices and sometimes at specified quantities. Commitments may also include agreements to make grants and loans.

The Oregon Investment Council has entered into agreements that commit the investment managers for the Common School Fund (CSF), upon request, to additional investment purchases up to a predetermined amount. As of June 30, 2016 the Common School Fund had approximately \$93 million in commitments to purchase private equity investments. These amounts are unfunded and are not recorded in the financial statements.

NOTE 12 – CONTINGENCIES

A – PORTLAND HARBOR SUPERFUND SITE

The Department is involved in negotiations related to a confidential, non-judicial mediation process that will result in an allocation of costs associated with the investigation and cleanup of sediment contamination in the Portland Harbor, a ten-mile stretch of the lower Willamette River area that the U.S. Environmental Protection Agency has listed as a Superfund site under the federal Superfund law (CERCLA). The Department is one of over 200 parties, private companies, and public entities that may eventually be found liable for a share of the costs related to investigation and cleanup of the site.

The Department has received General Notice Letters from the EPA informing it is a potentially responsible party (PRP) under CERCLA for cleanup costs at the site. It is too early in the process to estimate the total amount of the cleanup costs that will be shared by liable parties. A proposed cleanup plan identifies the EPA's preferred option ranging in cost from \$746 million to \$811 million. It is also too early to estimate proportionate share of the liability for cleanup costs, if any, that may ultimately be assessed against the Common School Fund. When the mediation will end is not known, but it could be as late as 2019.

Oregon Department of State Lands
Common School Fund
Notes to the Financial Statements
June 30, 2016

The Portland Harbor Superfund will also involve a separate allocation of liability for injuries to natural resources caused by contamination at the site, which is an additional type of recovery under the Superfund law known as natural resource damages (NRD). The NRD claim will be asserted against all PRPs, including the Department, by the Portland Harbor natural resource trustees, a group composed of five tribes, two federal agencies, and the State. The trustees have initiated a cooperative injury assessment process funded by thirty parties including the State. The NRD process will result in an allocation of liability for NRD damages at the same time as the allocation of liability for remedial costs, although parties may alternatively elect to seek an earlier settlement with trustees. It is too early to estimate what, if any, share of the liability the Common School Fund may ultimately bear for natural resource damages.

The Department is pursuing claims for insurance coverage of its Portland Harbor defense costs and any future liabilities for cleanup costs and natural resource damages. These claims are based on insurance policies held from 1968 to 1972 that listed the Department as an additional insured. These insurance carriers have agreed to participate in funding the Department's defense in Portland Harbor proceedings, but have reserved their rights to deny indemnity coverage. The Department plans to pursue its rights to indemnity coverage under these policies.

OTHER REPORTS

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED
ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS***

State Land Board
Department of State Lands
Salem, Oregon

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the Balance Sheet and the related Statement of Revenues, Expenditures, and Changes in Fund Balance of the Common School Fund, a major governmental fund of the State of Oregon, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Common School Fund's basic financial statements, and have issued our report thereon dated November 17, 2016.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Common School Fund's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Common School Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Common School Fund's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did

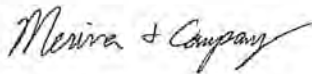
not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Common School Fund's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Merina & Company, LLP
West Linn, Oregon
November 17, 2016

OREGON DEPARTMENT OF STATE LANDS AFFIRMATIVE ACTION REPORT FOR THE 2017-2019 BIENNIUM

The Department of State Lands (DSL) understands our most important resource is our staff. They provide the link to the people we serve. DSL recognizes the need for and benefits to be derived from diversity within the Department. For that reason, DSL is committed to establishing and maintaining a diverse workforce, reflective of the diverse population within the State of Oregon.

Composition as of June 30, 2016:

(Total current employees - 109)

Category	Number of Employees	Percentage of total Employees*	Number under-represented*
Women	66	60.55%	5
People of Color	13	11.92%	3
African American	1	.91%	2
Hispanic	8	7.33%	1
Asian/Pacific Islander	2	1.83%	3
Native American	2	1.83%	0
People with Disabilities	3	2.75%	4

Analysis:

Agency: The number of current employees increased by 6 since the June 30, 2014, Affirmative Action Report.

Women: The number of women increased by 1. The agency's affirmative action parity goal is 64%. The improvement was in the job group categories of mid-management and program coordinator.

People of Color: The number of POC increased by 2. The agency's affirmative action parity goal is 14%. The improvement was in the job group category of purchasing.

African American: The number of African Americans remained unchanged. The agency's parity goal is 2%.

Hispanic: The number of Hispanics increased by 1. The agency's affirmative action parity goal is 8%. The improvement was in the job group category of purchasing.

Asian/Pacific Islands: The number of Asian/Pacific Islanders increased by 1. The agency's affirmative action parity goal is 4%. The increase was in the job group categories of trades maintenance repair.

Native American: The number of American Indians decreased by 1. The agency's affirmative action parity goal is met.

People with Disabilities: The number of Disabled increased by 2. The agency's affirmative action parity goal is 6%. The improvement was in the job group categories of administrative support and natural resources.

* **Note:** areas identified as less than 1% were rounded down to the nearest whole number.

Barriers:

The barriers in achieving parity are the historically low turnover of staff and the shortage of people with disabilities and people of color in the natural resource applicant pools.

Progress:

To overcome the barriers and attract diverse applicants, DSL continues to participate in programs to help applicants develop an interest in natural resource careers. Some of these activities are:

- Community Outreach, Natural Resource/Cultural Cluster meetings, and multiple coastal community events throughout the year
- Partner with Environmental Justice
- Mentoring Program participation through Partnership in Community Living Inc.
- Internship Program with Hatfield Resident Fellow Program
- Volunteer Programs at the South Slough National Estuarine Research Reserve and in Salem

The agency opened **22** recruitments since July 1, 2015, and hired **21**.

- Three **(3)** hires were veterans
- Eight **(8)** hires were women
- Three **(3)** hires were people of color
- Six **(6)** job rotation opportunities were provided (3 staff over 50 years of age and 4 women)

The Multi-cultural Awareness Committee has taken an active role to enhance an appreciation for cultural diversity and inclusion in our agency. They have:

- Recommended process improvements to improve diversity and inclusion
- Sought out and encouraged educational opportunities with diverse groups
- Encouraged awareness by sharing educational information on state and federal monthly proclamations to all DSL staff
- Planned and oversaw the Department's agency-wide biennial training on diversity and inclusion
- Participated in outside events related to diversity, sharing information with DSL staff and possible applicants
- Arranged several presentations and speakers for agency All Staff meetings

Steps toward future improvement:

During the 2017-2019 biennium the agency will continue to focus on the following three goals:

- Provide training, job rotation opportunities and education to managers and employees to increase diversity and inclusion awareness
- Reinforce management's involvement to continue DSL's goal to encourage and increase a diverse and inclusive workforce
- Continue efforts to market DSL as an agency that represents a work environment that is welcoming to a diverse applicant pool and promotes a respectful environment of all employee differences

Lands, Dept of State

**Summary Cross Reference Listing and Packages
2017-19 Biennium**

**Agency Number: 14100
BAM Analyst: Pearson, Lisa
Budget Coordinator: Wickham, Cynthia - (503)986-5227**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
010-00-00-00000	Common School Fund	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
010-00-00-00000	Common School Fund	021	0	Phase - In	Essential Packages
010-00-00-00000	Common School Fund	022	0	Phase-out Pgm & One-time Costs	Essential Packages
010-00-00-00000	Common School Fund	031	0	Standard Inflation	Essential Packages
010-00-00-00000	Common School Fund	032	0	Above Standard Inflation	Essential Packages
010-00-00-00000	Common School Fund	060	0	Technical Adjustments	Essential Packages
010-00-00-00000	Common School Fund	080	0	May 2016 E-Board	Policy Packages
010-00-00-00000	Common School Fund	081	0	September 2016 Emergency Board	Policy Packages
010-00-00-00000	Common School Fund	090	0	Analyst Adjustments	Policy Packages
010-00-00-00000	Common School Fund	091	0	Statewide Adjustment DAS Chgs	Policy Packages
010-00-00-00000	Common School Fund	092	0	Statewide AG Adjustment	Policy Packages
010-00-00-00000	Common School Fund	101	0	Portland Harbor Clean Up	Policy Packages
010-00-00-00000	Common School Fund	102	0	Historical Filled Lands Project	Policy Packages
010-00-00-00000	Common School Fund	103	0	Trust Land Management	Policy Packages
010-00-00-00000	Common School Fund	104	0	S&S Land Enhancement Fund	Policy Packages
010-00-00-00000	Common School Fund	105	0	Sage Grouse Monitoring	Policy Packages
010-00-00-00000	Common School Fund	106	0	Shared Services Implementation	Policy Packages
010-00-00-00000	Common School Fund	107	0	Vehicle Replacement	Policy Packages
010-00-00-00000	Common School Fund	108	0	Regional Team Office Space	Policy Packages
010-00-00-00000	Common School Fund	109	0	Funding Nearshore Research & Monitoring	Policy Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	021	0	Phase - In	Essential Packages

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Lands, Dept of State

**Summary Cross Reference Listing and Packages
2017-19 Biennium**

**Agency Number: 14100
BAM Analyst: Pearson, Lisa
Budget Coordinator: Wickham, Cynthia - (503)986-5227**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
013-00-00-00000	Oregon Wetlands Revolving Fund	022	0	Phase-out Pgm & One-time Costs	Essential Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	031	0	Standard Inflation	Essential Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	060	0	Technical Adjustments	Essential Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	080	0	May 2016 E-Board	Policy Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	081	0	September 2016 Emergency Board	Policy Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	090	0	Analyst Adjustments	Policy Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	091	0	Statewide Adjustment DAS Chgs	Policy Packages
013-00-00-00000	Oregon Wetlands Revolving Fund	092	0	Statewide AG Adjustment	Policy Packages
020-00-00-00000	Natural Heritage Program	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
020-00-00-00000	Natural Heritage Program	021	0	Phase - In	Essential Packages
020-00-00-00000	Natural Heritage Program	022	0	Phase-out Pgm & One-time Costs	Essential Packages
020-00-00-00000	Natural Heritage Program	031	0	Standard Inflation	Essential Packages
020-00-00-00000	Natural Heritage Program	060	0	Technical Adjustments	Essential Packages
020-00-00-00000	Natural Heritage Program	080	0	May 2016 E-Board	Policy Packages
020-00-00-00000	Natural Heritage Program	081	0	September 2016 Emergency Board	Policy Packages
020-00-00-00000	Natural Heritage Program	090	0	Analyst Adjustments	Policy Packages
020-00-00-00000	Natural Heritage Program	091	0	Statewide Adjustment DAS Chgs	Policy Packages
020-00-00-00000	Natural Heritage Program	092	0	Statewide AG Adjustment	Policy Packages
030-00-00-00000	South Slough National Estuarine	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
030-00-00-00000	South Slough National Estuarine	021	0	Phase - In	Essential Packages
030-00-00-00000	South Slough National Estuarine	022	0	Phase-out Pgm & One-time Costs	Essential Packages
030-00-00-00000	South Slough National Estuarine	031	0	Standard Inflation	Essential Packages

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Lands, Dept of State

**Summary Cross Reference Listing and Packages
2017-19 Biennium**

**Agency Number: 14100
BAM Analyst: Pearson, Lisa
Budget Coordinator: Wickham, Cynthia - (503)986-5227**

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
030-00-00-00000	South Slough National Estuarine	060	0	Technical Adjustments	Essential Packages
030-00-00-00000	South Slough National Estuarine	080	0	May 2016 E-Board	Policy Packages
030-00-00-00000	South Slough National Estuarine	081	0	September 2016 Emergency Board	Policy Packages
030-00-00-00000	South Slough National Estuarine	090	0	Analyst Adjustments	Policy Packages
030-00-00-00000	South Slough National Estuarine	091	0	Statewide Adjustment DAS Chgs	Policy Packages
030-00-00-00000	South Slough National Estuarine	092	0	Statewide AG Adjustment	Policy Packages
088-00-00-00000	Capital Improvements	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
088-00-00-00000	Capital Improvements	021	0	Phase - In	Essential Packages
088-00-00-00000	Capital Improvements	022	0	Phase-out Pgm & One-time Costs	Essential Packages
088-00-00-00000	Capital Improvements	031	0	Standard Inflation	Essential Packages
088-00-00-00000	Capital Improvements	060	0	Technical Adjustments	Essential Packages
088-00-00-00000	Capital Improvements	080	0	May 2016 E-Board	Policy Packages
088-00-00-00000	Capital Improvements	081	0	September 2016 Emergency Board	Policy Packages
088-00-00-00000	Capital Improvements	090	0	Analyst Adjustments	Policy Packages
088-00-00-00000	Capital Improvements	091	0	Statewide Adjustment DAS Chgs	Policy Packages
088-00-00-00000	Capital Improvements	092	0	Statewide AG Adjustment	Policy Packages
088-00-00-00000	Capital Improvements	110	0	Headquarters Building Maintenance	Policy Packages
089-00-00-00000	Capital Construction	010	0	Non-PICS Psnl Svc / Vacancy Factor	Essential Packages
089-00-00-00000	Capital Construction	021	0	Phase - In	Essential Packages
089-00-00-00000	Capital Construction	022	0	Phase-out Pgm & One-time Costs	Essential Packages
089-00-00-00000	Capital Construction	031	0	Standard Inflation	Essential Packages
089-00-00-00000	Capital Construction	060	0	Technical Adjustments	Essential Packages

Lands, Dept of State

Summary Cross Reference Listing and Packages

2017-19 Biennium

Agency Number: 14100

BAM Analyst: Pearson, Lisa

Budget Coordinator: Wickham, Cynthia - (503)986-5227

Cross Reference Number	Cross Reference Description	Package Number	Priority	Package Description	Package Group
089-00-00-00000	Capital Construction	080	0	May 2016 E-Board	Policy Packages
089-00-00-00000	Capital Construction	081	0	September 2016 Emergency Board	Policy Packages
089-00-00-00000	Capital Construction	090	0	Analyst Adjustments	Policy Packages
089-00-00-00000	Capital Construction	091	0	Statewide Adjustment DAS Chgs	Policy Packages
089-00-00-00000	Capital Construction	092	0	Statewide AG Adjustment	Policy Packages

Lands, Dept of State

**Policy Package List by Priority
2017-19 Biennium**

Agency Number: 14100

BAM Analyst: Pearson, Lisa

Budget Coordinator: Wickham, Cynthia - (503)986-5227

<i>Priority</i>	<i>Policy Pkg Number</i>	<i>Policy Pkg Description</i>	<i>Summary Cross Reference Number</i>	<i>Cross Reference Description</i>
0	080	May 2016 E-Board	010-00-00-00000	Common School Fund
			013-00-00-00000	Oregon Wetlands Revolving Fund
			020-00-00-00000	Natural Heritage Program
			030-00-00-00000	South Slough National Estuarine
			088-00-00-00000	Capital Improvements
			089-00-00-00000	Capital Construction
	081	September 2016 Emergency Board	010-00-00-00000	Common School Fund
			013-00-00-00000	Oregon Wetlands Revolving Fund
			020-00-00-00000	Natural Heritage Program
			030-00-00-00000	South Slough National Estuarine
			088-00-00-00000	Capital Improvements
			089-00-00-00000	Capital Construction
	090	Analyst Adjustments	010-00-00-00000	Common School Fund
			013-00-00-00000	Oregon Wetlands Revolving Fund
			020-00-00-00000	Natural Heritage Program
			030-00-00-00000	South Slough National Estuarine
			088-00-00-00000	Capital Improvements
			089-00-00-00000	Capital Construction
091	Statewide Adjustment DAS Chgs	010-00-00-00000	Common School Fund	
		013-00-00-00000	Oregon Wetlands Revolving Fund	
		020-00-00-00000	Natural Heritage Program	
		030-00-00-00000	South Slough National Estuarine	
		088-00-00-00000	Capital Improvements	

Lands, Dept of State

**Policy Package List by Priority
2017-19 Biennium**

Agency Number: 14100

BAM Analyst: Pearson, Lisa

Budget Coordinator: Wickham, Cynthia - (503)986-5227

<i>Priority</i>	<i>Policy Pkg Number</i>	<i>Policy Pkg Description</i>	<i>Summary Cross Reference Number</i>	<i>Cross Reference Description</i>
0	091	Statewide Adjustment DAS Chgs	089-00-00-00000	Capital Construction
	092	Statewide AG Adjustment	010-00-00-00000	Common School Fund
			013-00-00-00000	Oregon Wetlands Revolving Fund
			020-00-00-00000	Natural Heritage Program
			030-00-00-00000	South Slough National Estuarine
			088-00-00-00000	Capital Improvements
			089-00-00-00000	Capital Construction
	101	Portland Harbor Clean Up	010-00-00-00000	Common School Fund
	102	Historical Filled Lands Project	010-00-00-00000	Common School Fund
	103	Trust Land Management	010-00-00-00000	Common School Fund
	104	S&S Land Enhancement Fund	010-00-00-00000	Common School Fund
	105	Sage Grouse Monitoring	010-00-00-00000	Common School Fund
	106	Shared Services Implementation	010-00-00-00000	Common School Fund
	107	Vehicle Replacement	010-00-00-00000	Common School Fund
	108	Regional Team Office Space	010-00-00-00000	Common School Fund
	109	Funding Nearshore Research & Monitoring	010-00-00-00000	Common School Fund
	110	Headquarters Building Maintenance	088-00-00-00000	Capital Improvements

Budget Support - Detail Revenues and Expenditures
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Cross Reference Number: 14100-000-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3010 Other Funds Cap Improvement	-	-	-	325,000	325,000	-
3200 Other Funds Non-Ltd	982,539,043	-	-	79,530,400	79,530,400	-
3400 Other Funds Ltd	30,156,028	1,362,190,000	1,362,190,000	1,457,450,782	1,457,450,782	-
6400 Federal Funds Ltd	290,171	1,404,281	1,404,281	1,123,035	1,123,035	-
All Funds	1,012,985,242	1,363,594,281	1,363,594,281	1,538,429,217	1,538,429,217	-
REVENUE CATEGORIES						
GENERAL FUND APPROPRIATION						
0050 General Fund Appropriation						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
LICENSES AND FEES						
0205 Business Lic and Fees						
3400 Other Funds Ltd	41,151	-	-	-	-	-
0210 Non-business Lic. and Fees						
3400 Other Funds Ltd	1,777,927	800,000	800,000	800,000	800,000	-
LICENSES AND FEES						
3400 Other Funds Ltd	1,819,078	800,000	800,000	800,000	800,000	-
TOTAL LICENSES AND FEES	\$1,819,078	\$800,000	\$800,000	\$800,000	\$800,000	-
FEDERAL FUNDS AS OTHER FUNDS						
0355 Federal Revenues						
3400 Other Funds Ltd	428,804	-	-	-	-	-
CHARGES FOR SERVICES						

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
0410 Charges for Services						
3400 Other Funds Ltd	420,507	273,750	273,750	273,750	273,750	-
0415 Admin and Service Charges						
3400 Other Funds Ltd	131,177	130,000	130,000	130,000	130,000	-
CHARGES FOR SERVICES						
3400 Other Funds Ltd	551,684	403,750	403,750	403,750	403,750	-
TOTAL CHARGES FOR SERVICES	\$551,684	\$403,750	\$403,750	\$403,750	\$403,750	-
FINES, RENTS AND ROYALTIES						
0505 Fines and Forfeitures						
3400 Other Funds Ltd	140,095	190,000	190,000	190,000	190,000	-
0510 Rents and Royalties						
3200 Other Funds Non-Ltd	42,749	-	-	-	-	-
3400 Other Funds Ltd	10,781,778	9,500,000	9,500,000	9,500,000	9,500,000	-
All Funds	10,824,527	9,500,000	9,500,000	9,500,000	9,500,000	-
FINES, RENTS AND ROYALTIES						
3200 Other Funds Non-Ltd	42,749	-	-	-	-	-
3400 Other Funds Ltd	10,921,873	9,690,000	9,690,000	9,690,000	9,690,000	-
TOTAL FINES, RENTS AND ROYALTIES	\$10,964,622	\$9,690,000	\$9,690,000	\$9,690,000	\$9,690,000	-
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	60,625,347	-	-	-	-	-
3400 Other Funds Ltd	1,471,732	150,171,000	150,171,000	150,171,000	140,170,000	-
All Funds	62,097,079	150,171,000	150,171,000	150,171,000	140,170,000	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
SALES INCOME						
0705 Sales Income						
3400 Other Funds Ltd	122,264	120,000	120,000	120,000	120,000	-
0735 Common School Lands Sales						
3400 Other Funds Ltd	1,255,118	-	-	-	-	-
SALES INCOME						
3400 Other Funds Ltd	1,377,382	120,000	120,000	120,000	120,000	-
TOTAL SALES INCOME	\$1,377,382	\$120,000	\$120,000	\$120,000	\$120,000	-
DONATIONS AND CONTRIBUTIONS						
0905 Donations						
3400 Other Funds Ltd	100	12,000	12,000	12,000	12,000	-
0910 Grants (Non-Fed)						
3400 Other Funds Ltd	10,000	142,027	142,027	142,027	142,027	-
DONATIONS AND CONTRIBUTIONS						
3400 Other Funds Ltd	10,100	154,027	154,027	154,027	154,027	-
TOTAL DONATIONS AND CONTRIBUTIONS	\$10,100	\$154,027	\$154,027	\$154,027	\$154,027	-
OTHER						
0975 Other Revenues						
3010 Other Funds Cap Improvement	-	-	262,809	262,809	262,809	-
3200 Other Funds Non-Ltd	173,490,749	69,974,000	69,974,000	69,974,000	69,974,000	-
3400 Other Funds Ltd	718,425	1,263,937	1,826,147	1,826,147	1,826,147	-
All Funds	174,209,174	71,237,937	72,062,956	72,062,956	72,062,956	-
FEDERAL FUNDS REVENUE						

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
0995 Federal Funds						
6400 Federal Funds Ltd	2,549,005	2,595,006	2,866,573	2,808,773	2,808,773	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,049,417	1,249,417	1,249,417	-
3200 Other Funds Non-Ltd	-	130,002,450	130,002,450	130,002,450	130,002,450	-
3400 Other Funds Ltd	1,484,552	6,199,637	6,199,637	6,199,637	6,199,637	-
All Funds	2,849,504	137,251,504	137,251,504	137,451,504	137,451,504	-
1050 Transfer In Other						
3430 Other Funds Debt Svc Ltd	1	-	-	-	-	-
1150 Tsfr From Revenue, Dept of						
3400 Other Funds Ltd	200,610	237,000	237,000	24,386,040	237,000	-
1330 Tsfr From Energy, Dept of						
3400 Other Funds Ltd	6,542	-	-	-	-	-
1629 Tsfr From Forestry, Dept of						
3400 Other Funds Ltd	7,802,836	9,586,000	9,586,000	4,689,000	4,689,000	-
1662 Tsfr From Land Use Bd of Appls						
3400 Other Funds Ltd	-	26,267	26,267	27,239	27,239	-
TRANSFERS IN						
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,049,417	1,249,417	1,249,417	-
3200 Other Funds Non-Ltd	-	130,002,450	130,002,450	130,002,450	130,002,450	-
3400 Other Funds Ltd	9,494,540	16,048,904	16,048,904	35,301,916	11,152,876	-
3430 Other Funds Debt Svc Ltd	1	-	-	-	-	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
TOTAL TRANSFERS IN	\$10,859,493	\$147,100,771	\$147,100,771	\$166,553,783	\$142,404,743	-
REVENUE CATEGORIES						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,312,226	1,512,226	1,512,226	-
3200 Other Funds Non-Ltd	234,158,845	199,976,450	199,976,450	199,976,450	199,976,450	-
3400 Other Funds Ltd	26,793,618	178,651,618	179,213,828	198,466,840	164,316,800	-
3430 Other Funds Debt Svc Ltd	1	-	-	-	-	-
6400 Federal Funds Ltd	2,549,005	2,595,006	2,866,573	2,808,773	2,808,773	-
TOTAL REVENUE CATEGORIES	\$264,866,421	\$382,600,719	\$383,715,159	\$403,916,392	\$368,614,249	-
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3400 Other Funds Ltd	(2,849,504)	(137,251,504)	(137,251,504)	(137,451,504)	(137,451,504)	-
2107 Tsfr To Administrative Svcs						
3430 Other Funds Debt Svc Ltd	(1)	-	-	-	-	-
2581 Tsfr To Education, Dept of						
3200 Other Funds Non-Ltd	(104,949,628)	(110,211,801)	(110,211,801)	(110,211,801)	(110,211,801)	-
2629 Tsfr To Forestry, Dept of						
3400 Other Funds Ltd	(7,921,341)	(9,925,019)	(9,925,019)	(3,266,315)	(3,266,315)	-
2690 Tsfr To Water Resources Dept						
3400 Other Funds Ltd	-	-	-	(157,999)	(67,444)	-
TRANSFERS OUT						
3200 Other Funds Non-Ltd	(104,949,628)	(110,211,801)	(110,211,801)	(110,211,801)	(110,211,801)	-
3400 Other Funds Ltd	(10,770,845)	(147,176,523)	(147,176,523)	(140,875,818)	(140,785,263)	-

Budget Support - Detail Revenues and Expenditures
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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd	(1)	-	-	-	-	-
TOTAL TRANSFERS OUT	(\$115,720,474)	(\$257,388,324)	(\$257,388,324)	(\$251,087,619)	(\$250,997,064)	-
AVAILABLE REVENUES						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,312,226	1,837,226	1,837,226	-
3200 Other Funds Non-Ltd	1,111,748,260	89,764,649	89,764,649	169,295,049	169,295,049	-
3400 Other Funds Ltd	46,178,801	1,393,665,095	1,394,227,305	1,515,041,804	1,480,982,319	-
6400 Federal Funds Ltd	2,839,176	3,999,287	4,270,854	3,931,808	3,931,808	-
TOTAL AVAILABLE REVENUES	\$1,162,131,189	\$1,488,806,676	\$1,489,921,116	\$1,691,257,990	\$1,656,046,402	-
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
8000 General Fund	-	181,272	187,067	93,612	-	-
3400 Other Funds Ltd	10,715,962	11,795,801	12,404,295	12,734,435	12,600,717	-
6400 Federal Funds Ltd	760,295	786,103	834,048	821,749	821,749	-
All Funds	11,476,257	12,763,176	13,425,410	13,649,796	13,422,466	-
3160 Temporary Appointments						
3400 Other Funds Ltd	381,562	73,285	73,285	75,997	75,997	-
6400 Federal Funds Ltd	40,957	88,239	141,129	75,292	75,292	-
All Funds	422,519	161,524	214,414	151,289	151,289	-
3170 Overtime Payments						
3400 Other Funds Ltd	5,869	77,661	77,661	80,536	80,536	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
6400 Federal Funds Ltd	499	3,126	3,126	3,242	3,242	-
All Funds	6,368	80,787	80,787	83,778	83,778	-
3180 Shift Differential						
3400 Other Funds Ltd	435	7,973	7,973	8,268	8,268	-
6400 Federal Funds Ltd	-	8	8	8	8	-
All Funds	435	7,981	7,981	8,276	8,276	-
3190 All Other Differential						
3400 Other Funds Ltd	95,553	8,034	8,034	8,331	8,331	-
6400 Federal Funds Ltd	1,468	-	-	-	-	-
All Funds	97,021	8,034	8,034	8,331	8,331	-
SALARIES & WAGES						
8000 General Fund	-	181,272	187,067	93,612	-	-
3400 Other Funds Ltd	11,199,381	11,962,754	12,571,248	12,907,567	12,773,849	-
6400 Federal Funds Ltd	803,219	877,476	978,311	900,291	900,291	-
TOTAL SALARIES & WAGES	\$12,002,600	\$13,021,502	\$13,736,626	\$13,901,470	\$13,674,140	-
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
8000 General Fund	-	88	88	56	-	-
3400 Other Funds Ltd	3,583	4,274	4,274	5,569	5,616	-
6400 Federal Funds Ltd	313	346	346	448	448	-
All Funds	3,896	4,708	4,708	6,073	6,064	-
3220 Public Employees' Retire Cont						
8000 General Fund	-	28,623	29,538	17,870	-	-

Budget Support - Detail Revenues and Expenditures
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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	1,657,443	1,877,355	1,973,437	2,448,884	2,423,357	-
6400 Federal Funds Ltd	117,665	124,619	132,190	157,471	157,471	-
All Funds	1,775,108	2,030,597	2,135,165	2,624,225	2,580,828	-
3221 Pension Obligation Bond						
8000 General Fund	-	-	10,666	-	-	-
3400 Other Funds Ltd	728,289	715,264	699,587	722,405	722,405	-
6400 Federal Funds Ltd	52,859	48,846	46,439	47,881	47,881	-
All Funds	781,148	764,110	756,692	770,286	770,286	-
3230 Social Security Taxes						
8000 General Fund	-	13,867	14,310	7,161	-	-
3400 Other Funds Ltd	856,445	912,114	958,664	985,508	975,278	-
6400 Federal Funds Ltd	60,961	67,127	74,841	68,656	68,656	-
All Funds	917,406	993,108	1,047,815	1,061,325	1,043,934	-
3240 Unemployment Assessments						
3400 Other Funds Ltd	8,576	11,853	11,853	12,293	12,293	-
3250 Worker's Comp. Assess. (WCD)						
8000 General Fund	-	138	138	68	-	-
3400 Other Funds Ltd	6,110	6,701	6,701	6,805	6,860	-
6400 Federal Funds Ltd	508	542	542	542	542	-
All Funds	6,618	7,381	7,381	7,415	7,402	-
3260 Mass Transit Tax						
8000 General Fund	-	-	35	-	-	-
3400 Other Funds Ltd	56,572	68,230	71,880	74,146	74,146	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
All Funds	56,572	68,230	71,915	74,146	74,146	-
3270 Flexible Benefits						
8000 General Fund	-	61,056	61,056	33,336	-	-
3400 Other Funds Ltd	2,826,428	2,965,490	2,965,490	3,288,264	3,316,044	-
6400 Federal Funds Ltd	236,484	239,950	240,555	262,020	262,020	-
All Funds	3,062,912	3,266,496	3,267,101	3,583,620	3,578,064	-
OTHER PAYROLL EXPENSES						
8000 General Fund	-	103,772	115,831	58,491	-	-
3400 Other Funds Ltd	6,143,446	6,561,281	6,691,886	7,543,874	7,535,999	-
6400 Federal Funds Ltd	468,790	481,430	494,913	537,018	537,018	-
TOTAL OTHER PAYROLL EXPENSES	\$6,612,236	\$7,146,483	\$7,302,630	\$8,139,383	\$8,073,017	-
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(14,988)	(14,988)	(83,280)	(83,280)	-
3465 Reconciliation Adjustment						
8000 General Fund	-	18,184	18,184	-	-	-
3400 Other Funds Ltd	-	445,212	445,212	-	268,345	-
All Funds	-	463,396	463,396	-	268,345	-
P.S. BUDGET ADJUSTMENTS						
8000 General Fund	-	18,184	18,184	-	-	-
3400 Other Funds Ltd	-	430,224	430,224	(83,280)	185,065	-
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$448,408	\$448,408	(\$83,280)	\$185,065	-

PERSONAL SERVICES

Budget Support - Detail Revenues and Expenditures
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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
8000 General Fund	-	303,228	321,082	152,103	-	-
3400 Other Funds Ltd	17,342,827	18,954,259	19,693,358	20,368,161	20,494,913	-
6400 Federal Funds Ltd	1,272,009	1,358,906	1,473,224	1,437,309	1,437,309	-
TOTAL PERSONAL SERVICES	\$18,614,836	\$20,616,393	\$21,487,664	\$21,957,573	\$21,932,222	-
SERVICES & SUPPLIES						
4100 Instate Travel						
3010 Other Funds Cap Improvement	511	-	-	-	-	-
3400 Other Funds Ltd	294,219	384,116	384,116	456,590	456,590	-
6400 Federal Funds Ltd	23,238	17,638	17,638	18,291	18,291	-
All Funds	317,968	401,754	401,754	474,881	474,881	-
4125 Out of State Travel						
3400 Other Funds Ltd	11,560	13,226	13,226	13,715	13,715	-
6400 Federal Funds Ltd	13,567	13,055	13,055	13,538	13,538	-
All Funds	25,127	26,281	26,281	27,253	27,253	-
4150 Employee Training						
3400 Other Funds Ltd	107,599	95,041	95,041	98,408	97,256	-
6400 Federal Funds Ltd	10,900	21,330	21,330	22,119	22,119	-
All Funds	118,499	116,371	116,371	120,527	119,375	-
4175 Office Expenses						
3010 Other Funds Cap Improvement	131	-	-	-	-	-
3400 Other Funds Ltd	173,478	281,189	281,189	293,575	288,285	-
6400 Federal Funds Ltd	3,794	18,984	18,984	19,686	19,686	-
All Funds	177,403	300,173	300,173	313,261	307,971	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
4200 Telecommunications						
3400 Other Funds Ltd	129,757	225,171	225,171	237,067	198,150	-
6400 Federal Funds Ltd	3,979	8,166	8,166	8,468	8,468	-
All Funds	133,736	233,337	233,337	245,535	206,618	-
4225 State Gov. Service Charges						
3400 Other Funds Ltd	864,991	1,016,296	1,016,296	1,162,857	1,106,818	-
4250 Data Processing						
3400 Other Funds Ltd	59,182	106,893	106,893	110,403	110,403	-
6400 Federal Funds Ltd	-	10,207	10,207	10,585	10,585	-
All Funds	59,182	117,100	117,100	120,988	120,988	-
4275 Publicity and Publications						
3400 Other Funds Ltd	31,813	89,497	89,497	92,808	92,808	-
6400 Federal Funds Ltd	179	1,492	1,492	1,547	1,547	-
All Funds	31,992	90,989	90,989	94,355	94,355	-
4300 Professional Services						
8000 General Fund	-	25,000	25,000	-	-	-
3010 Other Funds Cap Improvement	702,162	-	85,919	-	-	-
3200 Other Funds Non-Ltd	1,438,891	927,900	927,900	927,900	927,900	-
3400 Other Funds Ltd	1,838,809	6,914,892	6,914,892	4,275,366	4,275,366	-
6400 Federal Funds Ltd	185,176	234,472	391,721	75,976	75,976	-
All Funds	4,165,038	8,102,264	8,345,432	5,279,242	5,279,242	-
4315 IT Professional Services						
3400 Other Funds Ltd	261,858	207,666	207,666	216,180	216,180	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
6400 Federal Funds Ltd	294	-	-	-	-	-
All Funds	262,152	207,666	207,666	216,180	216,180	-
4325 Attorney General						
3010 Other Funds Cap Improvement	6,122	-	-	-	-	-
3400 Other Funds Ltd	2,886,737	2,560,553	2,560,553	6,665,190	6,529,836	-
All Funds	2,892,859	2,560,553	2,560,553	6,665,190	6,529,836	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	39,369	21,712	21,712	22,418	22,418	-
6400 Federal Funds Ltd	149	5,909	5,909	6,128	6,128	-
All Funds	39,518	27,621	27,621	28,546	28,546	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	17,988	6,637	6,637	6,881	6,881	-
6400 Federal Funds Ltd	-	834	834	865	865	-
All Funds	17,988	7,471	7,471	7,746	7,746	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	305,703	498,879	498,879	583,199	583,199	-
6400 Federal Funds Ltd	58	-	-	-	-	-
All Funds	305,761	498,879	498,879	583,199	583,199	-
4450 Fuels and Utilities						
3200 Other Funds Non-Ltd	40,762	180,000	180,000	180,000	180,000	-
3400 Other Funds Ltd	225,685	239,301	239,301	248,155	248,155	-
6400 Federal Funds Ltd	3,414	25,552	25,552	26,497	26,497	-
All Funds	269,861	444,853	444,853	454,652	454,652	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
4475 Facilities Maintenance						
3010 Other Funds Cap Improvement	42,086	303,250	303,250	314,470	314,470	-
3200 Other Funds Non-Ltd	28,528	-	-	-	-	-
3400 Other Funds Ltd	365,195	406,223	406,223	421,253	421,253	-
6400 Federal Funds Ltd	8,439	30,467	30,467	31,594	31,594	-
All Funds	444,248	739,940	739,940	767,317	767,317	-
4575 Agency Program Related S and S						
3010 Other Funds Cap Improvement	261,022	-	-	-	-	-
3200 Other Funds Non-Ltd	10,078,734	8,407,040	8,407,040	8,407,040	8,407,040	-
3400 Other Funds Ltd	31,732	597,205	597,205	719,302	719,302	-
6400 Federal Funds Ltd	-	5,462	5,462	5,664	5,664	-
All Funds	10,371,488	9,009,707	9,009,707	9,132,006	9,132,006	-
4650 Other Services and Supplies						
3010 Other Funds Cap Improvement	22,364	-	-	-	-	-
3200 Other Funds Non-Ltd	7,305	207,309	207,309	207,309	207,309	-
3400 Other Funds Ltd	357,711	587,667	587,667	600,216	569,338	-
6400 Federal Funds Ltd	40,183	11,177	11,177	11,591	11,591	-
All Funds	427,563	806,153	806,153	819,116	788,238	-
4700 Expendable Prop 250 - 5000						
3010 Other Funds Cap Improvement	11,500	-	-	-	-	-
3400 Other Funds Ltd	13,923	24,133	24,133	25,026	25,026	-
6400 Federal Funds Ltd	-	21,489	21,489	22,284	22,284	-
All Funds	25,423	45,622	45,622	47,310	47,310	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
4715 IT Expendable Property						
3400 Other Funds Ltd	166,497	165,127	165,127	177,181	177,181	-
6400 Federal Funds Ltd	1,432	1,464	1,464	1,518	1,518	-
All Funds	167,929	166,591	166,591	178,699	178,699	-
SERVICES & SUPPLIES						
8000 General Fund	-	25,000	25,000	-	-	-
3010 Other Funds Cap Improvement	1,045,898	303,250	389,169	314,470	314,470	-
3200 Other Funds Non-Ltd	11,594,220	9,722,249	9,722,249	9,722,249	9,722,249	-
3400 Other Funds Ltd	8,183,806	14,441,424	14,441,424	16,425,790	16,158,160	-
6400 Federal Funds Ltd	294,802	427,698	584,947	276,351	276,351	-
TOTAL SERVICES & SUPPLIES	\$21,118,726	\$24,919,621	\$25,162,789	\$26,738,860	\$26,471,230	-
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3010 Other Funds Cap Improvement	272,384	-	-	-	-	-
3400 Other Funds Ltd	5,355	27,296	27,296	28,306	28,306	-
All Funds	277,739	27,296	27,296	28,306	28,306	-
5150 Telecommunications Equipment						
3400 Other Funds Ltd	14,921	-	-	-	-	-
5200 Technical Equipment						
3400 Other Funds Ltd	6,740	173,284	173,284	41,515	41,515	-
6400 Federal Funds Ltd	-	9,313	9,313	9,658	9,658	-
All Funds	6,740	182,597	182,597	51,173	51,173	-
5550 Data Processing Software						

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	31,543	72,679	72,679	75,368	75,368	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	64,170	17,730	17,730	18,385	18,385	-
5650 Land and Improvements						
3010 Other Funds Cap Improvement	46,670	455,000	455,000	-	-	-
3200 Other Funds Non-Ltd	-	512,000	512,000	512,000	512,000	-
3400 Other Funds Ltd	253,146	-	-	-	-	-
All Funds	299,816	967,000	967,000	512,000	512,000	-
5700 Building Structures						
3010 Other Funds Cap Improvement	-	-	-	200,000	200,000	-
5800 Professional Services						
3010 Other Funds Cap Improvement	-	268,000	268,000	-	-	-
5900 Other Capital Outlay						
3400 Other Funds Ltd	186,472	-	-	26,000	26,000	-
6400 Federal Funds Ltd	908,361	-	-	-	-	-
All Funds	1,094,833	-	-	26,000	26,000	-
CAPITAL OUTLAY						
3010 Other Funds Cap Improvement	319,054	723,000	723,000	200,000	200,000	-
3200 Other Funds Non-Ltd	-	512,000	512,000	512,000	512,000	-
3400 Other Funds Ltd	562,347	290,989	290,989	189,574	189,574	-
6400 Federal Funds Ltd	908,361	9,313	9,313	9,658	9,658	-
TOTAL CAPITAL OUTLAY	\$1,789,762	\$1,535,302	\$1,535,302	\$911,232	\$911,232	-

SPECIAL PAYMENTS

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
6020 Dist to Counties						
3400 Other Funds Ltd	489	-	-	-	-	-
6030 Dist to Non-Gov Units						
8000 General Fund	-	-	-	1,000,000	-	-
3400 Other Funds Ltd	717,801	1,080,033	1,080,033	1,119,994	1,119,994	-
All Funds	717,801	1,080,033	1,080,033	2,119,994	1,119,994	-
6085 Other Special Payments						
3400 Other Funds Ltd	15,429	-	-	-	-	-
SPECIAL PAYMENTS						
8000 General Fund	-	-	-	1,000,000	-	-
3400 Other Funds Ltd	733,719	1,080,033	1,080,033	1,119,994	1,119,994	-
TOTAL SPECIAL PAYMENTS	\$733,719	\$1,080,033	\$1,080,033	\$2,119,994	\$1,119,994	-
EXPENDITURES						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
3010 Other Funds Cap Improvement	1,364,952	1,026,250	1,112,169	514,470	514,470	-
3200 Other Funds Non-Ltd	11,594,220	10,234,249	10,234,249	10,234,249	10,234,249	-
3400 Other Funds Ltd	26,822,699	34,766,705	35,505,804	38,103,519	37,962,641	-
6400 Federal Funds Ltd	2,475,172	1,795,917	2,067,484	1,723,318	1,723,318	-
TOTAL EXPENDITURES	\$42,257,043	\$48,151,349	\$49,265,788	\$51,727,659	\$50,434,678	-
ENDING BALANCE						
3010 Other Funds Cap Improvement	-	23,167	200,057	1,322,756	1,322,756	-
3200 Other Funds Non-Ltd	1,100,154,040	79,530,400	79,530,400	159,060,800	159,060,800	-
3400 Other Funds Ltd	19,356,102	1,358,898,390	1,358,721,501	1,476,938,285	1,443,019,678	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
6400 Federal Funds Ltd	364,004	2,203,370	2,203,370	2,208,490	2,208,490	-
TOTAL ENDING BALANCE	\$1,119,874,146	\$1,440,655,327	\$1,440,655,328	\$1,639,530,331	\$1,605,611,724	-
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	103	107	107	108	108	-
8180 Position Reconciliation	-	3	3	-	-	-
TOTAL AUTHORIZED POSITIONS	103	110	110	108	108	-
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	103.00	107.00	107.00	107.50	107.34	-
8280 FTE Reconciliation	-	2.00	2.00	-	(0.01)	-
TOTAL AUTHORIZED FTE	103.00	109.00	109.00	107.50	107.33	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3200 Other Funds Non-Ltd	982,539,043	-	-	79,530,400	79,530,400	-
3400 Other Funds Ltd	29,045,124	1,361,056,304	1,361,056,304	1,456,864,615	1,456,864,615	-
6400 Federal Funds Ltd	107,866	-	-	123,035	123,035	-
All Funds	1,011,692,033	1,361,056,304	1,361,056,304	1,536,518,050	1,536,518,050	-
REVENUE CATEGORIES						
GENERAL FUND APPROPRIATION						
0050 General Fund Appropriation						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
LICENSES AND FEES						
0205 Business Lic and Fees						
3400 Other Funds Ltd	41,151	-	-	-	-	-
0210 Non-business Lic. and Fees						
3400 Other Funds Ltd	1,777,927	800,000	800,000	800,000	800,000	-
LICENSES AND FEES						
3400 Other Funds Ltd	1,819,078	800,000	800,000	800,000	800,000	-
TOTAL LICENSES AND FEES	\$1,819,078	\$800,000	\$800,000	\$800,000	\$800,000	-
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	407,597	273,750	273,750	273,750	273,750	-
0415 Admin and Service Charges						
3400 Other Funds Ltd	131,177	130,000	130,000	130,000	130,000	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
CHARGES FOR SERVICES						
3400 Other Funds Ltd	538,774	403,750	403,750	403,750	403,750	-
TOTAL CHARGES FOR SERVICES	\$538,774	\$403,750	\$403,750	\$403,750	\$403,750	-
FINES, RENTS AND ROYALTIES						
0505 Fines and Forfeitures						
3400 Other Funds Ltd	140,095	190,000	190,000	190,000	190,000	-
0510 Rents and Royalties						
3200 Other Funds Non-Ltd	42,749	-	-	-	-	-
3400 Other Funds Ltd	10,780,038	9,500,000	9,500,000	9,500,000	9,500,000	-
All Funds	10,822,787	9,500,000	9,500,000	9,500,000	9,500,000	-
FINES, RENTS AND ROYALTIES						
3200 Other Funds Non-Ltd	42,749	-	-	-	-	-
3400 Other Funds Ltd	10,920,133	9,690,000	9,690,000	9,690,000	9,690,000	-
TOTAL FINES, RENTS AND ROYALTIES	\$10,962,882	\$9,690,000	\$9,690,000	\$9,690,000	\$9,690,000	-
INTEREST EARNINGS						
0605 Interest Income						
3200 Other Funds Non-Ltd	60,625,347	-	-	-	-	-
3400 Other Funds Ltd	1,443,906	150,001,000	150,001,000	150,001,000	140,000,000	-
All Funds	62,069,253	150,001,000	150,001,000	150,001,000	140,000,000	-
SALES INCOME						
0705 Sales Income						
3400 Other Funds Ltd	62,930	120,000	120,000	120,000	120,000	-
0735 Common School Lands Sales						

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	1,255,118	-	-	-	-	-
SALES INCOME						
3400 Other Funds Ltd	1,318,048	120,000	120,000	120,000	120,000	-
TOTAL SALES INCOME	\$1,318,048	\$120,000	\$120,000	\$120,000	\$120,000	-
DONATIONS AND CONTRIBUTIONS						
0905 Donations						
3400 Other Funds Ltd	100	12,000	12,000	12,000	12,000	-
OTHER						
0975 Other Revenues						
3200 Other Funds Non-Ltd	173,490,749	69,974,000	69,974,000	69,974,000	69,974,000	-
3400 Other Funds Ltd	66,906	26,000	543,724	543,724	543,724	-
All Funds	173,557,655	70,000,000	70,517,724	70,517,724	70,517,724	-
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
6400 Federal Funds Ltd	201,317	246,505	461,007	461,007	461,007	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3200 Other Funds Non-Ltd	-	130,002,450	130,002,450	130,002,450	130,002,450	-
3400 Other Funds Ltd	-	3,225,793	3,225,793	3,225,793	3,225,793	-
All Funds	-	133,228,243	133,228,243	133,228,243	133,228,243	-
1050 Transfer In Other						
3430 Other Funds Debt Svc Ltd	1	-	-	-	-	-
1150 Tsfr From Revenue, Dept of						

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	200,610	237,000	237,000	24,386,040	237,000	-
1330 Tsfr From Energy, Dept of						
3400 Other Funds Ltd	6,542	-	-	-	-	-
1629 Tsfr From Forestry, Dept of						
3400 Other Funds Ltd	7,802,836	9,586,000	9,586,000	4,689,000	4,689,000	-
1662 Tsfr From Land Use Bd of Applis						
3400 Other Funds Ltd	-	26,267	26,267	27,239	27,239	-
TRANSFERS IN						
3200 Other Funds Non-Ltd	-	130,002,450	130,002,450	130,002,450	130,002,450	-
3400 Other Funds Ltd	8,009,988	13,075,060	13,075,060	32,328,072	8,179,032	-
3430 Other Funds Debt Svc Ltd	1	-	-	-	-	-
TOTAL TRANSFERS IN	\$8,009,989	\$143,077,510	\$143,077,510	\$162,330,522	\$138,181,482	-
REVENUE CATEGORIES						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
3200 Other Funds Non-Ltd	234,158,845	199,976,450	199,976,450	199,976,450	199,976,450	-
3400 Other Funds Ltd	24,116,933	174,127,810	174,645,534	193,898,546	159,748,506	-
3430 Other Funds Debt Svc Ltd	1	-	-	-	-	-
6400 Federal Funds Ltd	201,317	246,505	461,007	461,007	461,007	-
TOTAL REVENUE CATEGORIES	\$258,477,096	\$374,678,993	\$375,429,073	\$395,488,106	\$360,185,963	-
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3400 Other Funds Ltd	(2,849,504)	(137,234,454)	(137,234,454)	(137,434,454)	(137,434,454)	-
2107 Tsfr To Administrative Svcs						

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3430 Other Funds Debt Svc Ltd	(1)	-	-	-	-	-
2581 Tsfr To Education, Dept of						
3200 Other Funds Non-Ltd	(104,949,628)	(110,211,801)	(110,211,801)	(110,211,801)	(110,211,801)	-
2629 Tsfr To Forestry, Dept of						
3400 Other Funds Ltd	(7,921,341)	(9,925,019)	(9,925,019)	(3,266,315)	(3,266,315)	-
2690 Tsfr To Water Resources Dept						
3400 Other Funds Ltd	-	-	-	(157,999)	(67,444)	-
TRANSFERS OUT						
3200 Other Funds Non-Ltd	(104,949,628)	(110,211,801)	(110,211,801)	(110,211,801)	(110,211,801)	-
3400 Other Funds Ltd	(10,770,845)	(147,159,473)	(147,159,473)	(140,858,768)	(140,768,213)	-
3430 Other Funds Debt Svc Ltd	(1)	-	-	-	-	-
TOTAL TRANSFERS OUT	(\$115,720,474)	(\$257,371,274)	(\$257,371,274)	(\$251,070,569)	(\$250,980,014)	-
AVAILABLE REVENUES						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
3200 Other Funds Non-Ltd	1,111,748,260	89,764,649	89,764,649	169,295,049	169,295,049	-
3400 Other Funds Ltd	42,391,212	1,388,024,641	1,388,542,365	1,509,904,393	1,475,844,908	-
6400 Federal Funds Ltd	309,183	246,505	461,007	584,042	584,042	-
TOTAL AVAILABLE REVENUES	\$1,154,448,655	\$1,478,364,023	\$1,479,114,103	\$1,680,935,587	\$1,645,723,999	-
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
8000 General Fund	-	181,272	187,067	93,612	-	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	9,826,620	10,775,436	11,348,220	11,692,176	11,558,458	-
6400 Federal Funds Ltd	86,246	-	-	-	-	-
All Funds	9,912,866	10,956,708	11,535,287	11,785,788	11,558,458	-
3160 Temporary Appointments						
3400 Other Funds Ltd	255,811	23,003	23,003	23,855	23,855	-
6400 Federal Funds Ltd	-	15,633	68,523	-	-	-
All Funds	255,811	38,636	91,526	23,855	23,855	-
3170 Overtime Payments						
3400 Other Funds Ltd	3,642	77,661	77,661	80,536	80,536	-
3180 Shift Differential						
3400 Other Funds Ltd	-	7,973	7,973	8,268	8,268	-
3190 All Other Differential						
3400 Other Funds Ltd	76,898	-	-	-	-	-
SALARIES & WAGES						
8000 General Fund	-	181,272	187,067	93,612	-	-
3400 Other Funds Ltd	10,162,971	10,884,073	11,456,857	11,804,835	11,671,117	-
6400 Federal Funds Ltd	86,246	15,633	68,523	-	-	-
TOTAL SALARIES & WAGES	\$10,249,217	\$11,080,978	\$11,712,447	\$11,898,447	\$11,671,117	-
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
8000 General Fund	-	88	88	56	-	-
3400 Other Funds Ltd	3,284	3,894	3,894	5,076	5,123	-
6400 Federal Funds Ltd	36	-	-	-	-	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
All Funds	3,320	3,982	3,982	5,132	5,123	-
3220 Public Employees' Retire Cont						
8000 General Fund	-	28,623	29,538	17,870	-	-
3400 Other Funds Ltd	1,529,422	1,714,971	1,805,414	2,248,383	2,222,856	-
6400 Federal Funds Ltd	12,208	-	-	-	-	-
All Funds	1,541,630	1,743,594	1,834,952	2,266,253	2,222,856	-
3221 Pension Obligation Bond						
8000 General Fund	-	-	10,666	-	-	-
3400 Other Funds Ltd	671,928	654,943	639,075	661,431	661,431	-
6400 Federal Funds Ltd	5,770	-	-	-	-	-
All Funds	677,698	654,943	649,741	661,431	661,431	-
3230 Social Security Taxes						
8000 General Fund	-	13,867	14,310	7,161	-	-
3400 Other Funds Ltd	778,248	829,592	873,410	901,313	891,083	-
6400 Federal Funds Ltd	6,523	1,196	5,242	-	-	-
All Funds	784,771	844,655	892,962	908,474	891,083	-
3240 Unemployment Assessments						
3400 Other Funds Ltd	2,809	5,997	5,997	6,220	6,220	-
3250 Worker's Comp. Assess. (WCD)						
8000 General Fund	-	138	138	68	-	-
3400 Other Funds Ltd	5,489	6,105	6,105	6,209	6,264	-
6400 Federal Funds Ltd	53	-	-	-	-	-
All Funds	5,542	6,243	6,243	6,277	6,264	-

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Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3260 Mass Transit Tax						
8000 General Fund	-	-	35	-	-	-
3400 Other Funds Ltd	56,481	62,872	66,309	68,488	68,488	-
All Funds	56,481	62,872	66,344	68,488	68,488	-
3270 Flexible Benefits						
8000 General Fund	-	61,056	61,056	33,336	-	-
3400 Other Funds Ltd	2,546,601	2,701,728	2,701,728	3,000,240	3,028,020	-
6400 Federal Funds Ltd	28,922	-	317	-	-	-
All Funds	2,575,523	2,762,784	2,763,101	3,033,576	3,028,020	-
OTHER PAYROLL EXPENSES						
8000 General Fund	-	103,772	115,831	58,491	-	-
3400 Other Funds Ltd	5,594,262	5,980,102	6,101,932	6,897,360	6,889,485	-
6400 Federal Funds Ltd	53,512	1,196	5,559	-	-	-
TOTAL OTHER PAYROLL EXPENSES	\$5,647,774	\$6,085,070	\$6,223,322	\$6,955,851	\$6,889,485	-
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(14,396)	(14,396)	(69,400)	(69,400)	-
3465 Reconciliation Adjustment						
8000 General Fund	-	18,184	18,184	-	-	-
3400 Other Funds Ltd	-	445,212	445,212	-	268,345	-
All Funds	-	463,396	463,396	-	268,345	-
P.S. BUDGET ADJUSTMENTS						
8000 General Fund	-	18,184	18,184	-	-	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	430,816	430,816	(69,400)	198,945	-
TOTAL P.S. BUDGET ADJUSTMENTS	-	\$449,000	\$449,000	(\$69,400)	\$198,945	-
PERSONAL SERVICES						
8000 General Fund	-	303,228	321,082	152,103	-	-
3400 Other Funds Ltd	15,757,233	17,294,991	17,989,605	18,632,795	18,759,547	-
6400 Federal Funds Ltd	139,758	16,829	74,082	-	-	-
TOTAL PERSONAL SERVICES	\$15,896,991	\$17,615,048	\$18,384,769	\$18,784,898	\$18,759,547	-
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	264,852	355,052	355,052	426,451	426,451	-
6400 Federal Funds Ltd	11,782	-	-	-	-	-
All Funds	276,634	355,052	355,052	426,451	426,451	-
4125 Out of State Travel						
3400 Other Funds Ltd	5,239	3,708	3,708	3,845	3,845	-
6400 Federal Funds Ltd	903	-	-	-	-	-
All Funds	6,142	3,708	3,708	3,845	3,845	-
4150 Employee Training						
3400 Other Funds Ltd	86,729	80,013	80,013	82,824	81,672	-
4175 Office Expenses						
3400 Other Funds Ltd	166,458	255,571	255,571	267,009	261,719	-
6400 Federal Funds Ltd	687	-	-	-	-	-
All Funds	167,145	255,571	255,571	267,009	261,719	-
4200 Telecommunications						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	116,496	207,379	207,379	218,617	179,700	-
4225 State Gov. Service Charges						
3400 Other Funds Ltd	864,991	1,016,296	1,016,296	1,162,857	1,106,818	-
4250 Data Processing						
3400 Other Funds Ltd	58,997	104,769	104,769	108,200	108,200	-
4275 Publicity and Publications						
3400 Other Funds Ltd	30,265	88,994	88,994	92,286	92,286	-
4300 Professional Services						
8000 General Fund	-	25,000	25,000	-	-	-
3200 Other Funds Non-Ltd	1,438,891	927,900	927,900	927,900	927,900	-
3400 Other Funds Ltd	1,712,109	6,800,941	6,800,941	4,156,743	4,156,743	-
6400 Federal Funds Ltd	40,900	161,488	318,737	-	-	-
All Funds	3,191,900	7,915,329	8,072,578	5,084,643	5,084,643	-
4315 IT Professional Services						
3400 Other Funds Ltd	261,743	207,666	207,666	216,180	216,180	-
4325 Attorney General						
3400 Other Funds Ltd	2,885,131	2,731,993	2,555,103	6,659,024	6,523,670	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	9,682	18,677	18,677	19,271	19,271	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	17,348	6,625	6,625	6,869	6,869	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	304,771	498,833	498,833	583,150	583,150	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
4450 Fuels and Utilities						
3200 Other Funds Non-Ltd	40,762	180,000	180,000	180,000	180,000	-
3400 Other Funds Ltd	211,046	231,329	231,329	239,888	239,888	-
All Funds	251,808	411,329	411,329	419,888	419,888	-
4475 Facilities Maintenance						
3200 Other Funds Non-Ltd	28,528	-	-	-	-	-
3400 Other Funds Ltd	326,405	378,463	378,463	392,466	392,466	-
All Funds	354,933	378,463	378,463	392,466	392,466	-
4575 Agency Program Related S and S						
3200 Other Funds Non-Ltd	10,078,734	8,407,040	8,407,040	8,407,040	8,407,040	-
3400 Other Funds Ltd	31,732	866	866	100,898	100,898	-
All Funds	10,110,466	8,407,906	8,407,906	8,507,938	8,507,938	-
4650 Other Services and Supplies						
3200 Other Funds Non-Ltd	7,305	207,309	207,309	207,309	207,309	-
3400 Other Funds Ltd	279,263	509,777	509,777	519,444	488,566	-
All Funds	286,568	717,086	717,086	726,753	695,875	-
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	6,730	19,592	19,592	20,317	20,317	-
4715 IT Expendable Property						
3400 Other Funds Ltd	135,807	115,357	115,357	125,570	125,570	-
SERVICES & SUPPLIES						
8000 General Fund	-	25,000	25,000	-	-	-
3200 Other Funds Non-Ltd	11,594,220	9,722,249	9,722,249	9,722,249	9,722,249	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	7,775,794	13,631,901	13,455,011	15,401,909	15,134,279	-
6400 Federal Funds Ltd	54,272	161,488	318,737	-	-	-
TOTAL SERVICES & SUPPLIES	\$19,424,286	\$23,540,638	\$23,520,997	\$25,124,158	\$24,856,528	-
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	5,355	26,216	26,216	27,186	27,186	-
5200 Technical Equipment						
3400 Other Funds Ltd	-	133,250	133,250	-	-	-
5550 Data Processing Software						
3400 Other Funds Ltd	31,543	72,679	72,679	75,368	75,368	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	64,170	989	989	1,025	1,025	-
5650 Land and Improvements						
3200 Other Funds Non-Ltd	-	512,000	512,000	512,000	512,000	-
3400 Other Funds Ltd	253,146	-	-	-	-	-
All Funds	253,146	512,000	512,000	512,000	512,000	-
5900 Other Capital Outlay						
3400 Other Funds Ltd	-	-	-	26,000	26,000	-
CAPITAL OUTLAY						
3200 Other Funds Non-Ltd	-	512,000	512,000	512,000	512,000	-
3400 Other Funds Ltd	354,214	233,134	233,134	129,579	129,579	-
TOTAL CAPITAL OUTLAY	\$354,214	\$745,134	\$745,134	\$641,579	\$641,579	-
SPECIAL PAYMENTS						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
6020 Dist to Counties						
3400 Other Funds Ltd	489	-	-	-	-	-
6030 Dist to Non-Gov Units						
8000 General Fund	-	-	-	1,000,000	-	-
3400 Other Funds Ltd	133	-	-	-	-	-
All Funds	133	-	-	1,000,000	-	-
6085 Other Special Payments						
3400 Other Funds Ltd	15,429	-	-	-	-	-
SPECIAL PAYMENTS						
8000 General Fund	-	-	-	1,000,000	-	-
3400 Other Funds Ltd	16,051	-	-	-	-	-
TOTAL SPECIAL PAYMENTS	\$16,051	-	-	\$1,000,000	-	-
EXPENDITURES						
8000 General Fund	-	328,228	346,082	1,152,103	-	-
3200 Other Funds Non-Ltd	11,594,220	10,234,249	10,234,249	10,234,249	10,234,249	-
3400 Other Funds Ltd	23,903,292	31,160,026	31,677,750	34,164,283	34,023,405	-
6400 Federal Funds Ltd	194,030	178,317	392,819	-	-	-
TOTAL EXPENDITURES	\$35,691,542	\$41,900,820	\$42,650,900	\$45,550,635	\$44,257,654	-
ENDING BALANCE						
3200 Other Funds Non-Ltd	1,100,154,040	79,530,400	79,530,400	159,060,800	159,060,800	-
3400 Other Funds Ltd	18,487,920	1,356,864,615	1,356,864,615	1,475,740,110	1,441,821,503	-
6400 Federal Funds Ltd	115,153	68,188	68,188	584,042	584,042	-
TOTAL ENDING BALANCE	\$1,118,757,113	\$1,436,463,203	\$1,436,463,203	\$1,635,384,952	\$1,601,466,345	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	87	91	91	92	92	-
8180 Position Reconciliation	-	3	3	-	-	-
TOTAL AUTHORIZED POSITIONS	87	94	94	92	92	-
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	87.00	90.50	90.50	91.00	90.84	-
8280 FTE Reconciliation	-	2.00	2.00	-	(0.01)	-
TOTAL AUTHORIZED FTE	87.00	92.50	92.50	91.00	90.83	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Oregon Wetlands Revolving Fund

Cross Reference Number: 14100-013-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	1,023,457	-	-	386,167	386,167	-
REVENUE CATEGORIES						
INTEREST EARNINGS						
0605 Interest Income						
3400 Other Funds Ltd	27,826	170,000	170,000	170,000	170,000	-
OTHER						
0975 Other Revenues						
3400 Other Funds Ltd	560,503	851,596	853,903	853,903	853,903	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	-	1,203,059	1,203,059	1,203,059	1,203,059	-
REVENUE CATEGORIES						
3400 Other Funds Ltd	588,329	2,224,655	2,226,962	2,226,962	2,226,962	-
TOTAL REVENUE CATEGORIES	\$588,329	\$2,224,655	\$2,226,962	\$2,226,962	\$2,226,962	-
TRANSFERS OUT						
2010 Transfer Out - Intrafund						
3400 Other Funds Ltd	-	(17,050)	(17,050)	(17,050)	(17,050)	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	1,611,786	2,207,605	2,209,912	2,596,079	2,596,079	-
TOTAL AVAILABLE REVENUES	\$1,611,786	\$2,207,605	\$2,209,912	\$2,596,079	\$2,596,079	-

EXPENDITURES

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Oregon Wetlands Revolving Fund

Cross Reference Number: 14100-013-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	23,147	60,324	62,331	76,656	76,656	-
3190 All Other Differential						
3400 Other Funds Ltd	549	-	-	-	-	-
SALARIES & WAGES						
3400 Other Funds Ltd	23,696	60,324	62,331	76,656	76,656	-
TOTAL SALARIES & WAGES	\$23,696	\$60,324	\$62,331	\$76,656	\$76,656	-
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	4	22	22	29	29	-
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	1,668	9,525	9,842	14,634	14,634	-
3221 Pension Obligation Bond						
3400 Other Funds Ltd	771	3,733	3,550	4,449	4,449	-
3230 Social Security Taxes						
3400 Other Funds Ltd	893	4,615	4,769	5,864	5,864	-
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	7	34	34	34	34	-
3260 Mass Transit Tax						
3400 Other Funds Ltd	71	362	373	460	460	-
3270 Flexible Benefits						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Oregon Wetlands Revolving Fund

Cross Reference Number: 14100-013-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	3,670	15,264	15,264	16,668	16,668	-
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	7,084	33,555	33,854	42,138	42,138	-
TOTAL OTHER PAYROLL EXPENSES	\$7,084	\$33,555	\$33,854	\$42,138	\$42,138	-
PERSONAL SERVICES						
3400 Other Funds Ltd	30,780	93,879	96,185	118,794	118,794	-
TOTAL PERSONAL SERVICES	\$30,780	\$93,879	\$96,185	\$118,794	\$118,794	-
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	751	10,547	10,547	10,937	10,937	-
4125 Out of State Travel						
3400 Other Funds Ltd	-	2,109	2,109	2,187	2,187	-
4150 Employee Training						
3400 Other Funds Ltd	815	6,328	6,328	6,562	6,562	-
4175 Office Expenses						
3400 Other Funds Ltd	19	3,164	3,164	3,281	3,281	-
4200 Telecommunications						
3400 Other Funds Ltd	467	2,590	2,590	2,686	2,686	-
4250 Data Processing						
3400 Other Funds Ltd	-	1,582	1,582	1,641	1,641	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	-	527	527	546	546	-
4575 Agency Program Related S and S						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Oregon Wetlands Revolving Fund

Cross Reference Number: 14100-013-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	-	596,339	596,339	618,404	618,404	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	-	20,097	20,097	20,841	20,841	-
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	-	1,055	1,055	1,094	1,094	-
4715 IT Expendable Property						
3400 Other Funds Ltd	-	2,109	2,109	2,187	2,187	-
SERVICES & SUPPLIES						
3400 Other Funds Ltd	2,052	646,447	646,447	670,366	670,366	-
TOTAL SERVICES & SUPPLIES	\$2,052	\$646,447	\$646,447	\$670,366	\$670,366	-
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3400 Other Funds Ltd	-	1,080	1,080	1,120	1,120	-
SPECIAL PAYMENTS						
6030 Dist to Non-Gov Units						
3400 Other Funds Ltd	717,668	1,080,033	1,080,033	1,119,994	1,119,994	-
EXPENDITURES						
3400 Other Funds Ltd	750,500	1,821,439	1,823,745	1,910,274	1,910,274	-
TOTAL EXPENDITURES	\$750,500	\$1,821,439	\$1,823,745	\$1,910,274	\$1,910,274	-
ENDING BALANCE						
3400 Other Funds Ltd	861,286	386,166	386,167	685,805	685,805	-
TOTAL ENDING BALANCE	\$861,286	\$386,166	\$386,167	\$685,805	\$685,805	-
AUTHORIZED FTE						

**Budget Support - Detail Revenues and Expenditures
2017-19 Biennium
Oregon Wetlands Revolving Fund**

Cross Reference Number: 14100-013-00-00-00000

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
8250 Class/Unclass FTE Positions	-	0.50	0.50	0.50	0.50	-
TOTAL AUTHORIZED FTE	-	0.50	0.50	0.50	0.50	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Natural Heritage Program

Cross Reference Number: 14100-020-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	6,896	-	-	-	-	-
6400 Federal Funds Ltd	34,589	-	-	-	-	-
All Funds	41,485	-	-	-	-	-
REVENUE CATEGORIES						
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
6400 Federal Funds Ltd	19,709	57,800	57,800	-	-	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	6,896	-	-	-	-	-
6400 Federal Funds Ltd	54,298	57,800	57,800	-	-	-
TOTAL AVAILABLE REVENUES	\$61,194	\$57,800	\$57,800	-	-	-
ENDING BALANCE						
3400 Other Funds Ltd	6,896	-	-	-	-	-
6400 Federal Funds Ltd	54,298	57,800	57,800	-	-	-
TOTAL ENDING BALANCE	\$61,194	\$57,800	\$57,800	-	-	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3400 Other Funds Ltd	80,551	1,133,696	1,133,696	200,000	200,000	-
6400 Federal Funds Ltd	147,716	1,404,281	1,404,281	1,000,000	1,000,000	-
All Funds	228,267	2,537,977	2,537,977	1,200,000	1,200,000	-
REVENUE CATEGORIES						
FEDERAL FUNDS AS OTHER FUNDS						
0355 Federal Revenues						
3400 Other Funds Ltd	428,804	-	-	-	-	-
CHARGES FOR SERVICES						
0410 Charges for Services						
3400 Other Funds Ltd	12,910	-	-	-	-	-
FINES, RENTS AND ROYALTIES						
0510 Rents and Royalties						
3400 Other Funds Ltd	1,740	-	-	-	-	-
SALES INCOME						
0705 Sales Income						
3400 Other Funds Ltd	59,334	-	-	-	-	-
DONATIONS AND CONTRIBUTIONS						
0910 Grants (Non-Fed)						
3400 Other Funds Ltd	10,000	142,027	142,027	142,027	142,027	-
OTHER						
0975 Other Revenues						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	91,016	386,341	428,520	428,520	428,520	-
FEDERAL FUNDS REVENUE						
0995 Federal Funds						
6400 Federal Funds Ltd	2,327,979	2,290,701	2,347,766	2,347,766	2,347,766	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3400 Other Funds Ltd	1,484,552	1,770,785	1,770,785	1,770,785	1,770,785	-
REVENUE CATEGORIES						
3400 Other Funds Ltd	2,088,356	2,299,153	2,341,332	2,341,332	2,341,332	-
6400 Federal Funds Ltd	2,327,979	2,290,701	2,347,766	2,347,766	2,347,766	-
TOTAL REVENUE CATEGORIES	\$4,416,335	\$4,589,854	\$4,689,098	\$4,689,098	\$4,689,098	-
AVAILABLE REVENUES						
3400 Other Funds Ltd	2,168,907	3,432,849	3,475,028	2,541,332	2,541,332	-
6400 Federal Funds Ltd	2,475,695	3,694,982	3,752,047	3,347,766	3,347,766	-
TOTAL AVAILABLE REVENUES	\$4,644,602	\$7,127,831	\$7,227,075	\$5,889,098	\$5,889,098	-
EXPENDITURES						
PERSONAL SERVICES						
SALARIES & WAGES						
3110 Class/Unclass Sal. and Per Diem						
3400 Other Funds Ltd	866,195	960,041	993,744	965,603	965,603	-
6400 Federal Funds Ltd	674,049	786,103	834,048	821,749	821,749	-
All Funds	1,540,244	1,746,144	1,827,792	1,787,352	1,787,352	-
3160 Temporary Appointments						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	125,751	50,282	50,282	52,142	52,142	-
6400 Federal Funds Ltd	40,957	72,606	72,606	75,292	75,292	-
All Funds	166,708	122,888	122,888	127,434	127,434	-
3170 Overtime Payments						
3400 Other Funds Ltd	2,227	-	-	-	-	-
6400 Federal Funds Ltd	499	3,126	3,126	3,242	3,242	-
All Funds	2,726	3,126	3,126	3,242	3,242	-
3180 Shift Differential						
3400 Other Funds Ltd	435	-	-	-	-	-
6400 Federal Funds Ltd	-	8	8	8	8	-
All Funds	435	8	8	8	8	-
3190 All Other Differential						
3400 Other Funds Ltd	18,106	8,034	8,034	8,331	8,331	-
6400 Federal Funds Ltd	1,468	-	-	-	-	-
All Funds	19,574	8,034	8,034	8,331	8,331	-
SALARIES & WAGES						
3400 Other Funds Ltd	1,012,714	1,018,357	1,052,060	1,026,076	1,026,076	-
6400 Federal Funds Ltd	716,973	861,843	909,788	900,291	900,291	-
TOTAL SALARIES & WAGES	\$1,729,687	\$1,880,200	\$1,961,848	\$1,926,367	\$1,926,367	-
OTHER PAYROLL EXPENSES						
3210 Empl. Rel. Bd. Assessments						
3400 Other Funds Ltd	295	358	358	464	464	-
6400 Federal Funds Ltd	277	346	346	448	448	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
All Funds	572	704	704	912	912	-
3220 Public Employees' Retire Cont						
3400 Other Funds Ltd	126,353	152,859	158,181	185,867	185,867	-
6400 Federal Funds Ltd	105,457	124,619	132,190	157,471	157,471	-
All Funds	231,810	277,478	290,371	343,338	343,338	-
3221 Pension Obligation Bond						
3400 Other Funds Ltd	55,590	56,588	56,962	56,525	56,525	-
6400 Federal Funds Ltd	47,089	48,846	46,439	47,881	47,881	-
All Funds	102,679	105,434	103,401	104,406	104,406	-
3230 Social Security Taxes						
3400 Other Funds Ltd	77,304	77,907	80,485	78,331	78,331	-
6400 Federal Funds Ltd	54,438	65,931	69,599	68,656	68,656	-
All Funds	131,742	143,838	150,084	146,987	146,987	-
3240 Unemployment Assessments						
3400 Other Funds Ltd	5,767	5,856	5,856	6,073	6,073	-
3250 Worker's Comp. Assess. (WCD)						
3400 Other Funds Ltd	614	562	562	562	562	-
6400 Federal Funds Ltd	455	542	542	542	542	-
All Funds	1,069	1,104	1,104	1,104	1,104	-
3260 Mass Transit Tax						
3400 Other Funds Ltd	20	4,996	5,198	5,198	5,198	-
3270 Flexible Benefits						
3400 Other Funds Ltd	276,157	248,498	248,498	271,356	271,356	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
6400 Federal Funds Ltd	207,562	239,950	240,238	262,020	262,020	-
All Funds	483,719	488,448	488,736	533,376	533,376	-
OTHER PAYROLL EXPENSES						
3400 Other Funds Ltd	542,100	547,624	556,100	604,376	604,376	-
6400 Federal Funds Ltd	415,278	480,234	489,354	537,018	537,018	-
TOTAL OTHER PAYROLL EXPENSES	\$957,378	\$1,027,858	\$1,045,454	\$1,141,394	\$1,141,394	-
P.S. BUDGET ADJUSTMENTS						
3455 Vacancy Savings						
3400 Other Funds Ltd	-	(592)	(592)	(13,880)	(13,880)	-
PERSONAL SERVICES						
3400 Other Funds Ltd	1,554,814	1,565,389	1,607,568	1,616,572	1,616,572	-
6400 Federal Funds Ltd	1,132,251	1,342,077	1,399,142	1,437,309	1,437,309	-
TOTAL PERSONAL SERVICES	\$2,687,065	\$2,907,466	\$3,006,710	\$3,053,881	\$3,053,881	-
SERVICES & SUPPLIES						
4100 Instate Travel						
3400 Other Funds Ltd	28,616	18,517	18,517	19,202	19,202	-
6400 Federal Funds Ltd	11,456	17,638	17,638	18,291	18,291	-
All Funds	40,072	36,155	36,155	37,493	37,493	-
4125 Out of State Travel						
3400 Other Funds Ltd	6,321	7,409	7,409	7,683	7,683	-
6400 Federal Funds Ltd	12,664	13,055	13,055	13,538	13,538	-
All Funds	18,985	20,464	20,464	21,221	21,221	-
4150 Employee Training						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	20,055	8,700	8,700	9,022	9,022	-
6400 Federal Funds Ltd	10,900	21,330	21,330	22,119	22,119	-
All Funds	30,955	30,030	30,030	31,141	31,141	-
4175 Office Expenses						
3400 Other Funds Ltd	7,001	22,454	22,454	23,285	23,285	-
6400 Federal Funds Ltd	3,107	18,984	18,984	19,686	19,686	-
All Funds	10,108	41,438	41,438	42,971	42,971	-
4200 Telecommunications						
3400 Other Funds Ltd	12,794	15,202	15,202	15,764	15,764	-
6400 Federal Funds Ltd	3,979	8,166	8,166	8,468	8,468	-
All Funds	16,773	23,368	23,368	24,232	24,232	-
4250 Data Processing						
3400 Other Funds Ltd	185	542	542	562	562	-
6400 Federal Funds Ltd	-	10,207	10,207	10,585	10,585	-
All Funds	185	10,749	10,749	11,147	11,147	-
4275 Publicity and Publications						
3400 Other Funds Ltd	1,548	503	503	522	522	-
6400 Federal Funds Ltd	179	1,492	1,492	1,547	1,547	-
All Funds	1,727	1,995	1,995	2,069	2,069	-
4300 Professional Services						
3400 Other Funds Ltd	126,700	113,951	113,951	118,623	118,623	-
6400 Federal Funds Ltd	144,276	72,984	72,984	75,976	75,976	-
All Funds	270,976	186,935	186,935	194,599	194,599	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
4315 IT Professional Services						
3400 Other Funds Ltd	115	-	-	-	-	-
6400 Federal Funds Ltd	294	-	-	-	-	-
All Funds	409	-	-	-	-	-
4325 Attorney General						
3400 Other Funds Ltd	1,606	5,450	5,450	6,166	6,166	-
4375 Employee Recruitment and Develop						
3400 Other Funds Ltd	29,687	2,508	2,508	2,601	2,601	-
6400 Federal Funds Ltd	149	5,909	5,909	6,128	6,128	-
All Funds	29,836	8,417	8,417	8,729	8,729	-
4400 Dues and Subscriptions						
3400 Other Funds Ltd	640	12	12	12	12	-
6400 Federal Funds Ltd	-	834	834	865	865	-
All Funds	640	846	846	877	877	-
4425 Facilities Rental and Taxes						
3400 Other Funds Ltd	932	46	46	49	49	-
6400 Federal Funds Ltd	58	-	-	-	-	-
All Funds	990	46	46	49	49	-
4450 Fuels and Utilities						
3400 Other Funds Ltd	14,639	7,972	7,972	8,267	8,267	-
6400 Federal Funds Ltd	3,414	25,552	25,552	26,497	26,497	-
All Funds	18,053	33,524	33,524	34,764	34,764	-
4475 Facilities Maintenance						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	38,790	27,760	27,760	28,787	28,787	-
6400 Federal Funds Ltd	8,439	30,467	30,467	31,594	31,594	-
All Funds	47,229	58,227	58,227	60,381	60,381	-
4575 Agency Program Related S and S						
6400 Federal Funds Ltd	-	5,462	5,462	5,664	5,664	-
4650 Other Services and Supplies						
3400 Other Funds Ltd	78,448	57,793	57,793	59,931	59,931	-
6400 Federal Funds Ltd	40,183	11,177	11,177	11,591	11,591	-
All Funds	118,631	68,970	68,970	71,522	71,522	-
4700 Expendable Prop 250 - 5000						
3400 Other Funds Ltd	7,193	3,486	3,486	3,615	3,615	-
6400 Federal Funds Ltd	-	21,489	21,489	22,284	22,284	-
All Funds	7,193	24,975	24,975	25,899	25,899	-
4715 IT Expendable Property						
3400 Other Funds Ltd	30,690	47,661	47,661	49,424	49,424	-
6400 Federal Funds Ltd	1,432	1,464	1,464	1,518	1,518	-
All Funds	32,122	49,125	49,125	50,942	50,942	-
SERVICES & SUPPLIES						
3400 Other Funds Ltd	405,960	339,966	339,966	353,515	353,515	-
6400 Federal Funds Ltd	240,530	266,210	266,210	276,351	276,351	-
TOTAL SERVICES & SUPPLIES	\$646,490	\$606,176	\$606,176	\$629,866	\$629,866	-

CAPITAL OUTLAY

5150 Telecommunications Equipment

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3400 Other Funds Ltd	14,921	-	-	-	-	-
5200 Technical Equipment						
3400 Other Funds Ltd	6,740	40,034	40,034	41,515	41,515	-
6400 Federal Funds Ltd	-	9,313	9,313	9,658	9,658	-
All Funds	6,740	49,347	49,347	51,173	51,173	-
5600 Data Processing Hardware						
3400 Other Funds Ltd	-	16,741	16,741	17,360	17,360	-
5900 Other Capital Outlay						
3400 Other Funds Ltd	186,472	-	-	-	-	-
6400 Federal Funds Ltd	908,361	-	-	-	-	-
All Funds	1,094,833	-	-	-	-	-
CAPITAL OUTLAY						
3400 Other Funds Ltd	208,133	56,775	56,775	58,875	58,875	-
6400 Federal Funds Ltd	908,361	9,313	9,313	9,658	9,658	-
TOTAL CAPITAL OUTLAY	\$1,116,494	\$66,088	\$66,088	\$68,533	\$68,533	-
EXPENDITURES						
3400 Other Funds Ltd	2,168,907	1,962,130	2,004,309	2,028,962	2,028,962	-
6400 Federal Funds Ltd	2,281,142	1,617,600	1,674,665	1,723,318	1,723,318	-
TOTAL EXPENDITURES	\$4,450,049	\$3,579,730	\$3,678,974	\$3,752,280	\$3,752,280	-
ENDING BALANCE						
3400 Other Funds Ltd	-	1,470,719	1,470,719	512,370	512,370	-
6400 Federal Funds Ltd	194,553	2,077,382	2,077,382	1,624,448	1,624,448	-
TOTAL ENDING BALANCE	\$194,553	\$3,548,101	\$3,548,101	\$2,136,818	\$2,136,818	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000

<i>Description</i>	<i>2013-15 Actuals</i>	<i>2015-17 Leg Adopted Budget</i>	<i>2015-17 Leg Approved Budget</i>	<i>2017-19 Agency Request Budget</i>	<i>2017-19 Governor's Budget</i>	<i>2017-19 Leg Adopted Budget</i>
AUTHORIZED POSITIONS						
8150 Class/Unclass Positions	16	16	16	16	16	-
TOTAL AUTHORIZED POSITIONS	16	16	16	16	16	-
AUTHORIZED FTE						
8250 Class/Unclass FTE Positions	16.00	16.00	16.00	16.00	16.00	-
TOTAL AUTHORIZED FTE	16.00	16.00	16.00	16.00	16.00	-

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Capital Improvements

Cross Reference Number: 14100-088-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
BEGINNING BALANCE						
0025 Beginning Balance						
3010 Other Funds Cap Improvement	-	-	-	325,000	325,000	-
REVENUE CATEGORIES						
OTHER						
0975 Other Revenues						
3010 Other Funds Cap Improvement	-	-	262,809	262,809	262,809	-
TRANSFERS IN						
1010 Transfer In - Intrafund						
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,049,417	1,249,417	1,249,417	-
REVENUE CATEGORIES						
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,312,226	1,512,226	1,512,226	-
TOTAL REVENUE CATEGORIES	\$1,364,952	\$1,049,417	\$1,312,226	\$1,512,226	\$1,512,226	-
AVAILABLE REVENUES						
3010 Other Funds Cap Improvement	1,364,952	1,049,417	1,312,226	1,837,226	1,837,226	-
TOTAL AVAILABLE REVENUES	\$1,364,952	\$1,049,417	\$1,312,226	\$1,837,226	\$1,837,226	-
EXPENDITURES						
SERVICES & SUPPLIES						
4100 Instate Travel						
3010 Other Funds Cap Improvement	511	-	-	-	-	-
4175 Office Expenses						
3010 Other Funds Cap Improvement	131	-	-	-	-	-
4300 Professional Services						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Capital Improvements

Cross Reference Number: 14100-088-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3010 Other Funds Cap Improvement	702,162	-	85,919	-	-	-
4325 Attorney General						
3010 Other Funds Cap Improvement	6,122	-	-	-	-	-
3400 Other Funds Ltd	-	(176,890)	-	-	-	-
All Funds	6,122	(176,890)	-	-	-	-
4475 Facilities Maintenance						
3010 Other Funds Cap Improvement	42,086	303,250	303,250	314,470	314,470	-
4575 Agency Program Related S and S						
3010 Other Funds Cap Improvement	261,022	-	-	-	-	-
4650 Other Services and Supplies						
3010 Other Funds Cap Improvement	22,364	-	-	-	-	-
4700 Expendable Prop 250 - 5000						
3010 Other Funds Cap Improvement	11,500	-	-	-	-	-
SERVICES & SUPPLIES						
3010 Other Funds Cap Improvement	1,045,898	303,250	389,169	314,470	314,470	-
3400 Other Funds Ltd	-	(176,890)	-	-	-	-
TOTAL SERVICES & SUPPLIES	\$1,045,898	\$126,360	\$389,169	\$314,470	\$314,470	-
CAPITAL OUTLAY						
5100 Office Furniture and Fixtures						
3010 Other Funds Cap Improvement	272,384	-	-	-	-	-
5650 Land and Improvements						
3010 Other Funds Cap Improvement	46,670	455,000	455,000	-	-	-
5700 Building Structures						

Budget Support - Detail Revenues and Expenditures
 2017-19 Biennium
 Capital Improvements

Cross Reference Number: 14100-088-00-00-00000

Description	2013-15 Actuals	2015-17 Leg Adopted Budget	2015-17 Leg Approved Budget	2017-19 Agency Request Budget	2017-19 Governor's Budget	2017-19 Leg Adopted Budget
3010 Other Funds Cap Improvement	-	-	-	200,000	200,000	-
5800 Professional Services						
3010 Other Funds Cap Improvement	-	268,000	268,000	-	-	-
CAPITAL OUTLAY						
3010 Other Funds Cap Improvement	319,054	723,000	723,000	200,000	200,000	-
TOTAL CAPITAL OUTLAY	\$319,054	\$723,000	\$723,000	\$200,000	\$200,000	-
EXPENDITURES						
3010 Other Funds Cap Improvement	1,364,952	1,026,250	1,112,169	514,470	514,470	-
3400 Other Funds Ltd	-	(176,890)	-	-	-	-
TOTAL EXPENDITURES	\$1,364,952	\$849,360	\$1,112,169	\$514,470	\$514,470	-
ENDING BALANCE						
3010 Other Funds Cap Improvement	-	23,167	200,057	1,322,756	1,322,756	-
3400 Other Funds Ltd	-	176,890	-	-	-	-
TOTAL ENDING BALANCE	-	\$200,057	\$200,057	\$1,322,756	\$1,322,756	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3200 Other Funds Non-Ltd	79,530,400	79,530,400	0	-
3400 Other Funds Ltd	1,456,864,615	1,456,864,615	0	-
6400 Federal Funds Ltd	123,035	123,035	0	-
All Funds	1,536,518,050	1,536,518,050	0	-
REVENUE CATEGORIES				
GENERAL FUND APPROPRIATION				
0050 General Fund Appropriation				
8000 General Fund	35,701	35,701	0	-
LICENSES AND FEES				
0210 Non-business Lic. and Fees				
3400 Other Funds Ltd	800,000	800,000	0	-
CHARGES FOR SERVICES				
0410 Charges for Services				
3400 Other Funds Ltd	273,750	273,750	0	-
0415 Admin and Service Charges				
3400 Other Funds Ltd	130,000	130,000	0	-
TOTAL CHARGES FOR SERVICES				
3400 Other Funds Ltd	403,750	403,750	0	-
FINES, RENTS AND ROYALTIES				
0505 Fines and Forfeitures				
3400 Other Funds Ltd	190,000	190,000	0	-
0510 Rents and Royalties				

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	9,500,000	9,500,000	0	-
TOTAL FINES, RENTS AND ROYALTIES				
3400 Other Funds Ltd	9,690,000	9,690,000	0	-
INTEREST EARNINGS				
0605 Interest Income				
3400 Other Funds Ltd	150,001,000	140,000,000	(10,001,000)	-6.67%
SALES INCOME				
0705 Sales Income				
3400 Other Funds Ltd	120,000	120,000	0	-
DONATIONS AND CONTRIBUTIONS				
0905 Donations				
3400 Other Funds Ltd	12,000	12,000	0	-
OTHER				
0975 Other Revenues				
3200 Other Funds Non-Ltd	69,974,000	69,974,000	0	-
3400 Other Funds Ltd	543,724	543,724	0	-
All Funds	70,517,724	70,517,724	0	-
FEDERAL FUNDS REVENUE				
0995 Federal Funds				
6400 Federal Funds Ltd	461,007	461,007	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3200 Other Funds Non-Ltd	130,002,450	130,002,450	0	-
3400 Other Funds Ltd	3,225,793	3,225,793	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
All Funds	133,228,243	133,228,243	0	-
1150 Tsfr From Revenue, Dept of				
3400 Other Funds Ltd	24,386,040	237,000	(24,149,040)	-99.03%
1629 Tsfr From Forestry, Dept of				
3400 Other Funds Ltd	4,689,000	4,689,000	0	-
1662 Tsfr From Land Use Bd of Appls				
3400 Other Funds Ltd	27,239	27,239	0	-
TOTAL TRANSFERS IN				
3200 Other Funds Non-Ltd	130,002,450	130,002,450	0	-
3400 Other Funds Ltd	32,328,072	8,179,032	(24,149,040)	-74.70%
TOTAL TRANSFERS IN	\$162,330,522	\$138,181,482	(\$24,149,040)	-14.88%
TOTAL REVENUES				
8000 General Fund	35,701	35,701	0	-
3200 Other Funds Non-Ltd	199,976,450	199,976,450	0	-
3400 Other Funds Ltd	193,898,546	159,748,506	(34,150,040)	-17.61%
6400 Federal Funds Ltd	461,007	461,007	0	-
TOTAL REVENUES	\$394,371,704	\$360,221,664	(\$34,150,040)	-8.66%
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(137,434,454)	(137,434,454)	0	-
2581 Tsfr To Education, Dept of				
3200 Other Funds Non-Ltd	(110,211,801)	(110,211,801)	0	-
2629 Tsfr To Forestry, Dept of				
3400 Other Funds Ltd	(3,266,315)	(3,266,315)	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL TRANSFERS OUT				
3200 Other Funds Non-Ltd	(110,211,801)	(110,211,801)	0	-
3400 Other Funds Ltd	(140,700,769)	(140,700,769)	0	-
TOTAL TRANSFERS OUT	(\$250,912,570)	(\$250,912,570)	0	-
AVAILABLE REVENUES				
8000 General Fund	35,701	35,701	0	-
3200 Other Funds Non-Ltd	169,295,049	169,295,049	0	-
3400 Other Funds Ltd	1,510,062,392	1,475,912,352	(34,150,040)	-2.26%
6400 Federal Funds Ltd	584,042	584,042	0	-
TOTAL AVAILABLE REVENUES	\$1,679,977,184	\$1,645,827,144	(\$34,150,040)	-2.03%
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	11,307,792	11,096,064	(211,728)	-1.87%
3160 Temporary Appointments				
3400 Other Funds Ltd	23,003	23,003	0	-
6400 Federal Funds Ltd	68,523	68,523	0	-
All Funds	91,526	91,526	0	-
3170 Overtime Payments				
3400 Other Funds Ltd	77,661	77,661	0	-
3180 Shift Differential				
3400 Other Funds Ltd	7,973	7,973	0	-
TOTAL SALARIES & WAGES				

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	11,416,429	11,204,701	(211,728)	-1.85%
6400 Federal Funds Ltd	68,523	68,523	0	-
TOTAL SALARIES & WAGES	\$11,484,952	\$11,273,224	(\$211,728)	-1.84%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	4,875	4,876	1	0.02%
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	2,175,003	2,134,584	(40,419)	-1.86%
3221 Pension Obligation Bond				
8000 General Fund	10,666	10,666	0	-
3400 Other Funds Ltd	639,075	639,075	0	-
All Funds	649,741	649,741	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	871,908	855,710	(16,198)	-1.86%
6400 Federal Funds Ltd	5,242	5,242	0	-
All Funds	877,150	860,952	(16,198)	-1.85%
3240 Unemployment Assessments				
3400 Other Funds Ltd	5,997	5,997	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	5,967	5,966	(1)	-0.02%
3260 Mass Transit Tax				
8000 General Fund	35	35	0	-
3400 Other Funds Ltd	66,309	66,309	0	-
All Funds	66,344	66,344	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3270 Flexible Benefits				
3400 Other Funds Ltd	2,883,564	2,883,564	0	-
TOTAL OTHER PAYROLL EXPENSES				
8000 General Fund	10,701	10,701	0	-
3400 Other Funds Ltd	6,652,698	6,596,081	(56,617)	-0.85%
6400 Federal Funds Ltd	5,242	5,242	0	-
TOTAL OTHER PAYROLL EXPENSES	\$6,668,641	\$6,612,024	(\$56,617)	-0.85%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(14,396)	(14,396)	0	-
3465 Reconciliation Adjustment				
3400 Other Funds Ltd	-	268,345	268,345	100.00%
TOTAL P.S. BUDGET ADJUSTMENTS				
3400 Other Funds Ltd	(14,396)	253,949	268,345	1,864.02%
TOTAL PERSONAL SERVICES				
8000 General Fund	10,701	10,701	0	-
3400 Other Funds Ltd	18,054,731	18,054,731	0	-
6400 Federal Funds Ltd	73,765	73,765	0	-
TOTAL PERSONAL SERVICES	\$18,139,197	\$18,139,197	0	-
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	355,052	355,052	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	3,708	3,708	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4150 Employee Training				
3400 Other Funds Ltd	75,985	75,985	0	-
4175 Office Expenses				
3400 Other Funds Ltd	255,571	255,571	0	-
4200 Telecommunications				
3400 Other Funds Ltd	207,379	207,379	0	-
4225 State Gov. Service Charges				
3400 Other Funds Ltd	1,054,502	1,054,502	0	-
4250 Data Processing				
3400 Other Funds Ltd	92,729	92,729	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	88,994	88,994	0	-
4300 Professional Services				
8000 General Fund	25,000	25,000	0	-
3200 Other Funds Non-Ltd	927,900	927,900	0	-
3400 Other Funds Ltd	6,800,941	6,800,941	0	-
6400 Federal Funds Ltd	318,737	318,737	0	-
All Funds	8,072,578	8,072,578	0	-
4315 IT Professional Services				
3400 Other Funds Ltd	207,666	207,666	0	-
4325 Attorney General				
3400 Other Funds Ltd	2,555,103	2,555,103	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	16,032	16,032	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4400 Dues and Subscriptions				
3400 Other Funds Ltd	6,625	6,625	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	498,833	498,833	0	-
4450 Fuels and Utilities				
3200 Other Funds Non-Ltd	180,000	180,000	0	-
3400 Other Funds Ltd	231,329	231,329	0	-
All Funds	411,329	411,329	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	378,463	378,463	0	-
4575 Agency Program Related S and S				
3200 Other Funds Non-Ltd	8,407,040	8,407,040	0	-
3400 Other Funds Ltd	866	866	0	-
All Funds	8,407,906	8,407,906	0	-
4650 Other Services and Supplies				
3200 Other Funds Non-Ltd	207,309	207,309	0	-
3400 Other Funds Ltd	490,284	490,284	0	-
All Funds	697,593	697,593	0	-
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	19,592	19,592	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	115,357	115,357	0	-
TOTAL SERVICES & SUPPLIES				
8000 General Fund	25,000	25,000	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3200 Other Funds Non-Ltd	9,722,249	9,722,249	0	-
3400 Other Funds Ltd	13,455,011	13,455,011	0	-
6400 Federal Funds Ltd	318,737	318,737	0	-
TOTAL SERVICES & SUPPLIES	\$23,520,997	\$23,520,997	0	-
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	26,216	26,216	0	-
5200 Technical Equipment				
3400 Other Funds Ltd	133,250	133,250	0	-
5550 Data Processing Software				
3400 Other Funds Ltd	72,679	72,679	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	989	989	0	-
5650 Land and Improvements				
3200 Other Funds Non-Ltd	512,000	512,000	0	-
TOTAL CAPITAL OUTLAY				
3200 Other Funds Non-Ltd	512,000	512,000	0	-
3400 Other Funds Ltd	233,134	233,134	0	-
TOTAL CAPITAL OUTLAY	\$745,134	\$745,134	0	-
TOTAL EXPENDITURES				
8000 General Fund	35,701	35,701	0	-
3200 Other Funds Non-Ltd	10,234,249	10,234,249	0	-
3400 Other Funds Ltd	31,742,876	31,742,876	0	-
6400 Federal Funds Ltd	392,502	392,502	0	-

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 2017-19 Biennium
 Common School Fund

Cross Reference Number:14100-010-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	\$42,405,328	\$42,405,328	0	-
ENDING BALANCE				
3200 Other Funds Non-Ltd	159,060,800	159,060,800	0	-
3400 Other Funds Ltd	1,478,319,516	1,444,169,476	(34,150,040)	-2.31%
6400 Federal Funds Ltd	191,540	191,540	0	-
TOTAL ENDING BALANCE	\$1,637,571,856	\$1,603,421,816	(\$34,150,040)	-2.09%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	87	87	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	86.50	86.50	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3400 Other Funds Ltd	386,167	386,167	0	-
REVENUE CATEGORIES				
INTEREST EARNINGS				
0605 Interest Income				
3400 Other Funds Ltd	170,000	170,000	0	-
OTHER				
0975 Other Revenues				
3400 Other Funds Ltd	853,903	853,903	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	1,203,059	1,203,059	0	-
TOTAL REVENUES				
3400 Other Funds Ltd	2,226,962	2,226,962	0	-
TRANSFERS OUT				
2010 Transfer Out - Intrafund				
3400 Other Funds Ltd	(17,050)	(17,050)	0	-
AVAILABLE REVENUES				
3400 Other Funds Ltd	2,596,079	2,596,079	0	-
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	76,656	76,656	0	-
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	29	29	0	-
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	14,634	14,634	0	-
3221 Pension Obligation Bond				
3400 Other Funds Ltd	3,550	3,550	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	5,864	5,864	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	34	34	0	-
3260 Mass Transit Tax				
3400 Other Funds Ltd	373	373	0	-
3270 Flexible Benefits				
3400 Other Funds Ltd	16,668	16,668	0	-
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	41,152	41,152	0	-
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	117,808	117,808	0	-
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	10,547	10,547	0	-
4125 Out of State Travel				

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,109	2,109	0	-
4150 Employee Training				
3400 Other Funds Ltd	6,328	6,328	0	-
4175 Office Expenses				
3400 Other Funds Ltd	3,164	3,164	0	-
4200 Telecommunications				
3400 Other Funds Ltd	2,590	2,590	0	-
4250 Data Processing				
3400 Other Funds Ltd	1,582	1,582	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	527	527	0	-
4575 Agency Program Related S and S				
3400 Other Funds Ltd	596,339	596,339	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	20,097	20,097	0	-
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	1,055	1,055	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	2,109	2,109	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	646,447	646,447	0	-
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	1,080	1,080	0	-

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 Oregon Wetlands Revolving Fund

Cross Reference Number:14100-013-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
SPECIAL PAYMENTS				
6030 Dist to Non-Gov Units				
3400 Other Funds Ltd	1,080,033	1,080,033	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	1,845,368	1,845,368	0	-
ENDING BALANCE				
3400 Other Funds Ltd	750,711	750,711	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	0.50	0.50	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3400 Other Funds Ltd	200,000	200,000	0	-
6400 Federal Funds Ltd	1,000,000	1,000,000	0	-
All Funds	1,200,000	1,200,000	0	-
REVENUE CATEGORIES				
DONATIONS AND CONTRIBUTIONS				
0910 Grants (Non-Fed)				
3400 Other Funds Ltd	142,027	142,027	0	-
OTHER				
0975 Other Revenues				
3400 Other Funds Ltd	428,520	428,520	0	-
FEDERAL FUNDS REVENUE				
0995 Federal Funds				
6400 Federal Funds Ltd	2,347,766	2,347,766	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3400 Other Funds Ltd	1,770,785	1,770,785	0	-
TOTAL REVENUES				
3400 Other Funds Ltd	2,341,332	2,341,332	0	-
6400 Federal Funds Ltd	2,347,766	2,347,766	0	-
TOTAL REVENUES	\$4,689,098	\$4,689,098	0	-

AVAILABLE REVENUES				
3400 Other Funds Ltd	2,541,332	2,541,332	0	-

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 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number:14100-030-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
6400 Federal Funds Ltd	3,347,766	3,347,766	0	-
TOTAL AVAILABLE REVENUES	\$5,889,098	\$5,889,098	0	-
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	965,603	965,603	0	-
6400 Federal Funds Ltd	821,749	821,749	0	-
All Funds	1,787,352	1,787,352	0	-
3160 Temporary Appointments				
3400 Other Funds Ltd	50,282	50,282	0	-
6400 Federal Funds Ltd	72,606	72,606	0	-
All Funds	122,888	122,888	0	-
3170 Overtime Payments				
6400 Federal Funds Ltd	3,126	3,126	0	-
3180 Shift Differential				
6400 Federal Funds Ltd	8	8	0	-
3190 All Other Differential				
3400 Other Funds Ltd	8,034	8,034	0	-
TOTAL SALARIES & WAGES				
3400 Other Funds Ltd	1,023,919	1,023,919	0	-
6400 Federal Funds Ltd	897,489	897,489	0	-
TOTAL SALARIES & WAGES	\$1,921,408	\$1,921,408	0	-
OTHER PAYROLL EXPENSES				

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	464	464	0	-
6400 Federal Funds Ltd	448	448	0	-
All Funds	912	912	0	-
3220 Public Employees' Retire Cont				
3400 Other Funds Ltd	185,867	185,867	0	-
6400 Federal Funds Ltd	157,471	157,471	0	-
All Funds	343,338	343,338	0	-
3221 Pension Obligation Bond				
3400 Other Funds Ltd	56,962	56,962	0	-
6400 Federal Funds Ltd	46,439	46,439	0	-
All Funds	103,401	103,401	0	-
3230 Social Security Taxes				
3400 Other Funds Ltd	78,331	78,331	0	-
6400 Federal Funds Ltd	68,656	68,656	0	-
All Funds	146,987	146,987	0	-
3240 Unemployment Assessments				
3400 Other Funds Ltd	5,856	5,856	0	-
3250 Worker's Comp. Assess. (WCD)				
3400 Other Funds Ltd	562	562	0	-
6400 Federal Funds Ltd	542	542	0	-
All Funds	1,104	1,104	0	-
3260 Mass Transit Tax				
3400 Other Funds Ltd	5,198	5,198	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3270 Flexible Benefits				
3400 Other Funds Ltd	271,356	271,356	0	-
6400 Federal Funds Ltd	262,020	262,020	0	-
All Funds	533,376	533,376	0	-
TOTAL OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	604,596	604,596	0	-
6400 Federal Funds Ltd	535,576	535,576	0	-
TOTAL OTHER PAYROLL EXPENSES	\$1,140,172	\$1,140,172	0	-
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(592)	(592)	0	-
TOTAL PERSONAL SERVICES				
3400 Other Funds Ltd	1,627,923	1,627,923	0	-
6400 Federal Funds Ltd	1,433,065	1,433,065	0	-
TOTAL PERSONAL SERVICES	\$3,060,988	\$3,060,988	0	-
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	18,517	18,517	0	-
6400 Federal Funds Ltd	17,638	17,638	0	-
All Funds	36,155	36,155	0	-
4125 Out of State Travel				
3400 Other Funds Ltd	7,409	7,409	0	-
6400 Federal Funds Ltd	13,055	13,055	0	-
All Funds	20,464	20,464	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4150 Employee Training				
3400 Other Funds Ltd	8,700	8,700	0	-
6400 Federal Funds Ltd	21,330	21,330	0	-
All Funds	30,030	30,030	0	-
4175 Office Expenses				
3400 Other Funds Ltd	22,454	22,454	0	-
6400 Federal Funds Ltd	18,984	18,984	0	-
All Funds	41,438	41,438	0	-
4200 Telecommunications				
3400 Other Funds Ltd	15,202	15,202	0	-
6400 Federal Funds Ltd	8,166	8,166	0	-
All Funds	23,368	23,368	0	-
4250 Data Processing				
3400 Other Funds Ltd	542	542	0	-
6400 Federal Funds Ltd	10,207	10,207	0	-
All Funds	10,749	10,749	0	-
4275 Publicity and Publications				
3400 Other Funds Ltd	503	503	0	-
6400 Federal Funds Ltd	1,492	1,492	0	-
All Funds	1,995	1,995	0	-
4300 Professional Services				
3400 Other Funds Ltd	113,951	113,951	0	-
6400 Federal Funds Ltd	72,984	72,984	0	-
All Funds	186,935	186,935	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4325 Attorney General				
3400 Other Funds Ltd	5,450	5,450	0	-
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	2,508	2,508	0	-
6400 Federal Funds Ltd	5,909	5,909	0	-
All Funds	8,417	8,417	0	-
4400 Dues and Subscriptions				
3400 Other Funds Ltd	12	12	0	-
6400 Federal Funds Ltd	834	834	0	-
All Funds	846	846	0	-
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	46	46	0	-
4450 Fuels and Utilities				
3400 Other Funds Ltd	7,972	7,972	0	-
6400 Federal Funds Ltd	25,552	25,552	0	-
All Funds	33,524	33,524	0	-
4475 Facilities Maintenance				
3400 Other Funds Ltd	27,760	27,760	0	-
6400 Federal Funds Ltd	30,467	30,467	0	-
All Funds	58,227	58,227	0	-
4575 Agency Program Related S and S				
6400 Federal Funds Ltd	5,462	5,462	0	-
4650 Other Services and Supplies				
3400 Other Funds Ltd	57,793	57,793	0	-

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 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number:14100-030-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
6400 Federal Funds Ltd	11,177	11,177	0	-
All Funds	68,970	68,970	0	-
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	3,486	3,486	0	-
6400 Federal Funds Ltd	21,489	21,489	0	-
All Funds	24,975	24,975	0	-
4715 IT Expendable Property				
3400 Other Funds Ltd	47,661	47,661	0	-
6400 Federal Funds Ltd	1,464	1,464	0	-
All Funds	49,125	49,125	0	-
TOTAL SERVICES & SUPPLIES				
3400 Other Funds Ltd	339,966	339,966	0	-
6400 Federal Funds Ltd	266,210	266,210	0	-
TOTAL SERVICES & SUPPLIES	\$606,176	\$606,176	0	-
CAPITAL OUTLAY				
5200 Technical Equipment				
3400 Other Funds Ltd	40,034	40,034	0	-
6400 Federal Funds Ltd	9,313	9,313	0	-
All Funds	49,347	49,347	0	-
5600 Data Processing Hardware				
3400 Other Funds Ltd	16,741	16,741	0	-
TOTAL CAPITAL OUTLAY				
3400 Other Funds Ltd	56,775	56,775	0	-
6400 Federal Funds Ltd	9,313	9,313	0	-

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL CAPITAL OUTLAY	\$66,088	\$66,088	0	-
TOTAL EXPENDITURES				
3400 Other Funds Ltd	2,024,664	2,024,664	0	-
6400 Federal Funds Ltd	1,708,588	1,708,588	0	-
TOTAL EXPENDITURES	\$3,733,252	\$3,733,252	0	-
ENDING BALANCE				
3400 Other Funds Ltd	516,668	516,668	0	-
6400 Federal Funds Ltd	1,639,178	1,639,178	0	-
TOTAL ENDING BALANCE	\$2,155,846	\$2,155,846	0	-
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	16	16	0	-
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	16.00	16.00	0	-

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 2017-19 Biennium
 Capital Improvements

Cross Reference Number:14100-088-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
BEGINNING BALANCE				
0025 Beginning Balance				
3010 Other Funds Cap Improvement	325,000	325,000	0	-
REVENUE CATEGORIES				
OTHER				
0975 Other Revenues				
3010 Other Funds Cap Improvement	262,809	262,809	0	-
TRANSFERS IN				
1010 Transfer In - Intrafund				
3010 Other Funds Cap Improvement	1,049,417	1,049,417	0	-
TOTAL REVENUES				
3010 Other Funds Cap Improvement	1,312,226	1,312,226	0	-
AVAILABLE REVENUES				
3010 Other Funds Cap Improvement	1,637,226	1,637,226	0	-
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3010 Other Funds Cap Improvement	85,919	85,919	0	-
4475 Facilities Maintenance				
3010 Other Funds Cap Improvement	303,250	303,250	0	-
TOTAL SERVICES & SUPPLIES				
3010 Other Funds Cap Improvement	389,169	389,169	0	-
CAPITAL OUTLAY				
5650 Land and Improvements				

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 Capital Improvements

Cross Reference Number:14100-088-00-00-00000

Description	Agency Request Budget (V-01) 2017-19 Base Budget	Governor's Budget (Y-01) 2017-19 Base Budget	Column 2 minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3010 Other Funds Cap Improvement	455,000	455,000	0	-
5800 Professional Services				
3010 Other Funds Cap Improvement	268,000	268,000	0	-
TOTAL CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	723,000	723,000	0	-
TOTAL EXPENDITURES				
3010 Other Funds Cap Improvement	1,112,169	1,112,169	0	-
ENDING BALANCE				
3010 Other Funds Cap Improvement	525,057	525,057	0	-

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
GENERAL FUND APPROPRIATION				
0050 General Fund Appropriation				
8000 General Fund	(10,701)	(10,701)	0	0.00%
AVAILABLE REVENUES				
8000 General Fund	(10,701)	(10,701)	0	0.00%
TOTAL AVAILABLE REVENUES	(\$10,701)	(\$10,701)	\$0	0.00%
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3160 Temporary Appointments				
3400 Other Funds Ltd	852	852	0	0.00%
3170 Overtime Payments				
3400 Other Funds Ltd	2,875	2,875	0	0.00%
3180 Shift Differential				
3400 Other Funds Ltd	295	295	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	4,022	4,022	0	0.00%
TOTAL SALARIES & WAGES	\$4,022	\$4,022	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
OTHER PAYROLL EXPENSES				
3221 Pension Obligation Bond				
8000 General Fund	(10,666)	(10,666)	0	0.00%
3400 Other Funds Ltd	22,356	22,356	0	0.00%
All Funds	11,690	11,690	0	0.00%
3240 Unemployment Assessments				
3400 Other Funds Ltd	223	223	0	0.00%
3260 Mass Transit Tax				
8000 General Fund	(35)	(35)	0	0.00%
3400 Other Funds Ltd	2,179	2,179	0	0.00%
All Funds	2,144	2,144	0	0.00%
OTHER PAYROLL EXPENSES				
8000 General Fund	(10,701)	(10,701)	0	0.00%
3400 Other Funds Ltd	24,758	24,758	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$14,057	\$14,057	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(55,004)	(55,004)	0	0.00%
PERSONAL SERVICES				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8000 General Fund	(10,701)	(10,701)	0	0.00%
3400 Other Funds Ltd	(26,224)	(26,224)	0	0.00%
TOTAL PERSONAL SERVICES	(\$36,925)	(\$36,925)	\$0	0.00%
EXPENDITURES				
8000 General Fund	(10,701)	(10,701)	0	0.00%
3400 Other Funds Ltd	(26,224)	(26,224)	0	0.00%
TOTAL EXPENDITURES	(\$36,925)	(\$36,925)	\$0	0.00%
ENDING BALANCE				
8000 General Fund	-	-	0	0.00%
3400 Other Funds Ltd	26,224	26,224	0	0.00%
TOTAL ENDING BALANCE	\$26,224	\$26,224	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
GENERAL FUND APPROPRIATION				
0050 General Fund Appropriation				
8000 General Fund	(25,000)	(25,000)	0	0.00%
AVAILABLE REVENUES				
8000 General Fund	(25,000)	(25,000)	0	0.00%
TOTAL AVAILABLE REVENUES	(\$25,000)	(\$25,000)	\$0	0.00%
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3160 Temporary Appointments				
6400 Federal Funds Ltd	(68,523)	(68,523)	0	0.00%
SALARIES & WAGES				
6400 Federal Funds Ltd	(68,523)	(68,523)	0	0.00%
TOTAL SALARIES & WAGES	(\$68,523)	(\$68,523)	\$0	0.00%
OTHER PAYROLL EXPENSES				
3230 Social Security Taxes				
6400 Federal Funds Ltd	(5,242)	(5,242)	0	0.00%
OTHER PAYROLL EXPENSES				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
6400 Federal Funds Ltd	(5,242)	(5,242)	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	(\$5,242)	(\$5,242)	\$0	0.00%
PERSONAL SERVICES				
6400 Federal Funds Ltd	(73,765)	(73,765)	0	0.00%
TOTAL PERSONAL SERVICES	(\$73,765)	(\$73,765)	\$0	0.00%
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	(8,500)	(8,500)	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	(500)	(500)	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	(7,700)	(7,700)	0	0.00%
4300 Professional Services				
8000 General Fund	(25,000)	(25,000)	0	0.00%
3400 Other Funds Ltd	(6,266,126)	(6,266,126)	0	0.00%
6400 Federal Funds Ltd	(318,737)	(318,737)	0	0.00%
All Funds	(6,609,863)	(6,609,863)	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	(739,633)	(739,633)	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	(1,480)	(1,480)	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	(10,100)	(10,100)	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	(1,500)	(1,500)	0	0.00%
SERVICES & SUPPLIES				
8000 General Fund	(25,000)	(25,000)	0	0.00%
3400 Other Funds Ltd	(7,035,539)	(7,035,539)	0	0.00%
6400 Federal Funds Ltd	(318,737)	(318,737)	0	0.00%
TOTAL SERVICES & SUPPLIES	(\$7,379,276)	(\$7,379,276)	\$0	0.00%
CAPITAL OUTLAY				
5200 Technical Equipment				
3400 Other Funds Ltd	(133,250)	(133,250)	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	(133,250)	(133,250)	0	0.00%
TOTAL CAPITAL OUTLAY	(\$133,250)	(\$133,250)	\$0	0.00%
EXPENDITURES				
8000 General Fund	(25,000)	(25,000)	0	0.00%

Package Comparison Report - Detail
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000
 Package: Phase-out Pgm & One-time Costs
 Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	(7,168,789)	(7,168,789)	0	0.00%
6400 Federal Funds Ltd	(392,502)	(392,502)	0	0.00%
TOTAL EXPENDITURES	(\$7,586,291)	(\$7,586,291)	\$0	0.00%
ENDING BALANCE				
8000 General Fund	-	-	0	0.00%
3400 Other Funds Ltd	7,168,789	7,168,789	0	0.00%
6400 Federal Funds Ltd	392,502	392,502	0	0.00%
TOTAL ENDING BALANCE	\$7,561,291	\$7,561,291	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

SERVICES & SUPPLIES

4100 Instate Travel

3400 Other Funds Ltd	12,823	12,823	0	0.00%
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4125 Out of State Travel

3400 Other Funds Ltd	137	137	0	0.00%
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4150 Employee Training

3400 Other Funds Ltd	2,811	2,811	0	0.00%
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4175 Office Expenses

3400 Other Funds Ltd	9,438	9,438	0	0.00%
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4200 Telecommunications

3400 Other Funds Ltd	7,388	7,388	0	0.00%
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4225 State Gov. Service Charges

3400 Other Funds Ltd	108,355	108,355	0	0.00%
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4250 Data Processing

3400 Other Funds Ltd	3,431	3,431	0	0.00%
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4275 Publicity and Publications

3400 Other Funds Ltd	3,292	3,292	0	0.00%
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4300 Professional Services

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	21,928	21,928	0	0.00%
4315 IT Professional Services				
3400 Other Funds Ltd	8,514	8,514	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	238,554	238,554	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	594	594	0	0.00%
4400 Dues and Subscriptions				
3400 Other Funds Ltd	244	244	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	34,317	34,317	0	0.00%
4450 Fuels and Utilities				
3400 Other Funds Ltd	8,559	8,559	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	14,003	14,003	0	0.00%
4575 Agency Program Related S and S				
3400 Other Funds Ltd	32	32	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	17,767	17,767	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	725	725	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	4,213	4,213	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	497,125	497,125	0	0.00%
TOTAL SERVICES & SUPPLIES	\$497,125	\$497,125	\$0	0.00%
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	970	970	0	0.00%
5550 Data Processing Software				
3400 Other Funds Ltd	2,689	2,689	0	0.00%
5600 Data Processing Hardware				
3400 Other Funds Ltd	36	36	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	3,695	3,695	0	0.00%
TOTAL CAPITAL OUTLAY	\$3,695	\$3,695	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	500,820	500,820	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL EXPENDITURES	\$500,820	\$500,820	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(500,820)	(500,820)	0	0.00%
TOTAL ENDING BALANCE	(\$500,820)	(\$500,820)	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	4,028	4,028	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	12,040	12,040	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	2,645	2,645	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	19,493	19,493	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	38,206	38,206	0	0.00%
TOTAL SERVICES & SUPPLIES	\$38,206	\$38,206	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	38,206	38,206	0	0.00%
TOTAL EXPENDITURES	\$38,206	\$38,206	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(38,206)	(38,206)	0	0.00%
TOTAL ENDING BALANCE	(\$38,206)	(\$38,206)	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4150 Employee Training				
3400 Other Funds Ltd	-	(1,152)	(1,152)	100.00%
4175 Office Expenses				
3400 Other Funds Ltd	-	(5,290)	(5,290)	100.00%
4200 Telecommunications				
3400 Other Funds Ltd	-	(38,917)	(38,917)	100.00%
4225 State Gov. Service Charges				
3400 Other Funds Ltd	-	(56,039)	(56,039)	100.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	-	(30,878)	(30,878)	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	(132,276)	(132,276)	100.00%
TOTAL SERVICES & SUPPLIES	-	(\$132,276)	(\$132,276)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(132,276)	(132,276)	100.00%
TOTAL EXPENDITURES	-	(\$132,276)	(\$132,276)	100.00%

ENDING BALANCE

Package Comparison Report - Detail
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000
 Package: Statewide Adjustment DAS Chgs
 Pkg Group: POL Pkg Type: 090 Pkg Number: 091

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	-	132,276	132,276	100.00%
TOTAL ENDING BALANCE	-	\$132,276	\$132,276	100.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4325 Attorney General				
3400 Other Funds Ltd	-	(135,354)	(135,354)	100.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	-	(135,354)	(135,354)	100.00%
TOTAL SERVICES & SUPPLIES	-	(\$135,354)	(\$135,354)	100.00%
EXPENDITURES				
3400 Other Funds Ltd	-	(135,354)	(135,354)	100.00%
TOTAL EXPENDITURES	-	(\$135,354)	(\$135,354)	100.00%
ENDING BALANCE				
3400 Other Funds Ltd	-	135,354	135,354	100.00%
TOTAL ENDING BALANCE	-	\$135,354	\$135,354	100.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	146,280	146,280	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	146,280	146,280	0	0.00%
TOTAL SALARIES & WAGES	\$146,280	\$146,280	\$0	0.00%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	57	57	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	27,925	27,925	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	11,190	11,190	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	69	69	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	33,336	33,336	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	72,577	72,577	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$72,577	\$72,577	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	218,857	218,857	0	0.00%
TOTAL PERSONAL SERVICES	\$218,857	\$218,857	\$0	0.00%
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	1,500	1,500	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	500	500	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	2,700	2,700	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	3,600,000	3,600,000	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	4,500,000	4,500,000	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	1,480	1,480	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
4715 IT Expendable Property				
3400 Other Funds Ltd	1,500	1,500	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	8,107,680	8,107,680	0	0.00%
TOTAL SERVICES & SUPPLIES	\$8,107,680	\$8,107,680	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	8,326,537	8,326,537	0	0.00%
TOTAL EXPENDITURES	\$8,326,537	\$8,326,537	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(8,326,537)	(8,326,537)	0	0.00%
TOTAL ENDING BALANCE	(\$8,326,537)	(\$8,326,537)	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	1	1	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	1.00	1.00	0.00	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

REVENUE CATEGORIES

GENERAL FUND APPROPRIATION

0050 General Fund Appropriation

8000 General Fund	152,103	-	(152,103)	(100.00%)
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AVAILABLE REVENUES

8000 General Fund	152,103	-	(152,103)	(100.00%)
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TOTAL AVAILABLE REVENUES	\$152,103	-	(\$152,103)	(100.00%)
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EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3110 Class/Unclass Sal. and Per Diem

8000 General Fund	93,612	-	(93,612)	(100.00%)
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3400 Other Funds Ltd	93,612	171,622	78,010	83.33%
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All Funds	187,224	171,622	(15,602)	(8.33%)
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SALARIES & WAGES

8000 General Fund	93,612	-	(93,612)	(100.00%)
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3400 Other Funds Ltd	93,612	171,622	78,010	83.33%
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TOTAL SALARIES & WAGES	\$187,224	\$171,622	(\$15,602)	(8.33%)
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OTHER PAYROLL EXPENSES

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3210 Empl. Rel. Bd. Assessments				
8000 General Fund	56	-	(56)	(100.00%)
3400 Other Funds Ltd	58	104	46	79.31%
All Funds	114	104	(10)	(8.77%)
3220 Public Employees Retire Cont				
8000 General Fund	17,870	-	(17,870)	(100.00%)
3400 Other Funds Ltd	17,871	32,763	14,892	83.33%
All Funds	35,741	32,763	(2,978)	(8.33%)
3230 Social Security Taxes				
8000 General Fund	7,161	-	(7,161)	(100.00%)
3400 Other Funds Ltd	7,161	13,129	5,968	83.34%
All Funds	14,322	13,129	(1,193)	(8.33%)
3250 Workers Comp. Assess. (WCD)				
8000 General Fund	68	-	(68)	(100.00%)
3400 Other Funds Ltd	70	126	56	80.00%
All Funds	138	126	(12)	(8.70%)
3270 Flexible Benefits				
8000 General Fund	33,336	-	(33,336)	(100.00%)
3400 Other Funds Ltd	33,336	61,116	27,780	83.33%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
All Funds	66,672	61,116	(5,556)	(8.33%)
OTHER PAYROLL EXPENSES				
8000 General Fund	58,491	-	(58,491)	(100.00%)
3400 Other Funds Ltd	58,496	107,238	48,742	83.33%
TOTAL OTHER PAYROLL EXPENSES	\$116,987	\$107,238	(\$9,749)	(8.33%)
PERSONAL SERVICES				
8000 General Fund	152,103	-	(152,103)	(100.00%)
3400 Other Funds Ltd	152,108	278,860	126,752	83.33%
TOTAL PERSONAL SERVICES	\$304,211	\$278,860	(\$25,351)	(8.33%)
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	4,000	4,000	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	1,000	1,000	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	4,800	4,800	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	100,000	100,000	0	0.00%
4425 Facilities Rental and Taxes				

Package Comparison Report - Detail
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000
 Package: Historical Filled Lands Project
 Pkg Group: POL Pkg Type: POL Pkg Number: 102

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	2,000	2,000	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	2,000	2,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	3,000	3,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	116,800	116,800	0	0.00%
TOTAL SERVICES & SUPPLIES	\$116,800	\$116,800	\$0	0.00%
EXPENDITURES				
8000 General Fund	152,103	-	(152,103)	(100.00%)
3400 Other Funds Ltd	268,908	395,660	126,752	47.14%
TOTAL EXPENDITURES	\$421,011	\$395,660	(\$25,351)	(6.02%)
ENDING BALANCE				
8000 General Fund	-	-	0	0.00%
3400 Other Funds Ltd	(268,908)	(395,660)	(126,752)	(47.14%)
TOTAL ENDING BALANCE	(\$268,908)	(\$395,660)	(\$126,752)	(47.14%)
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	2	2	0	0.00%
AUTHORIZED FTE				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
8250 Class/Unclass FTE Positions	2.00	1.84	(0.16)	(8.00%)
8280 FTE Reconciliation	-	(0.01)	(0.01)	100.00%
TOTAL AUTHORIZED FTE	2.00	1.83	(0.17)	(8.50%)

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	104,928	104,928	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	104,928	104,928	0	0.00%
TOTAL SALARIES & WAGES	\$104,928	\$104,928	\$0	0.00%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	57	57	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	20,031	20,031	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	8,027	8,027	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	69	69	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	33,336	33,336	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	61,520	61,520	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$61,520	\$61,520	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	166,448	166,448	0	0.00%
TOTAL PERSONAL SERVICES	\$166,448	\$166,448	\$0	0.00%
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	5,000	5,000	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	500	500	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	2,700	2,700	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	5,000	5,000	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	1,500	1,500	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	14,700	14,700	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL SERVICES & SUPPLIES	\$14,700	\$14,700	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	181,148	181,148	0	0.00%
TOTAL EXPENDITURES	\$181,148	\$181,148	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(181,148)	(181,148)	0	0.00%
TOTAL ENDING BALANCE	(\$181,148)	(\$181,148)	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	1	1	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	1.00	1.00	0.00	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4575 Agency Program Related S and S				
3400 Other Funds Ltd	100,000	100,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	100,000	100,000	0	0.00%
TOTAL SERVICES & SUPPLIES	\$100,000	\$100,000	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	100,000	100,000	0	0.00%
TOTAL EXPENDITURES	\$100,000	\$100,000	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(100,000)	(100,000)	0	0.00%
TOTAL ENDING BALANCE	(\$100,000)	(\$100,000)	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
SALARIES & WAGES				
3110 Class/Unclass Sal. and Per Diem				
3400 Other Funds Ltd	39,564	39,564	0	0.00%
SALARIES & WAGES				
3400 Other Funds Ltd	39,564	39,564	0	0.00%
TOTAL SALARIES & WAGES	\$39,564	\$39,564	\$0	0.00%
OTHER PAYROLL EXPENSES				
3210 Empl. Rel. Bd. Assessments				
3400 Other Funds Ltd	29	29	0	0.00%
3220 Public Employees Retire Cont				
3400 Other Funds Ltd	7,553	7,553	0	0.00%
3230 Social Security Taxes				
3400 Other Funds Ltd	3,027	3,027	0	0.00%
3250 Workers Comp. Assess. (WCD)				
3400 Other Funds Ltd	34	34	0	0.00%
3270 Flexible Benefits				
3400 Other Funds Ltd	16,668	16,668	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	27,311	27,311	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$27,311	\$27,311	\$0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	66,875	66,875	0	0.00%
TOTAL PERSONAL SERVICES	\$66,875	\$66,875	\$0	0.00%
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	2,000	2,000	0	0.00%
4175 Office Expenses				
3400 Other Funds Ltd	500	500	0	0.00%
4200 Telecommunications				
3400 Other Funds Ltd	1,350	1,350	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	1,500	1,500	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	5,350	5,350	0	0.00%
TOTAL SERVICES & SUPPLIES	\$5,350	\$5,350	\$0	0.00%

EXPENDITURES

Package Comparison Report - Detail
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000
 Package: Sage Grouse Monitoring
 Pkg Group: POL Pkg Type: POL Pkg Number: 105

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	72,225	72,225	0	0.00%
TOTAL EXPENDITURES	\$72,225	\$72,225	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(72,225)	(72,225)	0	0.00%
TOTAL ENDING BALANCE	(\$72,225)	(\$72,225)	\$0	0.00%
AUTHORIZED POSITIONS				
8150 Class/Unclass Positions	1	1	0	0.00%
AUTHORIZED FTE				
8250 Class/Unclass FTE Positions	0.50	0.50	0.00	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
2000				
2690 Tsfr To Water Resources Dept				
3400 Other Funds Ltd	(157,999)	(67,444)	90,555	57.31%
AVAILABLE REVENUES				
3400 Other Funds Ltd	(157,999)	(67,444)	90,555	57.31%
TOTAL AVAILABLE REVENUES	(\$157,999)	(\$67,444)	\$90,555	57.31%
ENDING BALANCE				
3400 Other Funds Ltd	(157,999)	(67,444)	90,555	57.31%
TOTAL ENDING BALANCE	(\$157,999)	(\$67,444)	\$90,555	57.31%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4100 Instate Travel				
3400 Other Funds Ltd	54,576	54,576	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	54,576	54,576	0	0.00%
TOTAL SERVICES & SUPPLIES	\$54,576	\$54,576	\$0	0.00%
CAPITAL OUTLAY				
5900 Other Capital Outlay				
3400 Other Funds Ltd	26,000	26,000	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	26,000	26,000	0	0.00%
TOTAL CAPITAL OUTLAY	\$26,000	\$26,000	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	80,576	80,576	0	0.00%
TOTAL EXPENDITURES	\$80,576	\$80,576	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(80,576)	(80,576)	0	0.00%
TOTAL ENDING BALANCE	(\$80,576)	(\$80,576)	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	48,000	48,000	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	48,000	48,000	0	0.00%
TOTAL SERVICES & SUPPLIES	\$48,000	\$48,000	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	48,000	48,000	0	0.00%
TOTAL EXPENDITURES	\$48,000	\$48,000	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(48,000)	(48,000)	0	0.00%
TOTAL ENDING BALANCE	(\$48,000)	(\$48,000)	\$0	0.00%

Package Comparison Report - Detail
 2017-19 Biennium
 Common School Fund

Cross Reference Number: 14100-010-00-00-00000
 Package: Funding Nearshore Research & Monitoring
 Pkg Group: POL Pkg Type: POL Pkg Number: 109

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
GENERAL FUND APPROPRIATION				
0050 General Fund Appropriation				
8000 General Fund	1,000,000	-	(1,000,000)	(100.00%)
AVAILABLE REVENUES				
8000 General Fund	1,000,000	-	(1,000,000)	(100.00%)
TOTAL AVAILABLE REVENUES	\$1,000,000	-	(\$1,000,000)	(100.00%)
EXPENDITURES				
SPECIAL PAYMENTS				
6030 Dist to Non-Gov Units				
8000 General Fund	1,000,000	-	(1,000,000)	(100.00%)
EXPENDITURES				
8000 General Fund	1,000,000	-	(1,000,000)	(100.00%)
TOTAL EXPENDITURES	\$1,000,000	-	(\$1,000,000)	(100.00%)
ENDING BALANCE				
8000 General Fund	-	-	0	0.00%
TOTAL ENDING BALANCE	-	-	\$0	0.00%

Package Comparison Report - Detail
 2017-19 Biennium
 Oregon Wetlands Revolving Fund

Cross Reference Number: 14100-013-00-00-00000
 Package: Non-PICS Psnl Svc / Vacancy Factor
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
PERSONAL SERVICES				
OTHER PAYROLL EXPENSES				
3221 Pension Obligation Bond				
3400 Other Funds Ltd	899	899	0	0.00%
3260 Mass Transit Tax				
3400 Other Funds Ltd	87	87	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	986	986	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$986	\$986	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	986	986	0	0.00%
TOTAL EXPENDITURES	\$986	\$986	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(986)	(986)	0	0.00%
TOTAL ENDING BALANCE	(\$986)	(\$986)	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

SERVICES & SUPPLIES

4100 Instate Travel

3400 Other Funds Ltd 390 390 0 0.00%

4125 Out of State Travel

3400 Other Funds Ltd 78 78 0 0.00%

4150 Employee Training

3400 Other Funds Ltd 234 234 0 0.00%

4175 Office Expenses

3400 Other Funds Ltd 117 117 0 0.00%

4200 Telecommunications

3400 Other Funds Ltd 96 96 0 0.00%

4250 Data Processing

3400 Other Funds Ltd 59 59 0 0.00%

4375 Employee Recruitment and Develop

3400 Other Funds Ltd 19 19 0 0.00%

4575 Agency Program Related S and S

3400 Other Funds Ltd 22,065 22,065 0 0.00%

4650 Other Services and Supplies

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	744	744	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	39	39	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	78	78	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	23,919	23,919	0	0.00%
TOTAL SERVICES & SUPPLIES	\$23,919	\$23,919	\$0	0.00%
CAPITAL OUTLAY				
5100 Office Furniture and Fixtures				
3400 Other Funds Ltd	40	40	0	0.00%
SPECIAL PAYMENTS				
6030 Dist to Non-Gov Units				
3400 Other Funds Ltd	39,961	39,961	0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	63,920	63,920	0	0.00%
TOTAL EXPENDITURES	\$63,920	\$63,920	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(63,920)	(63,920)	0	0.00%

**Package Comparison Report - Detail
2017-19 Biennium
Oregon Wetlands Revolving Fund**

Cross Reference Number: 14100-013-00-00-00000

Package: Standard Inflation

Pkg Group: ESS Pkg Type: 030 Pkg Number: 031

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL ENDING BALANCE	(\$63,920)	(\$63,920)	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

PERSONAL SERVICES

SALARIES & WAGES

3160 Temporary Appointments

3400 Other Funds Ltd	1,860	1,860	0	0.00%
6400 Federal Funds Ltd	2,686	2,686	0	0.00%
All Funds	4,546	4,546	0	0.00%

3170 Overtime Payments

6400 Federal Funds Ltd	116	116	0	0.00%
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3190 All Other Differential

3400 Other Funds Ltd	297	297	0	0.00%
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SALARIES & WAGES

3400 Other Funds Ltd	2,157	2,157	0	0.00%
6400 Federal Funds Ltd	2,802	2,802	0	0.00%

TOTAL SALARIES & WAGES	\$4,959	\$4,959	\$0	0.00%
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OTHER PAYROLL EXPENSES

3221 Pension Obligation Bond

3400 Other Funds Ltd	(437)	(437)	0	0.00%
6400 Federal Funds Ltd	1,442	1,442	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
All Funds	1,005	1,005	0	0.00%
3240 Unemployment Assessments				
3400 Other Funds Ltd	217	217	0	0.00%
OTHER PAYROLL EXPENSES				
3400 Other Funds Ltd	(220)	(220)	0	0.00%
6400 Federal Funds Ltd	1,442	1,442	0	0.00%
TOTAL OTHER PAYROLL EXPENSES	\$1,222	\$1,222	\$0	0.00%
P.S. BUDGET ADJUSTMENTS				
3455 Vacancy Savings				
3400 Other Funds Ltd	(13,288)	(13,288)	0	0.00%
PERSONAL SERVICES				
3400 Other Funds Ltd	(11,351)	(11,351)	0	0.00%
6400 Federal Funds Ltd	4,244	4,244	0	0.00%
TOTAL PERSONAL SERVICES	(\$7,107)	(\$7,107)	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	(11,351)	(11,351)	0	0.00%
6400 Federal Funds Ltd	4,244	4,244	0	0.00%
TOTAL EXPENDITURES	(\$7,107)	(\$7,107)	\$0	0.00%
ENDING BALANCE				

Package Comparison Report - Detail
 2017-19 Biennium
 South Slough National Estuarine

Cross Reference Number: 14100-030-00-00-00000
 Package: Non-PICS Psnl Svc / Vacancy Factor
 Pkg Group: ESS Pkg Type: 010 Pkg Number: 010

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	11,351	11,351	0	0.00%
6400 Federal Funds Ltd	(4,244)	(4,244)	0	0.00%
TOTAL ENDING BALANCE	\$7,107	\$7,107	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		

EXPENDITURES

SERVICES & SUPPLIES

4100 Instate Travel

3400 Other Funds Ltd	685	685	0	0.00%
6400 Federal Funds Ltd	653	653	0	0.00%
All Funds	1,338	1,338	0	0.00%

4125 Out of State Travel

3400 Other Funds Ltd	274	274	0	0.00%
6400 Federal Funds Ltd	483	483	0	0.00%
All Funds	757	757	0	0.00%

4150 Employee Training

3400 Other Funds Ltd	322	322	0	0.00%
6400 Federal Funds Ltd	789	789	0	0.00%
All Funds	1,111	1,111	0	0.00%

4175 Office Expenses

3400 Other Funds Ltd	831	831	0	0.00%
6400 Federal Funds Ltd	702	702	0	0.00%
All Funds	1,533	1,533	0	0.00%

4200 Telecommunications

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	562	562	0	0.00%
6400 Federal Funds Ltd	302	302	0	0.00%
All Funds	864	864	0	0.00%
4250 Data Processing				
3400 Other Funds Ltd	20	20	0	0.00%
6400 Federal Funds Ltd	378	378	0	0.00%
All Funds	398	398	0	0.00%
4275 Publicity and Publications				
3400 Other Funds Ltd	19	19	0	0.00%
6400 Federal Funds Ltd	55	55	0	0.00%
All Funds	74	74	0	0.00%
4300 Professional Services				
3400 Other Funds Ltd	4,672	4,672	0	0.00%
6400 Federal Funds Ltd	2,992	2,992	0	0.00%
All Funds	7,664	7,664	0	0.00%
4325 Attorney General				
3400 Other Funds Ltd	716	716	0	0.00%
4375 Employee Recruitment and Develop				
3400 Other Funds Ltd	93	93	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
6400 Federal Funds Ltd	219	219	0	0.00%
All Funds	312	312	0	0.00%
4400 Dues and Subscriptions				
6400 Federal Funds Ltd	31	31	0	0.00%
4425 Facilities Rental and Taxes				
3400 Other Funds Ltd	3	3	0	0.00%
4450 Fuels and Utilities				
3400 Other Funds Ltd	295	295	0	0.00%
6400 Federal Funds Ltd	945	945	0	0.00%
All Funds	1,240	1,240	0	0.00%
4475 Facilities Maintenance				
3400 Other Funds Ltd	1,027	1,027	0	0.00%
6400 Federal Funds Ltd	1,127	1,127	0	0.00%
All Funds	2,154	2,154	0	0.00%
4575 Agency Program Related S and S				
6400 Federal Funds Ltd	202	202	0	0.00%
4650 Other Services and Supplies				
3400 Other Funds Ltd	2,138	2,138	0	0.00%
6400 Federal Funds Ltd	414	414	0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
All Funds	2,552	2,552	0	0.00%
4700 Expendable Prop 250 - 5000				
3400 Other Funds Ltd	129	129	0	0.00%
6400 Federal Funds Ltd	795	795	0	0.00%
All Funds	924	924	0	0.00%
4715 IT Expendable Property				
3400 Other Funds Ltd	1,763	1,763	0	0.00%
6400 Federal Funds Ltd	54	54	0	0.00%
All Funds	1,817	1,817	0	0.00%
SERVICES & SUPPLIES				
3400 Other Funds Ltd	13,549	13,549	0	0.00%
6400 Federal Funds Ltd	10,141	10,141	0	0.00%
TOTAL SERVICES & SUPPLIES	\$23,690	\$23,690	\$0	0.00%
CAPITAL OUTLAY				
5200 Technical Equipment				
3400 Other Funds Ltd	1,481	1,481	0	0.00%
6400 Federal Funds Ltd	345	345	0	0.00%
All Funds	1,826	1,826	0	0.00%
5600 Data Processing Hardware				

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3400 Other Funds Ltd	619	619	0	0.00%
CAPITAL OUTLAY				
3400 Other Funds Ltd	2,100	2,100	0	0.00%
6400 Federal Funds Ltd	345	345	0	0.00%
TOTAL CAPITAL OUTLAY	\$2,445	\$2,445	\$0	0.00%
EXPENDITURES				
3400 Other Funds Ltd	15,649	15,649	0	0.00%
6400 Federal Funds Ltd	10,486	10,486	0	0.00%
TOTAL EXPENDITURES	\$26,135	\$26,135	\$0	0.00%
ENDING BALANCE				
3400 Other Funds Ltd	(15,649)	(15,649)	0	0.00%
6400 Federal Funds Ltd	(10,486)	(10,486)	0	0.00%
TOTAL ENDING BALANCE	(\$26,135)	(\$26,135)	\$0	0.00%

Package Comparison Report - Detail
 2017-19 Biennium
 Capital Improvements

Cross Reference Number: 14100-088-00-00-00000
 Package: Phase-out Pgm & One-time Costs
 Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4300 Professional Services				
3010 Other Funds Cap Improvement	(85,919)	(85,919)	0	0.00%
SERVICES & SUPPLIES				
3010 Other Funds Cap Improvement	(85,919)	(85,919)	0	0.00%
TOTAL SERVICES & SUPPLIES	(\$85,919)	(\$85,919)	\$0	0.00%
CAPITAL OUTLAY				
5650 Land and Improvements				
3010 Other Funds Cap Improvement	(455,000)	(455,000)	0	0.00%
5800 Professional Services				
3010 Other Funds Cap Improvement	(268,000)	(268,000)	0	0.00%
CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	(723,000)	(723,000)	0	0.00%
TOTAL CAPITAL OUTLAY	(\$723,000)	(\$723,000)	\$0	0.00%
EXPENDITURES				
3010 Other Funds Cap Improvement	(808,919)	(808,919)	0	0.00%
TOTAL EXPENDITURES	(\$808,919)	(\$808,919)	\$0	0.00%

ENDING BALANCE

Package Comparison Report - Detail
 2017-19 Biennium
 Capital Improvements

Cross Reference Number: 14100-088-00-00-00000
 Package: Phase-out Pgm & One-time Costs
 Pkg Group: ESS Pkg Type: 020 Pkg Number: 022

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
3010 Other Funds Cap Improvement	808,919	808,919	0	0.00%
TOTAL ENDING BALANCE	\$808,919	\$808,919	\$0	0.00%

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
EXPENDITURES				
SERVICES & SUPPLIES				
4475 Facilities Maintenance				
3010 Other Funds Cap Improvement	11,220	11,220	0	0.00%
SERVICES & SUPPLIES				
3010 Other Funds Cap Improvement	11,220	11,220	0	0.00%
TOTAL SERVICES & SUPPLIES	\$11,220	\$11,220	\$0	0.00%
EXPENDITURES				
3010 Other Funds Cap Improvement	11,220	11,220	0	0.00%
TOTAL EXPENDITURES	\$11,220	\$11,220	\$0	0.00%
ENDING BALANCE				
3010 Other Funds Cap Improvement	(11,220)	(11,220)	0	0.00%
TOTAL ENDING BALANCE	(\$11,220)	(\$11,220)	\$0	0.00%

Package Comparison Report - Detail
 2017-19 Biennium
 Capital Improvements

Cross Reference Number: 14100-088-00-00-00000
 Package: Headquarters Building Maintenance
 Pkg Group: POL Pkg Type: POL Pkg Number: 110

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
REVENUE CATEGORIES				
TRANSFERS IN				
1010 Transfer In - Intrafund				
3010 Other Funds Cap Improvement	200,000	200,000	0	0.00%
AVAILABLE REVENUES				
3010 Other Funds Cap Improvement	200,000	200,000	0	0.00%
TOTAL AVAILABLE REVENUES	\$200,000	\$200,000	\$0	0.00%
EXPENDITURES				
CAPITAL OUTLAY				
5700 Building Structures				
3010 Other Funds Cap Improvement	200,000	200,000	0	0.00%
CAPITAL OUTLAY				
3010 Other Funds Cap Improvement	200,000	200,000	0	0.00%
TOTAL CAPITAL OUTLAY	\$200,000	\$200,000	\$0	0.00%
EXPENDITURES				
3010 Other Funds Cap Improvement	200,000	200,000	0	0.00%
TOTAL EXPENDITURES	\$200,000	\$200,000	\$0	0.00%
ENDING BALANCE				
3010 Other Funds Cap Improvement	-	-	0	0.00%

**Package Comparison Report - Detail
2017-19 Biennium
Capital Improvements**

**Cross Reference Number: 14100-088-00-00-00000
Package: Headquarters Building Maintenance
Pkg Group: POL Pkg Type: POL Pkg Number: 110**

Description	Agency Request Budget (V-01)	Governor's Budget (Y-01)	Column 2 Minus Column 1	% Change from Column 1 to Column 2
	Column 1	Column 2		
TOTAL ENDING BALANCE	-	-	\$0	0.00%

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AX	C0103	AA OFFICE SPECIALIST 1	2	2.00	48.00	3,020.00		144,960			144,960
000	AX	C0104	AA OFFICE SPECIALIST 2	6	6.00	144.00	2,940.57		432,624			432,624
000	AX	C0107	AA ADMINISTRATIVE SPECIALIST 1	7	7.00	168.00	3,363.87		562,896			562,896
000	AX	C0108	AA ADMINISTRATIVE SPECIALIST 2	2	2.00	48.00	3,624.00		173,952			173,952
000	AX	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,767.00		66,408			66,408
000	AX	C0119	AA EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,172.00		100,128			100,128
000	AX	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,020.00		72,480			72,480
000	AX	C0212	AA ACCOUNTING TECHNICIAN 3	1	1.00	24.00	3,623.00		86,952			86,952
000	AX	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	4,172.00		100,128			100,128
000	AX	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,580.00		109,920			109,920
000	AX	C0861	AA PROGRAM ANALYST 2	4	4.00	96.00	5,758.25		552,792			552,792
000	AX	C1098	AA PLANNER 3	1	1.00	24.00	7,034.00		168,816			168,816
000	AX	C1099	AA PLANNER 4	1	1.00	24.00	5,809.00		139,416			139,416
000	AX	C1216	AA ACCOUNTANT 2	1	1.00	24.00	3,971.00		95,304			95,304
000	AX	C1217	AA ACCOUNTANT 3	1	1.00	24.00	4,802.00		115,248			115,248
000	AX	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	4,802.00		115,248			115,248
000	AX	C1483	IA INFO SYSTEMS SPECIALIST 3	1	1.00	24.00	3,821.00		91,704			91,704
000	AX	C1484	IA INFO SYSTEMS SPECIALIST 4	3	3.00	72.00	5,106.00		367,632			367,632
000	AX	C1486	IA INFO SYSTEMS SPECIALIST 6	2	2.00	48.00	6,826.00		327,648			327,648
000	AX	C4014	AA FACILITY OPERATIONS SPEC 1	1	1.00	24.00	5,281.00		126,744			126,744
000	AX	C5642	AA FISCAL AUDITOR 2	1	1.00	24.00	5,034.00		120,816			120,816
000	AX	C8501	AA NATURAL RESOURCE SPECIALIST 1	2	2.00	48.00	3,881.00		186,288			186,288
000	AX	C8502	AA NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	4,372.00		104,928			104,928
000	AX	C8503	AA NATURAL RESOURCE SPECIALIST 3	22	22.00	528.00	5,550.81		2,930,832			2,930,832
000	AX	C8504	AA NATURAL RESOURCE SPECIALIST 4	4	3.50	84.00	6,637.75		560,568			560,568

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	11,542.00		277,008			277,008
000	MENNZ0830	AA	EXECUTIVE ASSISTANT	1	1.00	24.00	5,770.00		138,480			138,480
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	2	2.00	48.00	9,369.00		449,712			449,712
000	MMC X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,982.00		119,568			119,568
000	MMN X0866	AA	PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	7,714.00		185,136			185,136
000	MMN X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN X1218	AA	ACCOUNTANT 4	1	1.00	24.00	6,056.00		145,344			145,344
000	MMN X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN X8504	AA	NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	7,352.00		176,448			176,448
000	MMS X1410	IA	SYSTEMS & PROGRAMMING SUPV 1	1	1.00	24.00	7,714.00		185,136			185,136
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	5,496.00		131,904			131,904
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	3	3.00	72.00	7,714.00		555,408			555,408
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,520.66		541,488			541,488
000				87	86.50	2076.00	5,298.25		11,096,064			11,096,064

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 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:14100 DEPARTMENT OF STATE LANDS
 SUMMARY XREF:010-00-00 101 Common School Fund

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
101	AX	C8504 AA	NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	6,095.00		146,280			146,280
101				1	1.00	24.00	6,095.00		146,280			146,280

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
102	AX	C0107	AA ADMINISTRATIVE SPECIALIST 1	1	.92	22.00	2,767.00		60,874			60,874
102	AX	C8504	AA NATURAL RESOURCE SPECIALIST 4	1	.92	22.00	5,034.00		110,748			110,748
102				2	1.84	44.00	3,900.50		171,622			171,622

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
103	AX	C8503 AA	NATURAL RESOURCE SPECIALIST 3	1	1.00	24.00	4,372.00		104,928			104,928
103				1	1.00	24.00	4,372.00		104,928			104,928

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
105	AX	C8501 AA	NATURAL RESOURCE SPECIALIST 1	1	.50	12.00	3,297.00		39,564			39,564
105				1	.50	12.00	3,297.00		39,564			39,564
				92	90.84	2180.00	5,245.85		11,558,458			11,558,458

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AX	C8504 AA	NATURAL RESOURCE SPECIALIST 4		.50	12.00	6,388.00		76,656			76,656
000					.50	12.00	6,388.00		76,656			76,656
					.50	12.00	6,388.00		76,656			76,656

01/26/17 REPORT NO.: PPDPLBUDCL
 REPORT: SUMMARY LIST BY PKG BY SUMMARY XREF
 AGENCY:14100 DEPARTMENT OF STATE LANDS
 SUMMARY XREF:030-00-00 000 South Slough Nationa

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PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AX	C0103	AA OFFICE SPECIALIST 1	1	1.00	24.00	3,020.00		72,480			72,480
000	AX	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,297.00		39,564	39,564		79,128
000	AX	C0860	AA PROGRAM ANALYST 1	1	1.00	24.00	4,802.00			115,248		115,248
000	AX	C0863	AA PROGRAM ANALYST 4	1	1.00	24.00	5,542.00		133,008			133,008
000	AX	C1338	AA TRAINING & DEVELOPMENT SPEC 1	2	2.00	48.00	4,328.50		27,825	179,943		207,768
000	AX	C1484	IA INFO SYSTEMS SPECIALIST 4	1	1.00	24.00	4,543.00			109,032		109,032
000	AX	C4012	AA FACILITY MAINTENANCE SPEC	1	1.00	24.00	3,971.00		95,304			95,304
000	AX	C8433	AA PARK RANGER ASSISTANT	1	1.00	24.00	3,020.00			72,480		72,480
000	AX	C8501	AA NATURAL RESOURCE SPECIALIST 1	1	1.00	24.00	4,580.00			109,920		109,920
000	AX	C8503	AA NATURAL RESOURCE SPECIALIST 3	3	3.00	72.00	4,805.33		150,422	195,562		345,984
000	AX	C8504	AA NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	6,388.00		153,312			153,312
000	MESNZ7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	7,714.00		185,136			185,136
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	4,523.00		108,552			108,552
000				16	16.00	384.00	4,654.56		965,603	821,749		1,787,352
				16	16.00	384.00	4,654.56		965,603	821,749		1,787,352
				108	107.34	2576.00	5,170.90		12,600,717	821,749		13,422,466

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AGENCY:14100 DEPARTMENT OF STATE LANDS

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SUMMARY XREF:030-00-00 000 South Slough Nationa

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				108	107.34	2576.00	5,170.90		12,600,717	821,749		13,422,466

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AX	C0103	AA OFFICE SPECIALIST 1	3	3.00	72.00	3,020.00		217,440			217,440
000	AX	C0104	AA OFFICE SPECIALIST 2	6	6.00	144.00	2,940.57		432,624			432,624
000	AX	C0107	AA ADMINISTRATIVE SPECIALIST 1	8	7.92	190.00	3,297.55		623,770			623,770
000	AX	C0108	AA ADMINISTRATIVE SPECIALIST 2	2	2.00	48.00	3,624.00		173,952			173,952
000	AX	C0118	AA EXECUTIVE SUPPORT SPECIALIST 1	1	1.00	24.00	2,767.00		66,408			66,408
000	AX	C0119	AA EXECUTIVE SUPPORT SPECIALIST 2	1	1.00	24.00	4,172.00		100,128			100,128
000	AX	C0211	AA ACCOUNTING TECHNICIAN 2	1	1.00	24.00	3,020.00		72,480			72,480
000	AX	C0212	AA ACCOUNTING TECHNICIAN 3	1	1.00	24.00	3,623.00		86,952			86,952
000	AX	C0435	AA PROCUREMENT AND CONTRACT ASST	1	1.00	24.00	3,297.00		39,564	39,564		79,128
000	AX	C0437	AA PROCUREMENT & CONTRACT SPEC 2	1	1.00	24.00	4,172.00		100,128			100,128
000	AX	C0860	AA PROGRAM ANALYST 1	2	2.00	48.00	4,691.00		109,920	115,248		225,168
000	AX	C0861	AA PROGRAM ANALYST 2	4	4.00	96.00	5,758.25		552,792			552,792
000	AX	C0863	AA PROGRAM ANALYST 4	1	1.00	24.00	5,542.00		133,008			133,008
000	AX	C1098	AA PLANNER 3	1	1.00	24.00	7,034.00		168,816			168,816
000	AX	C1099	AA PLANNER 4	1	1.00	24.00	5,809.00		139,416			139,416
000	AX	C1216	AA ACCOUNTANT 2	1	1.00	24.00	3,971.00		95,304			95,304
000	AX	C1217	AA ACCOUNTANT 3	1	1.00	24.00	4,802.00		115,248			115,248
000	AX	C1244	AA FISCAL ANALYST 2	1	1.00	24.00	4,802.00		115,248			115,248
000	AX	C1338	AA TRAINING & DEVELOPMENT SPEC 1	2	2.00	48.00	4,328.50		27,825	179,943		207,768
000	AX	C1483	IA INFO SYSTEMS SPECIALIST 3	1	1.00	24.00	3,821.00		91,704			91,704
000	AX	C1484	IA INFO SYSTEMS SPECIALIST 4	4	4.00	96.00	4,965.25		367,632	109,032		476,664
000	AX	C1486	IA INFO SYSTEMS SPECIALIST 6	2	2.00	48.00	6,826.00		327,648			327,648
000	AX	C4012	AA FACILITY MAINTENANCE SPEC	1	1.00	24.00	3,971.00		95,304			95,304
000	AX	C4014	AA FACILITY OPERATIONS SPEC 1	1	1.00	24.00	5,281.00		126,744			126,744
000	AX	C5642	AA FISCAL AUDITOR 2	1	1.00	24.00	5,034.00		120,816			120,816

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
000	AX	C8433	AA PARK RANGER ASSISTANT	1	1.00	24.00	3,020.00			72,480		72,480
105	AX	C8501	AA NATURAL RESOURCE SPECIALIST 1	4	3.50	84.00	3,909.75		225,852	109,920		335,772
000	AX	C8502	AA NATURAL RESOURCE SPECIALIST 2	1	1.00	24.00	4,372.00		104,928			104,928
103	AX	C8503	AA NATURAL RESOURCE SPECIALIST 3	26	26.00	624.00	5,419.46		3,186,182	195,562		3,381,744
102	AX	C8504	AA NATURAL RESOURCE SPECIALIST 4	7	6.92	166.00	6,307.00		1,047,564			1,047,564
000	MEAHZ7014	HA	PRINCIPAL EXECUTIVE/MANAGER H	1	1.00	24.00	11,542.00		277,008			277,008
000	MENNZ0830	AA	EXECUTIVE ASSISTANT	1	1.00	24.00	5,770.00		138,480			138,480
000	MESNZ7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	1	1.00	24.00	7,714.00		185,136			185,136
000	MESNZ7012	AA	PRINCIPAL EXECUTIVE/MANAGER G	2	2.00	48.00	9,369.00		449,712			449,712
000	MMC X1320	AA	HUMAN RESOURCE ANALYST 1	1	1.00	24.00	4,982.00		119,568			119,568
000	MMN X0866	AA	PUBLIC AFFAIRS SPECIALIST 3	1	1.00	24.00	7,714.00		185,136			185,136
000	MMN X0873	AA	OPERATIONS & POLICY ANALYST 4	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN X1218	AA	ACCOUNTANT 4	1	1.00	24.00	6,056.00		145,344			145,344
000	MMN X1322	AA	HUMAN RESOURCE ANALYST 3	1	1.00	24.00	7,000.00		168,000			168,000
000	MMN X8504	AA	NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	7,352.00		176,448			176,448
000	MMS X1410	IA	SYSTEMS & PROGRAMMING SUPV 1	1	1.00	24.00	7,714.00		185,136			185,136
000	MMS X7000	AA	PRINCIPAL EXECUTIVE/MANAGER A	1	1.00	24.00	5,496.00		131,904			131,904
000	MMS X7002	AA	PRINCIPAL EXECUTIVE/MANAGER B	1	1.00	24.00	4,523.00		108,552			108,552
000	MMS X7006	AA	PRINCIPAL EXECUTIVE/MANAGER D	3	3.00	72.00	7,714.00		555,408			555,408
000	MMS X7008	AA	PRINCIPAL EXECUTIVE/MANAGER E	3	3.00	72.00	7,520.66		541,488			541,488
				108	107.34	2576.00	5,170.90		12,600,717	821,749		13,422,466

PKG	CLASS	COMP	DESCRIPTION	POS CNT	FTE	MOS	AVERAGE RATE	GF SAL	OF SAL	FF SAL	LF SAL	AF SAL
				108	107.34	2576.00	5,170.90		12,600,717	821,749		13,422,466

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POSITION NUMBER	AUTH NO	ORG STRUC	PKG Y	F POS TYP	CLASS COMP	RNG P	S T POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1411020	001273380	010-12-21-00000	101	0 LF	AX C8504 AA	30 06	1	1.00	6,095.00	24.00		146,280			
EST DATE: 2017/07/01			EXP DATE: 2019/06/30												
			101				1	1.00		24.00		146,280			

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS	POS	CLASS	COMP	RNG P	T POS	CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1411018	001274430	010-13-40-00000	102 0 LF	AX	C8504	AA	30 02	1	1	.92	5,034.00	22.00		110,748			
EST DATE: 2017/09/01			EXP DATE: 2019/06/30														
1411019	001273390	010-13-40-00000	102 0 LF	AX	C0107	AA	17 02	1	1	.92	2,767.00	22.00		60,874			
EST DATE: 2017/09/01			EXP DATE: 2019/06/30														
			102					2		1.84		44.00		171,622			

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS	Y TYP	CLASS	COMP	RNG P	S T POS	CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1411017	001273400	010-13-40-00000	103	0	PF	AX	C8503	AA	27	02	1	1.00	4,372.00	24.00		104,928	
EST DATE: 2017/07/01			EXP DATE: 9999/01/01														
			103						1	1.00		24.00		104,928			

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS	POS	CLASS	COMP	RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
1411021	001273410	010-13-40-00000	105 0 SF	AX	C8501	AA	21 02	1	.50	3,297.00	12.00		39,564			
EST DATE: 2017/07/01			EXP DATE: 9999/01/01													

			105					1	.50		12.00		39,564			
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								5	4.34		104.00		462,394			
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								5	4.34		104.00		462,394			
--	--	--	--	--	--	--	--	---	------	--	--------	--	---------	--	--	--

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POSITION NUMBER	AUTH NO	ORG STRUC	F POS PKG Y TYP	CLASS COMP	S T RNG P	POS CNT	FTE	BUDGET RATE	MOS	GF SAL	OF SAL	FF SAL	LF SAL	T R K
						5	4.34		104.00		462,394			

PACKAGE: 101 - Portland Harbor Clean Up

POSITION		POS						GF	OF	FF	LF	AF
NUMBER	CLASS COMP	CLASS NAME	CNT	FTE	MOS	STEP	RATE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE
1411020	AX C8504 AA	NATURAL RESOURCE SPECIALIST 4	1	1.00	24.00	06	6,095.00		146,280			146,280
									72,577			72,577
TOTAL PICS SALARY									146,280			146,280
TOTAL PICS OPE									72,577			72,577
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00				218,857			218,857

POSITION		POS						GF	OF	FF	LF	AF
NUMBER	CLASS COMP	CLASS NAME	CNT	FTE	MOS	STEP	RATE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE
1411018	AX C8504 AA	NATURAL RESOURCE SPECIALIST 4	1	.92	22.00	02	5,034.00		110,748 60,287			110,748 60,287
1411019	AX C0107 AA	ADMINISTRATIVE SPECIALIST 1	1	.92	22.00	02	2,767.00		60,874 46,951			60,874 46,951
TOTAL PICS SALARY									171,622			171,622
TOTAL PICS OPE									107,238			107,238
TOTAL PICS PERSONAL SERVICES =			2	1.84	44.00				278,860			278,860

POSITION		POS						GF	OF	FF	LF	AF
NUMBER	CLASS COMP	CLASS NAME	CNT	FTE	MOS	STEP	RATE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE
1411017	AX C8503 AA	NATURAL RESOURCE SPECIALIST 3	1	1.00	24.00	02	4,372.00		104,928			104,928
									61,520			61,520
TOTAL PICS SALARY									104,928			104,928
TOTAL PICS OPE									61,520			61,520
TOTAL PICS PERSONAL SERVICES =			1	1.00	24.00				166,448			166,448

PACKAGE: 105 - Sage Grouse Monitoring

POSITION		POS					GF	OF	FF	LF	AF	
NUMBER	CLASS COMP	CLASS NAME	CNT	FTE	MOS	STEP	RATE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE	SAL/OPE
1411021	AX C8501 AA	NATURAL RESOURCE SPECIALIST 1	1	.50	12.00	02	3,297.00		39,564			39,564
									27,311			27,311
TOTAL PICS SALARY									39,564			39,564
TOTAL PICS OPE									27,311			27,311
TOTAL PICS PERSONAL SERVICES =			1	.50	12.00				66,875			66,875