

## Analysis

### Item 17: Department of Geology and Mineral Industries

#### Second Year Funding

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**Analyst:** John Terpening

**Request:** Allocate \$2,864,393 from the Emergency Fund, increase Other Funds expenditure limitation by \$3,566,192, increase Federal Funds expenditure limitation by \$2,892,574, establish a full-time manager position (0.50 FTE), and increase position full-time equivalents by 19.21 for the Department of Geology and Mineral Industries for the second year of operations in the 2019-21 biennium.

**Analysis:** As a result of overspending its budgeted General Fund appropriation twice in the previous four years and doubt concerning the ongoing viability of the Department's current structure and funding mechanism, the Department of Geology and Mineral Industries (DOGAMI) was provided a one-year budget in SB 5511 (2019). In addition to approving only one year of funding, the Legislature also adopted a budget note instructing the Governor's Office to prepare a detailed strategic plan for the future of DOGAMI, including evaluation of whether the Department should continue to exist as an independent agency or should be abolished and the Department's individual programs be moved to other entities.

The Governor's Office reported to the Joint Committee on Ways and Means during the 2020 legislative session on the strategic plan, which included a recommendation that DOGAMI receive a second year of funding and remain intact for the 2019-21 biennium, with further evaluation of agency operations and a reevaluation of other options during the development of the Governor's Recommended Budget. The funding proposal brought forward for consideration during the 2020 legislative session was \$3,104,928 General Fund and included the addition of a permanent full-time manager position (0.50 FTE). This proposal has been modified due to constraints on the state's General Fund in the current biennium.

The Department has two programs, the Geologic Survey and Science program (GS&S) and the Mined Land Regulation and Reclamation program (MLRR). The second year of funding for the GS&S program, which also houses the Department's administrative functions, includes \$2,864,393 General Fund, and establishment of a permanent full-time manager position (0.50 FTE). It also includes an additional \$1,305,154 Other Funds expenditure limitation and \$2,892,574 Federal Funds expenditure limitation that is used to fund projects and grants that are integral to the Department's mission. The second year does not include funding for the agency's Chief Information Officer (CIO) position or continued use of regional offices in Newport and Baker City and provides half-time funding for an existing Public Affairs position. With the regional office closures, staff assigned to those offices will continue to work remotely. The Department's CIO position was first established by the Emergency Board in May 2016 to implement an Information Technology remediation plan. The Department has successfully implemented the plan and no longer requires a CIO-level position for an agency this size. For the GS&S program, the overall FTE is increased 13.66 to reflect the second year.

The funding for the MLRR program, which is an entirely fee-based program, includes \$2,261,038 Other Funds expenditure limitation for a second year of operations, including sufficient limitation to hire a third-party contractor to assist with the current chemical gold mine permit process. The FTE

increase for the MLRR program is 5.55 FTE for the second year. However, it should be noted that without a fee increase this fiscal year, the program will not have enough revenue to continue current operations through the end of the 2019-21 biennium. A fee increase was proposed in the 2020 legislative session that would have supported ongoing operations at current staffing levels, but the bill was not passed prior to sine die. Without a fee increase, the MLRR program will need to begin layoffs by late-summer of 2020 in order to avoid a cash shortfall.

**Legislative Fiscal Office Recommendation:** Allocate \$2,864,393 from the Emergency Fund, increase Other Funds expenditure limitation by \$3,566,192, increase Federal Funds limitation by \$2,892,574, establish a permanent full-time manager position (0.50 FTE) for the GS&S program and increase the FTE by 19.21 for the Department of Geology and Mineral Industries second year of 2019-21 operations funding.