

**Legislative
Fiscal Office**

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828

Ken Rocco, Legislative Fiscal Officer
Paul Siebert, Deputy Fiscal Officer



**Joint Committee on
Ways and Means**

Sen. Richard Devlin, Senate Co-Chair
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Transportation and Economic Development Subcommittee

From: Matt Stayner, Legislative Fiscal Office

Date: April 19, 2017

Subject: SB 5512 - Department of Consumer and Business Services
Work Session Recommendations

DCBS – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund		1,823,000		
Other Funds	192,183,248	249,320,936	258,879,476	250,597,297
Other Funds NL	188,939,459	197,626,507	202,096,657	202,096,657
Federal Funds	3,063,362	17,420,257	14,941,294	14,941,294
Federal Funds NL				
Total Funds	384,186,069	466,190,700	475,917,427	467,635,248
Positions	923	960	950	952
FTE	913.68	952.76	944.54	945.92

SB 5512 is the budget bill for the Department of Consumer and Business Services. The current service level budget for the agency includes adjustments to complete the consolidation of the Finance and Corporate Securities Division and the Insurance Division into the Division of Financial Regulation. One-time funding and limited duration positions approved during the 2015-17 biennium are phased-out, inflationary factors are applied, and a shift of funding to fee revenues from federal grant funding for certain Insurance Program functions is included due to the completion of federally funded grant programs.

The attached work session presentation report includes the LFO recommended adjustments to the agency's current service level budget for the 2017-19 biennium.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5512. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5512, with modifications. (VOTE)

Performance Measures

See attached "Legislatively Proposed 2017-19 Key Performance Measures."

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Budget Notes

#1 Budget Note: COFA Islander Premium Assistance Program

The expenditure limitation included in the agency's budget for the premium assistance program for low-income Compact of Free Association (COFA) islanders is provided with the understanding that the agency will use the available funding to provide the full benefits outlined in the program to the program participants for as long as monies are available. Based on the estimated program costs provided by DCBS prior to program implementation, the available funding is sufficient to provide full benefits for the entire biennium based on the number of currently enrolled participants. If at some time during the biennium DCBS should determine that the funding will not be sufficient to continue providing full benefits to participants, the agency should not diminish, apportion, or ration benefits prior to seeking additional program funding from the Legislature. Additionally, the agency is instructed to evaluate and pursue the availability of federal funding for this program.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

OR

Change LFO Recommendation (any changes must be approved by the co-chairs):

MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$250,597,297 Other Funds, \$14,941,294 Federal Funds, \$202,096,657 Nonlimited Other Funds, and 952 positions (945.92 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5512. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5512, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5512, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	243,170,782	16,431,616	197,626,507	-	457,228,905	962	952.57
2015-17 Ebds, SS & Admin Act	1,823,000	-	6,150,154	988,641	-	-	8,961,795	(2)	0.19
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	1,823,000	-	249,320,936	17,420,257	197,626,507	-	466,190,700	960	952.76
2015-17 Leg Approved Budget (Base)	1,823,000	-	248,539,771	17,320,682	197,626,507	-	465,309,960	960	952.76
Summary of Base Adjustments	-	-	6,600,222	358,653	4,470,150	-	11,429,025	(10)	(8.22)
2017-19 Base Budget	1,823,000	-	255,139,993	17,679,335	202,096,657	-	476,738,985	950	944.54
010: Non-PICS Pers Svc/Vacancy Factor	-	-	751,943	42,019	-	-	793,962	-	-
020: Phase In / Out Pgm & One-time Cost	(1,823,000)	-	(2,205,443)	(2,189,079)	-	-	(6,217,522)	-	-
030: Inflation & Price List Adjustments	-	-	4,570,910	31,092	-	-	4,602,002	-	-
050: Fundshifts and Revenue Reductions	-	-	622,073	(622,073)	-	-	-	-	-
2017-19 Current Service Level	-	-	258,879,476	14,941,294	202,096,657	-	475,917,427	950	944.54
Adjusted 2017-19 Current Service Level	-	-	258,879,476	14,941,294	202,096,657	-	475,917,427	950	944.54
Total LFO Recommended Packages	-	-	(8,282,179)	-	-	-	(8,282,179)	2	1.38
2017-19 Legislative Actions	-	-	250,597,297	14,941,294	202,096,657	-	467,635,248	952	945.92
Net change from 2015-17 Leg Approved Budget	(1,823,000)	-	1,276,361	(2,478,963)	4,470,150	-	1,444,548	(8)	(6.84)
Percent change from 2015-17 Leg Approved Budget	(100.0%)	0.0%	0.5%	(14.2%)	2.3%	0.0%	0.3%	(0.8%)	(0.7%)
Net change from 2017-19 Adj Current Service Level	-	-	(8,282,179)	-	-	-	(8,282,179)	2	1.38
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(3.2%)	0.0%	0.0%	0.0%	(1.7%)	0.2%	0.2%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	-	-	1,478,048	-	1,478,048	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	-	-	1,478,048	-	1,478,048	-	-
2015-17 Leg Approved Budget (Base)	-	-	-	-	1,478,048	-	1,478,048	-	-
Summary of Base Adjustments	-	-	-	-	(1,478,048)	-	(1,478,048)	-	-
2017-19 Base Budget	-	-	-	-	-	-	-	-	-
2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	-	-	-	-	(1,478,048)	-	(1,478,048)	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	(100.0%)	0.0%	(100.0%)	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	-	-	191,286,861	-	191,286,861	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	-	-	191,286,861	-	191,286,861	-	-
2015-17 Leg Approved Budget (Base)	-	-	-	-	191,286,861	-	191,286,861	-	-
Summary of Base Adjustments	-	-	-	-	5,802,350	-	5,802,350	-	-
2017-19 Base Budget	-	-	-	-	197,089,211	-	197,089,211	-	-
2017-19 Current Service Level	-	-	-	-	197,089,211	-	197,089,211	-	-
Adjusted 2017-19 Current Service Level	-	-	-	-	197,089,211	-	197,089,211	-	-
2017-19 Legislative Actions	-	-	-	-	197,089,211	-	197,089,211	-	-
Net change from 2015-17 Leg Approved Budget	-	-	-	-	5,802,350	-	5,802,350	-	-
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	3.0%	0.0%	3.0%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	23,027,985	-	-	-	23,027,985	83	83.00
2015-17 Ebds, SS & Admin Act	-	-	682,903	-	-	-	682,903	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	23,710,888	-	-	-	23,710,888	83	83.00
2015-17 Leg Approved Budget (Base)	-	-	23,690,992	-	-	-	23,690,992	83	83.00
Summary of Base Adjustments	-	-	883,928	-	-	-	883,928	-	-
2017-19 Base Budget	-	-	24,574,920	-	-	-	24,574,920	83	83.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	70,711	-	-	-	70,711	-	-
030: Inflation & Price List Adjustments	-	-	313,270	-	-	-	313,270	-	-
060: Technical Adjustments	-	-	(106,481)	-	-	-	(106,481)	-	-
2017-19 Current Service Level	-	-	24,852,420	-	-	-	24,852,420	83	83.00
Adjusted 2017-19 Current Service Level	-	-	24,852,420	-	-	-	24,852,420	83	83.00
Total LFO Recommended Packages	-	-	(117,465)	-	-	-	(117,465)	(1)	(1.00)
2017-19 Legislative Actions	-	-	24,734,955	-	-	-	24,734,955	82	82.00
Net change from 2015-17 Leg Approved Budget	-	-	1,024,067	-	-	-	1,024,067	(1)	(1.00)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	4.3%	0.0%	0.0%	0.0%	4.3%	(1.2%)	(1.2%)
Net change from 2017-19 Adj Current Service Level	-	-	(117,465)	-	-	-	(117,465)	(1)	(1.00)
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(0.5%)	0.0%	0.0%	0.0%	(0.5%)	(1.2%)	(1.2%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 812 Vacant Position Elimination

Package Description This package eliminates long-term vacant positions in the agency's budget. This reduction includes a single office specialist 2 position that has been held open due to lack of workload.

LFO Recommendation

LFO Recommended	-	-	(117,465)	-	-	-	(117,465)	(1)	(1.00)
-----------------	---	---	-----------	---	---	---	-----------	-----	--------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	38,847,530	-	3,361,198	-	42,208,728	185	183.38
2015-17 Ebds, SS & Admin Act	-	-	1,466,038	-	-	-	1,466,038	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	40,313,568	-	3,361,198	-	43,674,766	185	183.38
2015-17 Leg Approved Budget (Base)	-	-	40,269,641	-	3,361,198	-	43,630,839	185	183.38
Summary of Base Adjustments	-	-	1,817,845	-	100,836	-	1,918,681	-	0.12
2017-19 Base Budget	-	-	42,087,486	-	3,462,034	-	45,549,520	185	183.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	134,865	-	-	-	134,865	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	31	-	-	-	31	-	-
030: Inflation & Price List Adjustments	-	-	677,366	-	-	-	677,366	-	-
060: Technical Adjustments	-	-	231,117	-	-	-	231,117	-	-
2017-19 Current Service Level	-	-	43,130,865	-	3,462,034	-	46,592,899	185	183.50
Adjusted 2017-19 Current Service Level	-	-	43,130,865	-	3,462,034	-	46,592,899	185	183.50
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	-	-	43,130,865	-	3,462,034	-	46,592,899	185	183.50
Net change from 2015-17 Leg Approved Budget	-	-	2,817,297	-	100,836	-	2,918,133	-	0.12
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	7.0%	0.0%	3.0%	0.0%	6.7%	0.0%	0.1%
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	37,548,146	11,395,000	-	-	48,943,146	196	194.26
2015-17 Ebds, SS & Admin Act	-	-	747,879	766,035	-	-	1,513,914	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	38,296,025	12,161,035	-	-	50,457,060	196	194.26
2015-17 Leg Approved Budget (Base)	-	-	38,249,467	12,160,322	-	-	50,409,789	196	194.26
Summary of Base Adjustments	-	-	1,085,760	782,499	-	-	1,868,259	(1)	(0.76)
2017-19 Base Budget	-	-	39,335,227	12,942,821	-	-	52,278,048	195	193.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(9,952)	45,237	-	-	35,285	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	210	-	-	-	210	-	-
030: Inflation & Price List Adjustments	-	-	824,419	2,258	-	-	826,677	-	-
060: Technical Adjustments	-	-	632,120	-	-	-	632,120	-	-
2017-19 Current Service Level	-	-	40,782,024	12,990,316	-	-	53,772,340	195	193.50
Adjusted 2017-19 Current Service Level	-	-	40,782,024	12,990,316	-	-	53,772,340	195	193.50
Total LFO Recommended Packages	-	-	1,883,900	-	-	-	1,883,900	9	8.88
2017-19 Legislative Actions	-	-	42,665,924	12,990,316	-	-	55,656,240	204	202.38
Net change from 2015-17 Leg Approved Budget	-	-	4,369,899	829,281	-	-	5,199,180	8	8.12
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	11.4%	6.8%	0.0%	0.0%	10.3%	4.1%	4.2%
Net change from 2017-19 Adj Current Service Level	-	-	1,883,900	-	-	-	1,883,900	9	8.88
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	4.6%	0.0%	0.0%	0.0%	3.5%	4.6%	4.6%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 101 Workplace Presence

Package Description This package provides \$1,883,900 in Other Funds expenditure limitation to fund 9 positions (8.88 FTE) that will provide a greater enforcement presence and more consulting services around workplace safety in Oregon. Specifically, the department proposes to hire six enforcement positions and three workplace consultation positions. The goal of the additional positions is to increase the workplace presence of OSHA within the state to maintain or reduce the rate of workplace injuries and illnesses, which have recently levelled off after a long period of decline.

The Oregon OSHA program had a reduction of 14 occupational safety specialists and one industrial hygienist position in the 2011-13 budget due to reduced revenues related to a waning economy. No adjustments were made in the 2013-15 budget, but an additional three positions were added in 2015 as commercial activity started to recover. This package brings the program staffing to just slightly less than the 2009-11 biennium level.

The program is funded by the Worker’s Compensation Premium Assessment. The 2018 fiscal year rates were set by DCBS inclusive of the funding needed for this package as reported by the agency to the Emergency Board in December of 2016.

LFO Recommendation

LFO Recommended	-	-	1,883,900	-	-	-	1,883,900	9	8.88
-----------------	---	---	-----------	---	---	---	-----------	---	------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	23,041,666	4,591,986	-	-	27,633,652	103	101.39
2015-17 Ebds, SS & Admin Act	-	-	809,426	192,707	-	-	1,002,133	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	23,851,092	4,784,693	-	-	28,635,785	103	101.39
2015-17 Leg Approved Budget (Base)	-	-	23,826,790	4,686,572	-	-	28,513,362	103	101.39
Summary of Base Adjustments	-	-	(18,254,103)	(1,797,068)	-	-	(20,051,171)	(103)	(101.39)
2017-19 Base Budget	-	-	5,572,687	2,889,504	-	-	8,462,191	-	-
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(891,451)	(55,510)	-	-	(946,961)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(2,189,079)	-	-	(2,189,079)	-	-
030: Inflation & Price List Adjustments	-	-	339,818	26,739	-	-	366,557	-	-
060: Technical Adjustments	-	-	(5,021,054)	(671,654)	-	-	(5,692,708)	-	-
2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	-	-	(23,851,092)	(4,784,693)	-	-	(28,635,785)	(103)	(101.39)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(100.0%)	(100.0%)	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	30,525,202	-	-	-	30,525,202	24	24.00
2015-17 Ebds, SS & Admin Act	1,823,000	-	(2,102,423)	-	-	-	(279,423)	(7)	(3.50)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	1,823,000	-	28,422,779	-	-	-	30,245,779	17	20.50
2015-17 Leg Approved Budget (Base)	1,823,000	-	27,864,162	-	-	-	29,687,162	17	20.50
Summary of Base Adjustments	-	-	(1,493,292)	701,258	-	-	(792,034)	4	0.50
2017-19 Base Budget	1,823,000	-	26,370,870	701,258	-	-	28,895,128	21	21.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(21,521)	27,274	-	-	5,753	-	-
020: Phase In / Out Pgm & One-time Cost	(1,823,000)	-	(2,249,152)	-	-	-	(4,072,152)	-	-
030: Inflation & Price List Adjustments	-	-	1,141,442	-	-	-	1,141,442	-	-
060: Technical Adjustments	-	-	(224,995)	671,654	-	-	446,659	-	-
2017-19 Current Service Level	-	-	25,016,644	1,400,186	-	-	26,416,830	21	21.00
Adjusted 2017-19 Current Service Level	-	-	25,016,644	1,400,186	-	-	26,416,830	21	21.00
Total LFO Recommended Packages	-	-	(8,715,947)	-	-	-	(8,715,947)	1	1.00
2017-19 Legislative Actions	-	-	16,300,697	1,400,186	-	-	17,700,883	22	22.00
Net change from 2015-17 Leg Approved Budget	(1,823,000)	-	(12,122,082)	1,400,186	-	-	(12,544,896)	5	1.50
Percent change from 2015-17 Leg Approved Budget	(100.0%)	0.0%	(42.7%)	100.0%	0.0%	0.0%	(41.5%)	29.4%	7.3%
Net change from 2017-19 Adj Current Service Level	-	-	(8,715,947)	-	-	-	(8,715,947)	1	1.00
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(34.8%)	0.0%	0.0%	0.0%	(33.0%)	4.8%	4.8%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 090 Analyst Adjustments

Package Description As included in the Governor’s budget, this package makes several reductions to Other Funds limitation to align the 2017-19 budget for the Health Insurance Marketplace with anticipated expenditures following the settlement of the ORACLE litigation in the 2015-17 biennium. This package eliminates \$6.0 million Other Funds expenditure limitation in IT professional services for contracts that were needed for the transition of the marketplace from Cover Oregon that are now expired; ongoing IT professional service costs are estimated at \$3.0 million. The package also eliminates \$1.5 million Other Funds expenditure limitation for telecommunications contracts that are no longer needed. Ongoing telecommunications expenditures are estimated at \$0.3 million for the 2017-19 biennium. Finally, a reduction of \$2.4 million in Other Funds expenditure limitation for Attorney General Fees to reflect the resolution of the Cover Oregon litigation. These reductions bring the expenditure limitation for the Marketplace in line with its current program needs.

LFO Recommendation

LFO Recommended	-	-	(9,899,237)	-	-	-	(9,899,237)	-	-
-----------------	---	---	-------------	---	---	---	-------------	---	---

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 102 COFA Premium Assistance Program

Package Description This packages restores expenditure authority from the Compact of Free Association (COFA) Islander Fund. These amounts represent the residual funding projected to be remaining in the account at the beginning of the 2017-19 biennium. These monies were transferred in to the fund from the General Fund during the 2016 session to provide insurance premium and out of pocket expense assistance to qualified COFA islanders residing in Oregon. The package also includes the continuation of one limited-duration full-time Operations Policy Analyst 4 to administer the program. Under the terms of the Compact of Free Association, COFA islanders are allowed to legally live and work in the United States but they are excluded by federal law from many forms of public assistance, including Medicaid.

Based on cost estimates provided by DCBS, the annual cost per program enrollee is \$1,215. The current number of program participants is roughly 300, equating to an annual estimated cost of \$364,500 or a biennial cost of \$729,000 plus program administration.

LFO Recommendation

LFO Recommended	-	-	1,383,290	-	-	-	1,383,290	1	1.00
-----------------	---	---	-----------	---	---	---	-----------	---	------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 801 LFO Analyst Adjustments

Package Description This package includes an unspecified reduction to Services and Supplies for expenditure authority erroneously included in the program's base budget.

LFO Recommendation

LFO Recommended	-	-	(200,000)	-	-	-	(200,000)	-	-
-----------------	---	---	-----------	---	---	---	-----------	---	---

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	18,472,743	-	650,000	-	19,122,743	79	79.00
2015-17 Ebds, SS & Admin Act	-	-	605,861	-	-	-	605,861	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	19,078,604	-	650,000	-	19,728,604	79	79.00
2015-17 Leg Approved Budget (Base)	-	-	19,059,665	-	650,000	-	19,709,665	79	79.00
Summary of Base Adjustments	-	-	(15,349,433)	-	19,500	-	(15,329,933)	(79)	(79.00)
2017-19 Base Budget	-	-	3,710,232	-	669,500	-	4,379,732	-	-
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(498,021)	-	-	-	(498,021)	-	-
030: Inflation & Price List Adjustments	-	-	280,251	-	-	-	280,251	-	-
060: Technical Adjustments	-	-	(3,492,462)	-	(669,500)	-	(4,161,962)	-	-
2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2017-19 Current Service Level	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2015-17 Leg Approved Budget	-	-	(19,078,604)	-	(650,000)	-	(19,728,604)	(79)	(79.00)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	(100.0%)	0.0%	(100.0%)	(100.0%)	(100.0%)
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	38,979,054	217,025	257,956	-	39,454,035	169	164.54
2015-17 Ebds, SS & Admin Act	-	-	1,600,325	15,678	-	-	1,616,003	1	1.17
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	40,579,379	232,703	257,956	-	41,070,038	170	165.71
2015-17 Leg Approved Budget (Base)	-	-	40,539,942	232,413	257,956	-	41,030,311	170	165.71
Summary of Base Adjustments	-	-	1,357,169	62,589	7,739	-	1,427,497	(5)	(2.17)
2017-19 Base Budget	-	-	41,897,111	295,002	265,695	-	42,457,808	165	163.54
010: Non-PICS Pers Svc/Vacancy Factor	-	-	349,336	1,234	-	-	350,570	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	7,290	-	-	-	7,290	-	-
030: Inflation & Price List Adjustments	-	-	427,340	946	-	-	428,286	-	-
060: Technical Adjustments	-	-	(85,644)	-	-	-	(85,644)	-	-
2017-19 Current Service Level	-	-	42,595,433	297,182	265,695	-	43,158,310	165	163.54
Adjusted 2017-19 Current Service Level	-	-	42,595,433	297,182	265,695	-	43,158,310	165	163.54
Total LFO Recommended Packages	-	-	(1,169,650)	-	-	-	(1,169,650)	(6)	(6.50)
2017-19 Legislative Actions	-	-	41,425,783	297,182	265,695	-	41,988,660	159	157.04
Net change from 2015-17 Leg Approved Budget	-	-	846,404	64,479	7,739	-	918,622	(11)	(8.67)
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	2.1%	27.7%	3.0%	0.0%	2.2%	(6.5%)	(5.2%)
Net change from 2017-19 Adj Current Service Level	-	-	(1,169,650)	-	-	-	(1,169,650)	(6)	(6.50)
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(2.8%)	0.0%	0.0%	0.0%	(2.7%)	(3.6%)	(4.0%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 090 Analyst Adjustments

Package Description This package eliminates two permanent, full-time Accounting Technician 3 positions from the Shared Services Unit, reducing \$256,054 in Other Funds expenditure limitation, to account for the transfer of payroll services from DCBS to the Department of Administrative Services during FY 2015-17.

LFO Recommendation

LFO Recommended	-	-	(256,054)	-	-	-	(256,054)	(2)	(2.00)
-----------------	---	---	-----------	---	---	---	-----------	-----	--------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 812 Vacant Position Elimination

Package Description This package eliminates vacant positions in the agency's budget. The reduction includes three positions (3.0 FTE) in the Central Services Division. The positions have been held open due to lack of workload. The positions include:

- One Office Specialist 1 positions
- One Accounting Tech 3 position
- One Human Resources Analyst 3 position

The reduction includes \$480,794 Other Funds for personal services and \$22,732 Other Funds for services and supplies.

LFO Recommendation

LFO Recommended	-	-	(503,526)	-	-	-	(503,526)	(3)	(3.00)
-----------------	---	---	-----------	---	---	---	-----------	-----	--------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 814 IT Security Positions Consolidation

Package Description This package reduces expenditure and position authority for an Information Systems Specialist 8 position and reduces expenditure authority for an Operations Policy Analyst 4 to account for the transfer of the positions and the centralization of all information systems security functions with the Department of Administrative Services per Executive Order 16-13.

LFO Recommendation

LFO Recommended	-	-	(410,070)	-	-	-	(410,070)	(1)	(1.50)
-----------------	---	---	-----------	---	---	---	-----------	-----	--------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2015-17 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	35,353,382	598,587	-	-	35,951,969	174	174.00
2017-19 Base Budget	-	-	35,353,382	598,587	-	-	35,951,969	174	174.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	1,554,185	23,486	-	-	1,577,671	-	-
050: Fundshifts and Revenue Reductions	-	-	622,073	(622,073)	-	-	-	-	-
060: Technical Adjustments	-	-	8,847,370	-	669,500	-	9,516,870	-	-
2017-19 Current Service Level	-	-	46,377,010	-	669,500	-	47,046,510	174	174.00
Adjusted 2017-19 Current Service Level	-	-	46,377,010	-	669,500	-	47,046,510	174	174.00
Total LFO Recommended Packages	-	-	(163,017)	-	-	-	(163,017)	(1)	(1.00)
2017-19 Legislative Actions	-	-	46,213,993	-	669,500	-	46,883,493	173	173.00
Net change from 2015-17 Leg Approved Budget	-	-	46,213,993	-	669,500	-	46,883,493	173	173.00
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2017-19 Adj Current Service Level	-	-	(163,017)	-	-	-	(163,017)	(1)	(1.00)
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	(0.4%)	0.0%	0.0%	0.0%	(0.4%)	(0.6%)	(0.6%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
--	--------------	---------------	-------------	---------------	------------------------	--------------------------	-------------	-----------	----------------------------

Package 812 Vacant Position Elimination

Package Description This package eliminates vacant positions in the agency's budget. This reduction includes a single Investigator 3 position that has been held open due to lack of workload.

LFO Recommendation

LFO Recommended	-	-	(163,017)	-	-	-	(163,017)	(1)	(1.00)
-----------------	---	---	-----------	---	---	---	-----------	-----	--------

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	-	-	32,728,456	227,605	592,444	-	33,548,505	123	123.00
2015-17 Ebds, SS & Admin Act	-	-	2,340,145	14,221	-	-	2,354,366	4	2.52
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	-	-	35,068,601	241,826	592,444	-	35,902,871	127	125.52
2015-17 Leg Approved Budget (Base)	-	-	35,039,112	241,375	592,444	-	35,872,931	127	125.52
Summary of Base Adjustments	-	-	1,198,966	10,788	17,773	-	1,227,527	-	0.48
2017-19 Base Budget	-	-	36,238,078	252,163	610,217	-	37,100,458	127	126.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	63,791	298	-	-	64,089	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	36,178	-	-	-	36,178	-	-
030: Inflation & Price List Adjustments	-	-	567,004	1,149	-	-	568,153	-	-
060: Technical Adjustments	-	-	(779,971)	-	-	-	(779,971)	-	-
2017-19 Current Service Level	-	-	36,125,080	253,610	610,217	-	36,988,907	127	126.00
Adjusted 2017-19 Current Service Level	-	-	36,125,080	253,610	610,217	-	36,988,907	127	126.00
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2017-19 Legislative Actions	-	-	36,125,080	253,610	610,217	-	36,988,907	127	126.00
Net change from 2015-17 Leg Approved Budget	-	-	1,056,479	11,784	17,773	-	1,086,036	-	0.48
Percent change from 2015-17 Leg Approved Budget	0.0%	0.0%	3.0%	4.9%	3.0%	0.0%	3.0%	0.0%	0.4%
Net change from 2017-19 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%