

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: Steve Bender, Legislative Fiscal Office
Date: June 29, 2017
Subject: SB 5521 – Office of the Governor
Work Session Recommendations

Office of the Governor – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	11,189,877	12,784,089	13,250,527	13,473,027
Lottery Funds	3,032,991	4,211,103	4,434,432	3,827,547
Other Funds	2,326,520	3,250,620	3,387,418	3,432,918
Federal Funds				6,907,780
Total Funds	\$16,549,388	\$20,245,812	\$21,072,377	\$27,641,272
Positions	56	63	61	59
FTE	55.50	61.67	60.50	58.50

The Legislative Fiscal Office (LFO) recommendations for the Office of the Governor budget are attached.

The principal recommendations for SB 5521 include:

- Elimination of three long-term vacant positions in the Regional Solutions Program, with an associated reduction in Lottery Funds expenditures of \$606,885.
- Budget adjustments to reflect the transfer of the Oregon Commission on Voluntary Action and Service from the Housing and Community Services Department to the Office of the Governor.
- Addition of \$68,000 Other Funds expenditures to purchase vehicles to transport inmates in the Extradition program.

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 5521. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5521, 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

Budget Note: Oregon Volunteers Program Transfer

Funding for Oregon Volunteers is provided with the expectation that the Oregon Commission on Voluntary Action and Service will revise its five-year strategic plan to integrate activities within the Governor's Office, for the purpose of securing federal matching funds. The Governor's Office is requested to report, with the Oregon Commission on Voluntary Action and Service, to a meeting of the Interim Joint Committee on Ways and Means prior to the February 2019 session of the Legislative Assembly, to determine the amount at which to fund Commission activities for the remainder of the 2017-19 biennium. The information requested to be provided includes personnel requirements, amounts and sources of funding, including potential matching dollars, and changes to the Commission's

5-year plan that may result from the transfer of administration of the Commission to the Office of the Governor. If sufficient funding for Oregon Volunteers is not approved for the remainder of the 2017-19 biennium, Oregon Volunteers will take necessary actions to end all federal programs by September 30, 2018.

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 \$13,473,027 General Fund, \$3,827,547 Lottery Funds, \$3,432,918 Other Funds, \$6,907,780 Federal Funds and 59 positions (58.50 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5521. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5521, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move SB 5521, 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	12,448,211	4,058,418	3,152,058	-	-	-	19,658,687	63	61.67
2015-17 Ebds, SS & Admin Act	335,878	152,685	98,562	-	-	-	587,125	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	12,784,089	4,211,103	3,250,620	-	-	-	20,245,812	63	61.67
2015-17 Leg Approved Budget (Base)	12,773,672	4,209,051	3,249,297	-	-	-	20,232,020	63	61.67
Summary of Base Adjustments	279,837	129,670	19,874	-	-	-	429,381	(2)	(1.17)
2017-19 Base Budget	13,053,509	4,338,721	3,269,171	-	-	-	20,661,401	61	60.50
010: Non-PICS Pers Svc/Vacancy Factor	24,464	(21,829)	1,986	-	-	-	4,621	-	-
020: Phase In / Out Pgm & One-time Cost	(3,952)	-	-	-	-	-	(3,952)	-	-
030: Inflation & Price List Adjustments	176,506	117,540	116,261	-	-	-	410,307	-	-
2017-19 Current Service Level	13,250,527	4,434,432	3,387,418	-	-	-	21,072,377	61	60.50
Adjusted 2017-19 Current Service Level	13,250,527	4,434,432	3,387,418	-	-	-	21,072,377	61	60.50
Total LFO Recommended Packages	222,500	(606,885)	45,500	6,907,780	-	-	6,568,895	(2)	(2.00)
2017-19 Legislative Actions	13,473,027	3,827,547	3,432,918	6,907,780	-	-	27,641,272	59	58.50
Net change from 2015-17 Leg Approved Budget	688,938	(383,556)	182,298	6,907,780	-	-	7,395,460	(4)	(3.17)
Percent change from 2015-17 Leg Approved Budget	5.4%	(9.1%)	5.6%	100.0%	0.0%	0.0%	36.5%	(6.4%)	(5.1%)
Net change from 2017-19 Adj Current Service Level	222,500	(606,885)	45,500	6,907,780	-	-	6,568,895	(2)	(2.00)
Percent change from 2017-19 Adj Current Service Level	1.7%	(13.7%)	1.3%	100.0%	0.0%	0.0%	31.2%	(3.3%)	(3.3%)

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2015-17 Ebds, SS & Admin Act	335,878	152,685	98,562	-	-	-	587,125	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	12,784,089	4,211,103	3,250,620	-	-	-	20,245,812	63	61.67
2015-17 Leg Approved Budget (Base)	12,773,672	4,209,051	3,249,297	-	-	-	20,232,020	63	61.67
Summary of Base Adjustments	279,837	129,670	19,874	-	-	-	429,381	(2)	(1.17)
2017-19 Base Budget	13,053,509	4,338,721	3,269,171	-	-	-	20,661,401	61	60.50
010: Non-PICS Pers Svc/Vacancy Factor	24,464	(21,829)	1,986	-	-	-	4,621	-	-
020: Phase In / Out Pgm & One-time Cost	(3,952)	-	-	-	-	-	(3,952)	-	-
030: Inflation & Price List Adjustments	176,506	117,540	116,261	-	-	-	410,307	-	-
2017-19 Current Service Level	13,250,527	4,434,432	3,387,418	-	-	-	21,072,377	61	60.50
Adjusted 2017-19 Current Service Level	13,250,527	4,434,432	3,387,418	-	-	-	21,072,377	61	60.50
Total LFO Recommended Packages	222,500	(606,885)	45,500	6,907,780	-	-	6,568,895	(2)	(2.00)
2017-19 Legislative Actions	13,473,027	3,827,547	3,432,918	6,907,780	-	-	27,641,272	59	58.50
Net change from 2015-17 Leg Approved Budget	688,938	(383,556)	182,298	6,907,780	-	-	7,395,460	(4)	(3.17)
Percent change from 2015-17 Leg Approved Budget	5.4%	(9.1%)	5.6%	100.0%	0.0%	0.0%	36.5%	(6.4%)	(5.1%)
Net change from 2017-19 Adj Current Service Level	222,500	(606,885)	45,500	6,907,780	-	-	6,568,895	(2)	(2.00)
Percent change from 2017-19 Adj Current Service Level	1.7%	(13.7%)	1.3%	100.0%	0.0%	0.0%	31.2%	(3.3%)	(3.3%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description Package 090 is recommended as presented in the Governor's recommended budget, without the component in the original package that expanded General Fund for professional services. The package eliminates vacant positions and helps balance the statewide General Fund/Lottery Funds budget.

LFO Recommendation Eliminate three Lottery Funds-financed vacant positions in the Regional Solutions Program (-3.00 FTE), and reduce Lottery Funds expenditures by \$606,885.

LFO Recommended

Revenues	-	(606,885)	-	-	-	-	(606,885)		
Expenditures	-	(606,885)	-	-	-	-	(606,885)	(3)	(3.00)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 102 Extradition Program Shuttle Service

Package Description This package provides expenditure limitation to purchase two transport vans to be used by counties while transporting inmates between county facilities. The purchase is supported by cash balances within the Extradition program.

LFO Recommendation Approve the request. Increase the Other Funds expenditure limitation by \$68,000.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	68,000	-	-	-	68,000	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description Package 801 replaces Criminal Fine Account support for the Arrest and Return Account with an equal amount of General Fund. The fund shift has no impact on the General Fund budget. The reduction in Criminal Fine Account support will increase General Fund revenue by the same amount, thus financing the General Fund increase.

The purpose of the adjustment is to simplify funding for the Arrest and Return Account and to reduce small allocations from the Criminal Fine Account.

LFO Recommendation Increase General Fund by \$22,500 and reduce Other Funds expenditures by \$22,500. Note, the Criminal Fine Account allocation to the Arrest and Return Account will be removed from SB 5529.

LFO Recommended

Revenues	22,500	-	-	-	-	-	22,500		
Expenditures	22,500	-	(22,500)	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 802 Technical and Revenue Adjustments

Package Description Package 802 includes beginning balance adjustments to update information in the budget with more recent data.

LFO Recommendation Increase Other Funds beginning balances by \$216,027.

Budget Instructions Other Funds Beginning Balance Adjustment [0030/3400] - +\$216,027.

LFO Recommended

Revenues	-	-	-	-	-	-	-	-	-
Expenditures	-	-	-	-	-	-	-	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 803 Oregon Volunteers Transfer

Package Description Package 803 includes budgetary adjustments associated with the transfer of the Oregon Commission on Voluntary Action and Service from the Housing and Community Services Department to the Office of the Governor. The Governor's Office is requested to report back to the Legislature regarding the status of the transition.

The Federal Funds expenditures and position authority provided in this package are being removed from the Housing and Community Services Department budget in HB 5006 to reflect the transfer of these funds to the Governor's Office. General Fund of \$200,000 is provided to assist the transfer and to fund review and development of long term proposals for the Commission.

LFO Recommendation Increase General Fund by \$200,000 and Federal Funds expenditures by \$6,607,780, and add one limited-duration position (1.00 FTE). The Office may use General Fund provided in the package to finance a second limited-duration position, obtain professional services, or pay other expenses related to the Commission. Approve the General Fund appropriation on a one-time basis.

Budget Notes Funding for Oregon Volunteers is provided with the expectation that the Oregon Commission on Voluntary Action and Service will revise its five-year strategic plan to integrate activities within the Governor's Office, for the purpose of securing federal matching funds. The Governor's Office is requested to report, with the Oregon Commission on Voluntary Action and Service, to a meeting of the Interim Joint Committee on Ways and Means prior to the February 2019 session of the Legislative Assembly, to determine the amount at which to fund Commission activities for the remainder of the 2017-19 biennium. The information requested to be provided includes personnel requirements, amounts and sources of funding, including potential matching dollars, and changes to the Commission's 5-year plan that may result from the transfer administration of the Commission to the Office of the Governor. If sufficient funding for Oregon Volunteers is not approved for the remainder of the 2017-19 biennium, Oregon Volunteers will take necessary actions to end all federal programs by September 30, 2018.

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Budget Instructions The General Fund is a one-time appropriation, and will be phased out in the development of the Governor's Office 2019-21 current service level budget.

General Fund appropriation [0050/8000] - +\$200,000
Federal Revenues [0355/6400] - +\$6,907,780

Personal Services (FF) [3995/6400] - +\$299,371
Services & Supplies (GF) [4995/8000] - +\$200,000
Services & Supplies (GF) [4995/6400] - +629
Special Payments (FF) [6995/6400] - +\$6,607,780

Positions - +1
FTE - +1.00

LFO Recommended

Revenues	200,000	-	-	6,907,780	-	-	7,107,780		
Expenditures	200,000	-	-	6,907,780	-	-	7,107,780	1	1.00

Legislatively Proposed 2017 - 2019 Key Performance Measures

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Agency: Governor's Office

Mission Statement:

The Governor's office provides leadership and direction to state agencies that are in the Executive Branch. The Governor's office includes the following: Program Area Policy Advisors (e.g., education, workforce, natural resources, jobs and economy, health care, workforce and labor, housing and human services, public safety, transportation, and veterans); Executive Appointments; Constituent Services; Diversity, Equity and Inclusion; Affirmative Action; Extradition Services (for all law enforcement agencies), and Regional Solutions. The focus of the Annual Performance Progress Report is on the last four program areas. These program areas track performance measures, as detailed within this report.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. CUSTOMER SATISFACTION - Percent of participants (customers) who rate the Regional Solutions process very good to excellent.	Timeliness	Approved	91.60%	90%	90%
	Overall		91.60%	90%	90%
	Helpfulness		89.60%	90%	90%
	Availability of Information		87.70%	90%	90%
	Accuracy		92%	90%	90%
	Expertise		91.80%	90%	90%
2. CERTIFIED INDUSTRIAL SITES - Number of new industrial sites / acres certified as "project ready".		Approved	1	1	1
4. NUMBER OF STATE CONTRACT AWARDS TO CERTIFIED MINORITY, WOMEN AND EMERGING SMALL BUSINESSES (MWESB)		Approved	0.70%	10%	10%
5. STATE HIRING - Number of protected classes being hired, promoted, and retained in state agencies.		Approved	19.50%	22%	22%
3. OREGON FUGITIVES RETURNED - Percent of Oregon fugitives returned to Oregon in the most cost-effective and timely manner, giving priority to the most serious offenders.		Proposed Delete	91.25	90	0

LFO Recommendation:

Approve the Key Performance Measures, and Key Performance Measure targets as shown in the above table, with one modification. Approve the proposed deletion of Key Performance Measure #3.

Change the title of Key Performance Measure #4 to "Percentage of State Contract Awards to Business Certified by the Certification Office for Business Inclusion and Diversity."

SubCommittee Action: