

**Legislative  
Fiscal Office**

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**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:** General Government Subcommittee  
**From:** Amanda Beitel, Legislative Fiscal Office  
**Date:** May 18, 2017  
**Subject:** HB 5018 – State Library  
Work Session Recommendations

**State Library – Agency Totals**

|                    | 2013-15<br>Actual | 2015-17<br>Legislatively<br>Approved | 2017-19<br>Current Service<br>Level | 2017-19<br>LFO<br>Recommended |
|--------------------|-------------------|--------------------------------------|-------------------------------------|-------------------------------|
| General Fund       | 3,314,924         | 3,628,773                            | 4,059,622                           | 3,862,134                     |
| Other Funds        | 5,653,370         | 6,443,435                            | 6,899,420                           | 6,855,645                     |
| Federal Funds      | 4,360,283         | 5,121,642                            | 5,276,872                           | 5,276,872                     |
| <b>Total Funds</b> | <b>13,328,577</b> | <b>15,193,850</b>                    | <b>16,235,914</b>                   | <b>15,994,651</b>             |
| Positions          | 41                | 42                                   | 42                                  | 42                            |
| FTE                | 39.26             | 40.26                                | 40.04                               | 40.04                         |

Attached are the recommendations from the Legislative Fiscal Office for the State Library. The recommendations contain the following:

- Package 90 - \$197,488 General Fund reduction to the Ready to Read Grant program to achieve targeted General Fund reductions due to budget constraints.
- Package 801 - Decrease Other Funds expenditure limitation by \$43,775 to reduce rent expense. Savings are achieved by consolidating Government Services staff into one space.

The 2017-19 LFO Recommended Budget is a 5.3% increase from the 2015-17 legislatively approved budget and a 1.5% decrease from the 2017-19 current service level.

**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 HB 5018. (VOTE)

**OR**

**Change** LFO Recommendation:

**MOTION:** I move the LFO recommendation to HB 5018, 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)

### **Recommended Changes**

LFO recommends a budget of \$3,862,134 General Fund, \$6,855,645 Other Funds, \$5,276,872 Federal Funds, and 42 positions (40.04 FTE), which is reflected in the -2 amendment.

**MOTION:** I move adoption of the -2 amendment to HB 5018. (VOTE)

### **Final Subcommittee Action**

LFO recommends that HB 5018, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

**MOTION:** I move HB 5018, 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) |
|---|------------------|---------------|------------------|------------------|------------------------|--------------------------|-------------------|-----------|----------------------------|
| <b>2015-17 Agy. Leg. Adopted</b>                      | <b>3,536,497</b> | -             | <b>6,227,861</b> | <b>5,061,853</b> | -                      | -                        | <b>14,826,211</b> | <b>42</b> | <b>40.26</b>               |
| 2015-17 Ebds, SS & Admin Act                          | 92,276           | -             | 215,574          | 59,789           | -                      | -                        | 367,639           | -         | -                          |
| Ways & Means Actions                                  | -                | -             | -                | -                | -                      | -                        | -                 | -         | -                          |
| <b>2015-17 Leg Approved Budget</b>                    | <b>3,628,773</b> | -             | <b>6,443,435</b> | <b>5,121,642</b> | -                      | -                        | <b>15,193,850</b> | <b>42</b> | <b>40.26</b>               |
| <b>2015-17 Leg Approved Budget (Base)</b>             | <b>3,626,974</b> | -             | <b>6,440,443</b> | <b>5,121,642</b> | -                      | -                        | <b>15,189,059</b> | <b>42</b> | <b>40.26</b>               |
| Summary of Base Adjustments                           | 149,801          | -             | 179,905          | 97,801           | -                      | -                        | 427,507           | -         | (0.22)                     |
| <b>2017-19 Base Budget</b>                            | <b>3,776,775</b> | -             | <b>6,620,348</b> | <b>5,219,443</b> | -                      | -                        | <b>15,616,566</b> | <b>42</b> | <b>40.04</b>               |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | 1,613            | -             | (4,102)          | 1,052            | -                      | -                        | (1,437)           | -         | -                          |
| 030: Inflation & Price List Adjustments               | 225,131          | -             | 339,277          | 56,377           | -                      | -                        | 620,785           | -         | -                          |
| 050: Fundshifts and Revenue Reductions                | 56,103           | -             | (56,103)         | -                | -                      | -                        | -                 | -         | -                          |
| <b>2017-19 Current Service Level</b>                  | <b>4,059,622</b> | -             | <b>6,899,420</b> | <b>5,276,872</b> | -                      | -                        | <b>16,235,914</b> | <b>42</b> | <b>40.04</b>               |
| <b>Adjusted 2017-19 Current Service Level</b>         | <b>4,059,622</b> | -             | <b>6,899,420</b> | <b>5,276,872</b> | -                      | -                        | <b>16,235,914</b> | <b>42</b> | <b>40.04</b>               |
| <b>Total LFO Recommended Packages</b>                 | <b>(197,488)</b> | -             | <b>(43,775)</b>  | -                | -                      | -                        | <b>(241,263)</b>  | -         | -                          |
| <b>2017-19 Legislative Actions</b>                    | <b>3,862,134</b> | -             | <b>6,855,645</b> | <b>5,276,872</b> | -                      | -                        | <b>15,994,651</b> | <b>42</b> | <b>40.04</b>               |
| Net change from 2015-17 Leg Approved Budget           | 233,361          | -             | 412,210          | 155,230          | -                      | -                        | 800,801           | -         | (0.22)                     |
| Percent change from 2015-17 Leg Approved Budget       | 6.4%             | 0.0%          | 6.4%             | 3.0%             | 0.0%                   | 0.0%                     | 5.3%              | 0.0%      | (0.6%)                     |
| Net change from 2017-19 Adj Current Service Level     | (197,488)        | -             | (43,775)         | -                | -                      | -                        | (241,263)         | -         | -                          |
| Percent change from 2017-19 Adj Current Service Level | (4.9%)           | 0.0%          | (0.6%)           | 0.0%             | 0.0%                   | 0.0%                     | (1.5%)            | 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) |
|---|----------------|---------------|------------------|----------------|------------------------|--------------------------|------------------|-----------|----------------------------|
| <b>2015-17 Agy. Leg. Adopted</b>                      | <b>120,776</b> | -             | <b>1,188,033</b> | <b>128,651</b> | -                      | -                        | <b>1,437,460</b> | <b>5</b>  | <b>6.18</b>                |
| 2015-17 Ebds, SS & Admin Act                          | 6,131          | -             | 46,082           | 6,337          | -                      | -                        | 58,550           | -         | -                          |
| Ways & Means Actions                                  | -              | -             | -                | -              | -                      | -                        | -                | -         | -                          |
| <b>2015-17 Leg Approved Budget</b>                    | <b>126,907</b> | -             | <b>1,234,115</b> | <b>134,988</b> | -                      | -                        | <b>1,496,010</b> | <b>5</b>  | <b>6.18</b>                |
| <b>2015-17 Leg Approved Budget (Base)</b>             | <b>126,907</b> | -             | <b>1,233,547</b> | <b>134,988</b> | -                      | -                        | <b>1,495,442</b> | <b>5</b>  | <b>6.18</b>                |
| Summary of Base Adjustments                           | 9,349          | -             | (157,445)        | (15,153)       | -                      | -                        | (163,249)        | -         | (1.50)                     |
| <b>2017-19 Base Budget</b>                            | <b>136,256</b> | -             | <b>1,076,102</b> | <b>119,835</b> | -                      | -                        | <b>1,332,193</b> | <b>5</b>  | <b>4.68</b>                |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | 575            | -             | 3,493            | 574            | -                      | -                        | 4,642            | -         | -                          |
| 030: Inflation & Price List Adjustments               | -              | -             | 51,773           | -              | -                      | -                        | 51,773           | -         | -                          |
| 060: Technical Adjustments                            | -              | -             | 678,683          | 55,886         | -                      | -                        | 734,569          | 3         | 3.00                       |
| <b>2017-19 Current Service Level</b>                  | <b>136,831</b> | -             | <b>1,810,051</b> | <b>176,295</b> | -                      | -                        | <b>2,123,177</b> | <b>8</b>  | <b>7.68</b>                |
| <b>Adjusted 2017-19 Current Service Level</b>         | <b>136,831</b> | -             | <b>1,810,051</b> | <b>176,295</b> | -                      | -                        | <b>2,123,177</b> | <b>8</b>  | <b>7.68</b>                |
| <b>Total LFO Recommended Packages</b>                 | -              | -             | -                | -              | -                      | -                        | -                | -         | -                          |
| <b>2017-19 Legislative Actions</b>                    | <b>136,831</b> | -             | <b>1,810,051</b> | <b>176,295</b> | -                      | -                        | <b>2,123,177</b> | <b>8</b>  | <b>7.68</b>                |
| Net change from 2015-17 Leg Approved Budget           | 9,924          | -             | 575,936          | 41,307         | -                      | -                        | 627,167          | 3         | 1.50                       |
| Percent change from 2015-17 Leg Approved Budget       | 7.8%           | 0.0%          | 46.7%            | 30.6%          | 0.0%                   | 0.0%                     | 41.9%            | 60.0%     | 24.3%                      |
| 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) |
|---|------------------|---------------|----------------|------------------|------------------------|--------------------------|------------------|-----------|----------------------------|
| <b>2015-17 Agy. Leg. Adopted</b>                      | <b>2,093,101</b> | -             | <b>140,286</b> | <b>4,901,047</b> | -                      | -                        | <b>7,134,434</b> | <b>8</b>  | <b>7.50</b>                |
| 2015-17 Ebds, SS & Admin Act                          | 29,786           | -             | -              | 50,664           | -                      | -                        | 80,450           | -         | -                          |
| Ways & Means Actions                                  | -                | -             | -              | -                | -                      | -                        | -                | -         | -                          |
| <b>2015-17 Leg Approved Budget</b>                    | <b>2,122,887</b> | -             | <b>140,286</b> | <b>4,951,711</b> | -                      | -                        | <b>7,214,884</b> | <b>8</b>  | <b>7.50</b>                |
| <b>2015-17 Leg Approved Budget (Base)</b>             | <b>2,122,094</b> | -             | <b>140,286</b> | <b>4,951,711</b> | -                      | -                        | <b>7,214,091</b> | <b>8</b>  | <b>7.50</b>                |
| Summary of Base Adjustments                           | 41,887           | -             | -              | 89,926           | -                      | -                        | 131,813          | -         | -                          |
| <b>2017-19 Base Budget</b>                            | <b>2,163,981</b> | -             | <b>140,286</b> | <b>5,041,637</b> | -                      | -                        | <b>7,345,904</b> | <b>8</b>  | <b>7.50</b>                |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | 2,661            | -             | -              | 359              | -                      | -                        | 3,020            | -         | -                          |
| 030: Inflation & Price List Adjustments               | 132,484          | -             | 5,199          | 56,377           | -                      | -                        | 194,060          | -         | -                          |
| <b>2017-19 Current Service Level</b>                  | <b>2,299,126</b> | -             | <b>145,485</b> | <b>5,098,373</b> | -                      | -                        | <b>7,542,984</b> | <b>8</b>  | <b>7.50</b>                |
| <b>Adjusted 2017-19 Current Service Level</b>         | <b>2,299,126</b> | -             | <b>145,485</b> | <b>5,098,373</b> | -                      | -                        | <b>7,542,984</b> | <b>8</b>  | <b>7.50</b>                |
| <b>Total LFO Recommended Packages</b>                 | <b>(197,488)</b> | -             | -              | -                | -                      | -                        | <b>(197,488)</b> | -         | -                          |
| <b>2017-19 Legislative Actions</b>                    | <b>2,101,638</b> | -             | <b>145,485</b> | <b>5,098,373</b> | -                      | -                        | <b>7,345,496</b> | <b>8</b>  | <b>7.50</b>                |
| Net change from 2015-17 Leg Approved Budget           | (21,249)         | -             | 5,199          | 146,662          | -                      | -                        | 130,612          | -         | -                          |
| Percent change from 2015-17 Leg Approved Budget       | (1.0%)           | 0.0%          | 3.7%           | 3.0%             | 0.0%                   | 0.0%                     | 1.8%             | 0.0%      | 0.0%                       |
| Net change from 2017-19 Adj Current Service Level     | (197,488)        | -             | -              | -                | -                      | -                        | (197,488)        | -         | -                          |
| Percent change from 2017-19 Adj Current Service Level | (8.6%)           | 0.0%          | 0.0%           | 0.0%             | 0.0%                   | 0.0%                     | (2.6%)           | 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) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 090 Analyst Adjustments**

Package Description Package 090, as modified, makes a \$197,488 General Fund reduction to the Ready to Read Grant program, which provides grants to public libraries for early literacy services and summer reading programs. The Ready to Ready Grant program budget is reduced by 13.5% and the funding per child from \$1.015 per year to \$0.878 per year. Although the Ready to Read Grant program supports the maintenance of effort (MOE) required for the Library Services and Technology Act (LSTA) federal grant, a reduction of this level would not likely result in the Library's inability to meet the MOE requirement. Additionally, should the MOE requirement not be met, the Library could apply for a waiver of the MOE requirement to potentially avoid a reduction in federal funding.

LFO Recommendation Approve the reduction as modified.

|                 |           |   |   |   |   |   |           |   |   |
|-----------------|-----------|---|---|---|---|---|-----------|---|---|
| LFO Recommended | (197,488) | - | - | - | - | - | (197,488) | - | - |
|-----------------|-----------|---|---|---|---|---|-----------|---|---|

|   | General Fund     | Lottery Funds | Other Funds    | Federal Funds | Nonlimited Other Funds | Nonlimited Federal Funds | Total Funds      | Positions | Full-Time Equivalent (FTE) |
|---|------------------|---------------|----------------|---------------|------------------------|--------------------------|------------------|-----------|----------------------------|
| <b>2015-17 Agy. Leg. Adopted</b>                      | <b>1,322,620</b> | -             | <b>363,425</b> | -             | -                      | -                        | <b>1,686,045</b> | <b>8</b>  | <b>8.24</b>                |
| 2015-17 Ebds, SS & Admin Act                          | 56,359           | -             | 8,356          | -             | -                      | -                        | 64,715           | -         | -                          |
| Ways & Means Actions                                  | -                | -             | -              | -             | -                      | -                        | -                | -         | -                          |
| <b>2015-17 Leg Approved Budget</b>                    | <b>1,378,979</b> | -             | <b>371,781</b> | -             | -                      | -                        | <b>1,750,760</b> | <b>8</b>  | <b>8.24</b>                |
| <b>2015-17 Leg Approved Budget (Base)</b>             | <b>1,377,973</b> | -             | <b>371,781</b> | -             | -                      | -                        | <b>1,749,754</b> | <b>8</b>  | <b>8.24</b>                |
| Summary of Base Adjustments                           | 98,565           | -             | (3,470)        | -             | -                      | -                        | 95,095           | -         | -                          |
| <b>2017-19 Base Budget</b>                            | <b>1,476,538</b> | -             | <b>368,311</b> | -             | -                      | -                        | <b>1,844,849</b> | <b>8</b>  | <b>8.24</b>                |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | (1,623)          | -             | 855            | -             | -                      | -                        | (768)            | -         | -                          |
| 030: Inflation & Price List Adjustments               | 92,647           | -             | 7,125          | -             | -                      | -                        | 99,772           | -         | -                          |
| 050: Fundshifts and Revenue Reductions                | 56,103           | -             | (56,103)       | -             | -                      | -                        | -                | -         | -                          |
| <b>2017-19 Current Service Level</b>                  | <b>1,623,665</b> | -             | <b>320,188</b> | -             | -                      | -                        | <b>1,943,853</b> | <b>8</b>  | <b>8.24</b>                |
| <b>Adjusted 2017-19 Current Service Level</b>         | <b>1,623,665</b> | -             | <b>320,188</b> | -             | -                      | -                        | <b>1,943,853</b> | <b>8</b>  | <b>8.24</b>                |
| <b>Total LFO Recommended Packages</b>                 | <b>-</b>         | <b>-</b>      | <b>-</b>       | <b>-</b>      | <b>-</b>               | <b>-</b>                 | <b>-</b>         | <b>-</b>  | <b>-</b>                   |
| <b>2017-19 Legislative Actions</b>                    | <b>1,623,665</b> | -             | <b>320,188</b> | -             | -                      | -                        | <b>1,943,853</b> | <b>8</b>  | <b>8.24</b>                |
| Net change from 2015-17 Leg Approved Budget           | 244,686          | -             | (51,593)       | -             | -                      | -                        | 193,093          | -         | -                          |
| Percent change from 2015-17 Leg Approved Budget       | 17.7%            | 0.0%          | (13.9%)        | 0.0%          | 0.0%                   | 0.0%                     | 11.0%            | 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) |
|---|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
| <b>2015-17 Agy. Leg. Adopted</b>                      | -            | -             | 4,536,117   | 32,155        | -                      | -                        | 4,568,272   | 21        | 18.34                      |
| 2015-17 Ebds, SS & Admin Act                          | -            | -             | 161,136     | 2,788         | -                      | -                        | 163,924     | -         | -                          |
| Ways & Means Actions                                  | -            | -             | -           | -             | -                      | -                        | -           | -         | -                          |
| <b>2015-17 Leg Approved Budget</b>                    | -            | -             | 4,697,253   | 34,943        | -                      | -                        | 4,732,196   | 21        | 18.34                      |
| <b>2015-17 Leg Approved Budget (Base)</b>             | -            | -             | 4,694,829   | 34,943        | -                      | -                        | 4,729,772   | 21        | 18.34                      |
| Summary of Base Adjustments                           | -            | -             | 340,820     | 23,028        | -                      | -                        | 363,848     | -         | 1.28                       |
| <b>2017-19 Base Budget</b>                            | -            | -             | 5,035,649   | 57,971        | -                      | -                        | 5,093,620   | 21        | 19.62                      |
| 010: Non-PICS Pers Svc/Vacancy Factor                 | -            | -             | (8,450)     | 119           | -                      | -                        | (8,331)     | -         | -                          |
| 030: Inflation & Price List Adjustments               | -            | -             | 275,180     | -             | -                      | -                        | 275,180     | -         | -                          |
| 060: Technical Adjustments                            | -            | -             | (678,683)   | (55,886)      | -                      | -                        | (734,569)   | (3)       | (3.00)                     |
| <b>2017-19 Current Service Level</b>                  | -            | -             | 4,623,696   | 2,204         | -                      | -                        | 4,625,900   | 18        | 16.62                      |
| <b>Adjusted 2017-19 Current Service Level</b>         | -            | -             | 4,623,696   | 2,204         | -                      | -                        | 4,625,900   | 18        | 16.62                      |
| <b>Total LFO Recommended Packages</b>                 | -            | -             | (43,775)    | -             | -                      | -                        | (43,775)    | -         | -                          |
| <b>2017-19 Legislative Actions</b>                    | -            | -             | 4,579,921   | 2,204         | -                      | -                        | 4,582,125   | 18        | 16.62                      |
| Net change from 2015-17 Leg Approved Budget           | -            | -             | (117,332)   | (32,739)      | -                      | -                        | (150,071)   | (3)       | (1.72)                     |
| Percent change from 2015-17 Leg Approved Budget       | 0.0%         | 0.0%          | (2.5%)      | (93.7%)       | 0.0%                   | 0.0%                     | (3.2%)      | (14.3%)   | (9.4%)                     |
| Net change from 2017-19 Adj Current Service Level     | -            | -             | (43,775)    | -             | -                      | -                        | (43,775)    | -         | -                          |
| Percent change from 2017-19 Adj Current Service Level | 0.0%         | 0.0%          | (1.0%)      | 0.0%          | 0.0%                   | 0.0%                     | (1.0%)      | 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) |
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|
|--|--------------|---------------|-------------|---------------|------------------------|--------------------------|-------------|-----------|----------------------------|

**Package 801 LFO Analyst Adjustments**

Package Description Package 801 decreases Other Funds expenditure limitation by \$43,775 to reduce rent expense supported with assessments to state agencies. Government Information and Library Services staff will be consolidated into one space, eliminating the need for 1,569 square feet of office space on the second floor of the State Library. Total savings are calculated based on 18 months of reduced rent expense at the 2017-19 uniform rent rate of \$1.55.

LFO Recommendation Approve the reduction.

|                 |   |   |          |   |   |   |          |   |   |
|-----------------|---|---|----------|---|---|---|----------|---|---|
| LFO Recommended | - | - | (43,775) | - | - | - | (43,775) | - | - |
|-----------------|---|---|----------|---|---|---|----------|---|---|