

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

Sen. Betsy Johnson, Senate Co-Chair
Sen. Elizabeth Steiner Hayward, Senate Co-Chair
Rep. Dan Rayfield, House Co-Chair

Sen. Jackie Winters, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Transportation and Economic Development Subcommittee
From: Amanda Beitel, Legislative Fiscal Office
Date: May 20, 2019
Subject: SB 5524 – Oregon Business Development Department
Work Session Recommendations

Oregon Business Development Department – Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 LFO Recommended
General Fund	14,811,095	55,013,540	61,822,937	61,490,062
Lottery Funds	100,496,117	117,789,412	119,156,968	118,064,601
Other Funds	62,403,430	383,574,013	407,723,679	349,724,144
Other Funds NL	125,309,446	237,886,281	245,544,035	245,544,035
Federal Funds	25,924,065	41,457,527	43,049,222	43,100,462
Total Funds	328,944,153	835,720,773	877,296,841	817,923,304
Positions	139	136	136	135
FTE	135.34	134.50	134.50	134.50

The Legislative Fiscal Office recommends a 2019-21 total funds budget of \$817,923,304 and 135 positions (134.50 FTE) for the Oregon Business Development Department. The recommended budget is a 2.1% decrease from the 2017-19 legislatively approved budget. Requests for general obligation and lottery bonds are not included in the recommendations. The Joint Committee on Ways and Means Capital Construction Subcommittee is reviewing bond requests, and any budget adjustments related to bond-supported programs will be included in the bond authorization and end-of-session budget bills. Specific budget recommendations include:

- Reducing support for the following programs to help balance the statewide General Fund / Lottery Funds budget within available resources:
 - \$1,612,134 Lottery Funds reduction to Oregon Innovation Council (Oregon InC) programs.

- \$519,000 Lottery Funds reduction to eliminate funding for the Oregon Regional Accelerator and Innovation Network (RAIN).
- \$332,875 General Fund reduction to the Solar Development Incentive program.
- Increasing Lottery Funds support by \$750,000 for the Rural Opportunity Initiative to support rural entrepreneurs and \$629,199 for the Oregon Growth Fund to increase capital available to the state’s early-stage small businesses.
- \$700,000 to replace the legacy financial portfolio management system with an application that will allow the Department to manage financial awards.
- Decreasing the Oregon Cultural Trust’s administrative expenditures by abolishing the Arts Assistant Director position (1.00 FTE) and using General Fund savings to support a greater percentage of the Arts Executive Director position.

The Department reported a maximum supervisory ratio of 1:9 for the 2017-19 biennium and a proposed maximum supervisory ratio of 1:9 for the 2019-21 biennium based on the complexity and diversity of programs and duties, as well as financial responsibilities.

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 5524. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to SB 5524, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2019-21 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: Oregon InC - Signature Research Centers

The Oregon Business Development Department, in collaboration with the Oregon Innovation Council, shall evaluate the feasibility and impact of eliminating ongoing state support for the three Signature Research Centers: ONAMI, OTRADI, and VertueLab. The Department shall report its findings to the Emergency Board in September 2020.

#2 Budget Note: Rural Opportunity Initiative Report

The Oregon Business Development Department is directed to report to the Emergency Board in September 2020 on the Rural Opportunity Initiative grant program. The report shall provide a comprehensive evaluation of the program since inception, including grants awarded, rural communities served, return on investment, coordination with other small business development resources, demonstration of increased entrepreneurial ecosystem capacity, and ongoing sustainability of local programs and technical support services. Return on investment metrics should include, but are not limited to, leveraged funds, number of companies assisted, jobs created, and access to capital.

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 \$61,490,062 General Fund, \$118,064,601 Lottery Funds, \$349,724,144 Other Funds, \$43,100,462 Federal Funds, \$245,544,035 Other Funds Nonlimited, and 135 positions (134.50 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to SB 5524. (VOTE)

Final Subcommittee Action

LFO recommends that SB 5524, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 5524, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-000-00-00-00000
Oregon Business Development Department

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	55,096,211	115,975,469	378,417,137	40,717,603	237,886,281	-	828,092,701	136	134.50
2017-19 Ebds, SS & Admin Act	(82,671)	1,813,943	5,156,876	739,924	-	-	7,628,072	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	55,013,540	117,789,412	383,574,013	41,457,527	237,886,281	-	835,720,773	136	134.50
2017-19 Leg Approved Budget (Base)	55,013,540	117,789,412	379,574,014	41,457,527	237,886,281	-	831,720,774	136	134.50
Summary of Base Adjustments	15,210,173	2,404,118	740,580	56,120	7,657,754	-	26,068,745	-	-
2019-21 Base Budget	70,223,713	120,193,530	380,314,594	41,513,647	245,544,035	-	857,789,519	136	134.50
010: Non-PICS Pers Svc/Vacancy Factor	5,344	142,826	327,974	4,910	-	-	481,054	-	-
020: Phase In / Out Pgm & One-time Cost	(8,650,000)	(3,500,000)	19,013,821	-	-	-	6,863,821	-	-
030: Inflation & Price List Adjustments	243,880	2,320,612	8,067,290	1,530,665	-	-	12,162,447	-	-
2019-21 Current Service Level	61,822,937	119,156,968	407,723,679	43,049,222	245,544,035	-	877,296,841	136	134.50
Adjusted 2019-21 Current Service Level	61,822,937	119,156,968	407,723,679	43,049,222	245,544,035	-	877,296,841	136	134.50
Total LFO Recommended Packages	(332,875)	(1,092,367)	(57,999,535)	51,240	-	-	(59,373,537)	(1)	-
2019-21 Legislative Actions	61,490,062	118,064,601	349,724,144	43,100,462	245,544,035	-	817,923,304	135	134.50
Net change from 2017-19 Leg Approved Budget	6,476,522	275,189	(33,849,869)	1,642,935	7,657,754	-	(17,797,469)	(1)	-
Percent change from 2017-19 Leg Approved Budget	11.8%	0.2%	(8.8%)	4.0%	3.2%	0.0%	(2.1%)	(0.7%)	0.0%
Net change from 2019-21 Adj Current Service Level	(332,875)	(1,092,367)	(57,999,535)	51,240	-	-	(59,373,537)	(1)	-
Percent change from 2019-21 Adj Current Service Level	(0.5%)	(0.9%)	(14.2%)	0.1%	0.0%	0.0%	(6.8%)	(0.7%)	0.0%

LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-110-00-00-0000
Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	7,094,443	1,848,508	199,438	-	-	9,142,389	32	32.00
2017-19 Ebds, SS & Admin Act	-	148,313	42,963	5,535	-	-	196,811	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	7,242,756	1,891,471	204,973	-	-	9,339,200	32	32.00
2017-19 Leg Approved Budget (Base)	-	7,242,756	1,891,471	204,973	-	-	9,339,200	32	32.00
Summary of Base Adjustments	-	39,586	47,198	12,990	-	-	99,774	-	-
2019-21 Base Budget	-	7,282,342	1,938,669	217,963	-	-	9,438,974	32	32.00
010: Non-PICS Pers Svc/Vacancy Factor	-	100,552	62,077	4,971	-	-	167,600	-	-
030: Inflation & Price List Adjustments	-	216,123	18,143	232	-	-	234,498	-	-
2019-21 Current Service Level	-	7,599,017	2,018,889	223,166	-	-	9,841,072	32	32.00
Adjusted 2019-21 Current Service Level	-	7,599,017	2,018,889	223,166	-	-	9,841,072	32	32.00
Total LFO Recommended Packages	-	1,032,112	794,983	-	-	-	1,827,095	4	4.00
2019-21 Legislative Actions	-	8,631,129	2,813,872	223,166	-	-	11,668,167	36	36.00
Net change from 2017-19 Leg Approved Budget	-	1,388,373	922,401	18,193	-	-	2,328,967	4	4.00
Percent change from 2017-19 Leg Approved Budget	0.0%	19.2%	48.8%	8.9%	0.0%	0.0%	24.9%	12.5%	12.5%
Net change from 2019-21 Adj Current Service Level	-	1,032,112	794,983	-	-	-	1,827,095	4	4.00
Percent change from 2019-21 Adj Current Service Level	0.0%	13.6%	39.4%	0.0%	0.0%	0.0%	18.6%	12.5%	12.5%

	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 105 Technology Modernization

Package Description Package 105 increases Lottery Funds expenditure limitation by \$595,000 and Other Funds expenditure limitation by \$105,000 to replace the agency's legacy financial portfolio management system (Portfol). Portfol is a custom-built application used to manage loan and grant awards, including funding sources, loan terms, and repayments; however, the system has reached its end of life and is no longer supported by the vendor. The unsupported system needs to be replaced with an application that will allow the agency to continue to manage financial awards, as well as provide additional functionality for tracking tax-incentives and meeting increased transparency and reporting requirements. The package provides \$700,000 in the 2019-21 biennium for project management and software replacement costs; \$550,000 (\$467,500 Lottery Funds / \$82,500 Other Funds) is provided on a one-time basis and \$150,000 (\$127,500 Lottery Funds / \$22,500 Other Funds) is provided on an ongoing basis for annual software licensing costs.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	595,000	105,000	-	-	-	700,000	-	-
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	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 115 Budget Alignment

Package Description Package 115 reclassifies and transfers positions between budgeted divisions to align staff and resources with the agency's organizational structure. The Oregon Business Development Department (OBDD) began a strategic review in December 2016, with goals of enhancing service delivery and operational efficiency and flexibility. This review resulted in OBDD revising its organizational structure into four divisions: Economic Development, Operations and Finance, Equity, Strategies and Communications, and Arts and Culture. Primarily, the new structure combines the previous Business, Innovation, and Trade Division and the Infrastructure Finance Authority Division, into a single Economic Development Division, combining the operation of business development and infrastructure finance programs into one agency unit; and establishes twelve Regional Development Officer and six Regional Project Manager positions to support program delivery through the state. The budgeted Business, Innovation and Trade and Infrastructure Divisions are retained. OBDD presented this plan to the Joint Committee on Ways and Means during the 2018 session and this package includes the budgetary actions to implement the reorganization plan, as modified to include additional actions identified during development of the 2019-21 budget request.

Lottery Funds expenditure limitation is increased by \$437,112, Other Funds expenditure limitation is increased by \$689,983, and four positions (4.00 FTE) are added to the Operations Division for the following changes:

- Transfer an Operations and Policy Analyst 2 (1.00 FTE) and an Operations and Policy Analyst 4 (1.00 FTE) from the Business, Innovation, and Trade Division to the Operations Division.
- Transfer a Procurement and Contract Assistant (1.00 FTE) and a Procurement and Contract Specialist 3 (1.00 FTE) from the Infrastructure Division to the Operations Division.
- Upward reclassification of four positions: an Administrative Support Specialist 1 to a Human Resource Assistant, an Information Systems Specialist 6 to an Information Systems Specialist 7, an Accountant 4 to a Principal Executive Manager E, and a Fiscal Analyst 1 to a Fiscal Analyst 3.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	437,112	689,983	-	-	-	1,127,095	4	4.00
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LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-210-00-00-0000
Business, Innovation, Trade

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	8,549,655	56,363,565	18,183,883	4,861,653	12,483,098	-	100,441,854	56	55.00
2017-19 Ebds, SS & Admin Act	10,191	652,514	155,036	706,463	-	-	1,524,204	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	8,559,846	57,016,079	18,338,919	5,568,116	12,483,098	-	101,966,058	56	55.00
2017-19 Leg Approved Budget (Base)	8,559,846	57,016,079	18,338,919	5,568,116	12,483,098	-	101,966,058	56	55.00
Summary of Base Adjustments	80,492	34,507	394,269	(3,338)	493,687	-	999,617	-	-
2019-21 Base Budget	8,640,338	57,050,586	18,733,188	5,564,778	12,976,785	-	102,965,675	56	55.00
010: Non-PICS Pers Svc/Vacancy Factor	4,149	60,695	144,363	-	-	-	209,207	-	-
020: Phase In / Out Pgm & One-time Cost	(5,000,000)	(2,500,000)	1,800,000	-	-	-	(5,700,000)	-	-
030: Inflation & Price List Adjustments	128,844	1,935,366	502,500	211,462	-	-	2,778,172	-	-
2019-21 Current Service Level	3,773,331	56,546,647	21,180,051	5,776,240	12,976,785	-	100,253,054	56	55.00
Adjusted 2019-21 Current Service Level	3,773,331	56,546,647	21,180,051	5,776,240	12,976,785	-	100,253,054	56	55.00
Total LFO Recommended Packages	(332,875)	(1,944,867)	898,872	204,629	-	-	(1,174,241)	3	4.00
2019-21 Legislative Actions	3,440,456	54,601,780	22,078,923	5,980,869	12,976,785	-	99,078,813	59	59.00
Net change from 2017-19 Leg Approved Budget	(5,119,390)	(2,414,299)	3,740,004	412,753	493,687	-	(2,887,245)	3	4.00
Percent change from 2017-19 Leg Approved Budget	(59.8%)	(4.2%)	20.4%	7.4%	4.0%	0.0%	(2.8%)	5.4%	7.3%
Net change from 2019-21 Adj Current Service Level	(332,875)	(1,944,867)	898,872	204,629	-	-	(1,174,241)	3	4.00
Percent change from 2019-21 Adj Current Service Level	(8.8%)	(3.4%)	4.2%	3.5%	0.0%	0.0%	(1.2%)	5.4%	7.3%

	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 includes the following reductions to balance the statewide General Fund / Lottery Funds budget within available resources:

- \$332,875 General Fund reduction to Solar Development Incentive (SDI) program to adjust the budget to forecasted spending levels.
- \$519,000 Lottery Funds reduction to eliminate funding for the Oregon Regional Accelerator and Innovation Network (RAIN).
- \$1,612,134 Lottery Funds reduction to Oregon Innovation Council (Oregon InC) programs, bringing the total support for Oregon InC to \$17.25 million, an 8.5% reduction from current service level. The Oregon InC reduction includes a specified decrease of \$750,000 to the Signature Research Centers (SRCs), resulting in 2019-21 funding of \$7 million for the SRCs.

The package also decreases Lottery Funds expenditure limitation by \$200,000 for the Oregon Growth Fund (OGF). Lottery Funds expenditure limitation of \$200,000 was included the 2017-19 budget for the balance of OGF awards not disbursed by the end of the previous biennium. The expenditure limitation was not phased-out during the development of the 2019-21 current service level budget and the agency is not anticipating a committed OGF Lottery Funds beginning balance in the 2019-21 biennium.

LFO Recommendation Approve the package as modified.

Budget Notes The Oregon Business Development Department, in collaboration with the Oregon Innovation Council, shall evaluate the feasibility and impact of eliminating ongoing state support for the three Signature Research Centers: ONAMI, OTRADI, and VertueLab. The Department shall report its findings to the Emergency Board in September 2020.

LFO Recommended	(332,875)	(2,331,134)	-	-	-	-	(2,664,009)	-	-
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	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 101 Oregon Growth Fund

Package Description Package 101 provides \$629,199 Lottery Funds expenditure limitation for the Oregon Growth Fund (OGF) to increase capital available to the state’s early-stage small businesses and promote economic development. OGF investments are managed by the Oregon Growth Board and include private sector venture capital funds, Oregon angel conferences, community development finance institutions, and funds that provide access to capital and mentoring to Oregon small businesses and startups.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	629,199	-	-	-	-	629,199	-	-
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	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 103 Rural Opportunity Initiative

Package Description Package 103 provides one-time Lottery Funds expenditure limitation of \$750,000 for the Rural Opportunity Initiative (ROI) grant program, which supports entrepreneurship-based economic development in rural communities. ROI provides funding to build capacity and strengthen local support services and programs for entrepreneurs and small businesses. The program was piloted in 2015-17 through the Strategic Reserve Fund and was funded on a one-time basis in 2017-19.

LFO Recommendation Approve the policy package as modified.

Budget Notes The Oregon Business Development Department is directed to report to the Emergency Board in September 2020 on the Rural Opportunity Initiative grant program. The report shall provide a comprehensive evaluation of the program since inception, including grants awarded, rural communities served, return on investment, coordination with other small business development resources, demonstration of increased entrepreneurial ecosystem capacity, and ongoing sustainability of local programs and technical support services. Return on investment metrics should include, but are not limited to, leveraged funds, number of companies assisted, jobs created, and access to capital.

LFO Recommended	-	750,000	-	-	-	-	750,000	-	-
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	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 115 Budget Alignment

Package Description Package 115 reclassifies and transfers positions between budgeted divisions to align staff and resources with the agency's organizational structure. The Oregon Business Development Department (OBDD) began a strategic review in December 2016, with goals of enhancing service delivery and operational efficiency and flexibility. This review resulted in OBDD revising its organizational structure into four divisions: Economic Development, Operations and Finance, Equity, Strategies and Communications, and Arts and Culture. Primarily, the new structure combines the previous Business, Innovation, and Trade Division and the Infrastructure Finance Authority Division, into a single Economic Development Division, combining the operation of business development and infrastructure finance programs into one agency unit; and establishes twelve Regional Development Officer and six Regional Project Manager positions to support program delivery through the state. The budgeted Business, Innovation and Trade and Infrastructure Divisions are retained. OBDD presented this plan to the Joint Committee on Ways and Means during the 2018 session and this package includes the budgetary actions to implement the reorganization plan, as modified to include additional actions identified during development of the 2019-21 budget request.

Lottery Funds expenditure limitation is decreased by \$517,000, Other Funds expenditure limitation is increased by \$1,090,988, Federal Funds expenditure limitation is increased by \$204,629, and three positions (4.00 FTE) are added to the Business, Innovation, and Trade Division for the following changes:

- Transfer an Operations and Policy Analyst 2 (1.00 FTE) and an Operations and Policy Analyst 4 (1.00 FTE) from the Business, Innovation, and Trade Division to the Operations Division.
- Transfer five Program Analyst 3 positions (5.00 FTE) from the Infrastructure Division to the Business, Innovation, and Trade Division and upward reclassify to Operations and Policy Analyst 4 positions for Regional Development Officers.
- Downward reclassification of eight Principal Executive Manager F positions (8.00 FTE) to Operations and Policy Analyst 4 positions for Regional Development and Recruitment Officers.
- Increase a Loan Specialist 1 position from 0.50 FTE to 1.00 FTE and an Operations and Policy Analyst 4 position from 0.50 FTE to 1.00 FTE.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	(517,000)	1,090,988	204,629	-	-	778,617	3	4.00
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	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 decreases Other Funds expenditure limitation by \$192,116 for the following budget adjustments:

- \$63,296 reduction to remove costs of issuance on 2017-19 bond sales that were not phased out during development of the 2019-21 current service level budget.
- \$128,820 reduction to expenditure limitation for the Oregon Manufacturing Innovation Center (OMIC) access roads project, bringing total limitation for the project to \$3,390,000, which corresponds with the estimated 2019-21 Other Funds beginning balance of lottery bond proceeds for the project.

The package also decreases Lottery Funds expenditure limitation by \$475,932 to adjust limitation included in the budget for the estimated balance of Strategic Reserve Fund (SRF) and Industry Competitiveness Fund (ICF) awards that will not be disbursed by the end of the biennium. The adjustment results in total SRF and ICF limitation of \$3,718,693 and \$120,025 for the programs' estimated 2019-21 Lottery Fund beginning balances. Limitation included for the agency to expend beginning Lottery Funds balances is in addition to the SRF (\$6,978,100) and ICF (\$2,793,712) Lottery Funds expenditure limitation for the programs' current service level budgets, but does not increase the agency's lottery allocation.

LFO Recommendation Approve the package.

Budget Instructions The Oregon Business Development Department (OBDD) is projecting an ending 2017-19 Lottery Funds balance of \$7,569,420 of which \$3,730,702 is expected to be reverted to the Administrative Service Economic Development Fund. The remaining Lottery Funds balance of \$3,838,718 is anticipated to be committed to SRF and ICF project awards and disbursed during the 2019-21 biennium.

LFO Recommended	-	(475,932)	(192,116)	-	-	-	(668,048)	-	-
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LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-300-00-00-0000
Infrastructure

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	2,000,000	1,548,664	345,421,660	33,699,399	225,403,183	-	608,072,906	37	37.00
2017-19 Ebds, SS & Admin Act	-	1,013,116	4,792,153	27,926	-	-	5,833,195	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	2,000,000	2,561,780	350,213,813	33,727,325	225,403,183	-	613,906,101	37	37.00
2017-19 Leg Approved Budget (Base)	2,000,000	2,561,780	346,213,814	33,727,325	225,403,183	-	609,906,102	37	37.00
Summary of Base Adjustments	-	92,537	299,439	46,468	7,164,067	-	7,602,511	-	-
2019-21 Base Budget	2,000,000	2,654,317	346,513,253	33,773,793	232,567,250	-	617,508,613	37	37.00
010: Non-PICS Pers Svc/Vacancy Factor	-	(18,421)	115,253	(61)	-	-	96,771	-	-
020: Phase In / Out Pgm & One-time Cost	(2,000,000)	(1,000,000)	17,619,000	-	-	-	14,619,000	-	-
030: Inflation & Price List Adjustments	-	123,236	7,271,928	1,244,536	-	-	8,639,700	-	-
2019-21 Current Service Level	-	1,759,132	371,519,434	35,018,268	232,567,250	-	640,864,084	37	37.00
Adjusted 2019-21 Current Service Level	-	1,759,132	371,519,434	35,018,268	232,567,250	-	640,864,084	37	37.00
Total LFO Recommended Packages	-	(179,612)	(59,316,380)	(153,389)	-	-	(59,649,381)	(7)	(7.00)
2019-21 Legislative Actions	-	1,579,520	312,203,054	34,864,879	232,567,250	-	581,214,703	30	30.00
Net change from 2017-19 Leg Approved Budget	(2,000,000)	(982,260)	(38,010,759)	1,137,554	7,164,067	-	(32,691,398)	(7)	(7.00)
Percent change from 2017-19 Leg Approved Budget	(100.0%)	(38.3%)	(10.9%)	3.4%	3.2%	0.0%	(5.3%)	(18.9%)	(18.9%)
Net change from 2019-21 Adj Current Service Level	-	(179,612)	(59,316,380)	(153,389)	-	-	(59,649,381)	(7)	(7.00)
Percent change from 2019-21 Adj Current Service Level	0.0%	(10.2%)	(16.0%)	(0.4%)	0.0%	0.0%	(9.3%)	(18.9%)	(18.9%)

	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 115 Budget Alignment

Package Description Package 115 reclassifies and transfers positions between budgeted divisions to align staff and resources with the agency's organizational structure. The Oregon Business Development Department (OBDD) began a strategic review in December 2016, with goals of enhancing service delivery and operational efficiency and flexibility. This review resulted in OBDD revising its organizational structure into four divisions: Economic Development, Operations and Finance, Equity, Strategies and Communications, and Arts and Culture. Primarily, the new structure combines the previous Business, Innovation, and Trade Division and the Infrastructure Finance Authority Division, into a single Economic Development Division, combining the operation of business development and infrastructure finance programs into one agency unit; and establishes twelve Regional Development Officer and six Regional Project Manager positions to support program delivery through the state. The budgeted Business, Innovation and Trade and Infrastructure Divisions are retained. OBDD presented this plan to the Joint Committee on Ways and Means during the 2018 session and this package includes the budgetary actions to implement the reorganization plan, as modified to include additional actions identified during development of the 2019-21 budget request.

Lottery Funds expenditure limitation is increased by \$79,888, Other Funds expenditure limitation is decreased by \$1,392,860, Federal Funds expenditure limitation is decreased by \$153,389, and seven positions (7.00 FTE) are transferred out of the Infrastructure Division for the following changes:

- Transfer a Procurement and Contract Assistant (1.00 FTE) and a Procurement and Contract Specialist 3 (1.00 FTE) from the Infrastructure Division to the Operations Division.
- Transfer five Program Analyst 3 positions (5.00 FTE) from the Infrastructure Division to the Business, Innovation, and Trade Division.
- Upward reclassification of six Program Analyst 3 positions (6.00 FTE) to Operations and Policy Analyst 3 positions for Regional Project Managers.
- Increase services and supplies Lottery Funds expenditure limitation by \$79,888 for contracted professional services necessary to administer the Seismic Rehabilitation Grant Program.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	79,888	(1,392,860)	(153,389)	-	-	(1,466,361)	(7)	(7.00)
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	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 decreases Other Funds expenditure limitation by \$57,923,520 for the following budget adjustments:

- \$2,704,497 reduction to remove costs of issuance on 2017-19 bond sales that were not phased out during development of the 2019-21 current service level budget.
- \$4,649,033 reduction to expenditure limitation for the Regional Infrastructure Fund (RIF), bringing total limitation for the RIF to \$9,000,000, which corresponds with the estimated 2019-21 Other Funds beginning balance of lottery bond proceeds for RIF projects.
- \$50,379,990 reduction to expenditure limitation for the Port of Coos Bay Channel Deepening project. The current service level budget included limitation for both the authorized 2017-19 lottery bond proceeds (\$10 million) and the anticipated 2019-21 lottery bond proceeds (\$40 million) for the project. As the statutory requirements for distribution of the bond proceeds were not met prior to the 2017-19 lottery bond sale, the project was not included issuance, resulting in no 2019-21 Other Funds beginning balance of proceeds. Additionally, inclusion of expenditure limitation for 2019-21 lottery bond proceeds is deferred until final consideration of 2019 bond authorizations.
- \$190,000 reduction to expenditure limitation for the Sweet Home Wastewater Treatment Plant and Crescent Sanitary District projects, bringing total limitation for the projects to \$5,000,000, which corresponds with the estimated 2019-21 Other Funds beginning balance of lottery bond proceeds for the projects.

The package also decreases Lottery Funds expenditure limitation by \$259,500 to remove limitation included the 2017-19 budget for the balance of the Port of Port Orford Cannery Building award that was not disbursed by the end of the previous biennium. The expenditure limitation was not phased-out during the development of the 2019-21 current service level budget and the agency anticipates that the project will be fully disbursed by the end of the 2017-19 biennium.

LFO Recommendation Approve the package.

LFO Recommended	-	(259,500)	(57,923,520)	-	-	-	(58,183,020)	-	-
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LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-500-00-00-00000
Film and Video

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	-	1,207,545	-	-	-	-	1,207,545	-	-
2017-19 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	1,207,545	-	-	-	-	1,207,545	-	-
2017-19 Leg Approved Budget (Base)	-	1,207,545	-	-	-	-	1,207,545	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2019-21 Base Budget	-	1,207,545	-	-	-	-	1,207,545	-	-
030: Inflation & Price List Adjustments	-	45,887	-	-	-	-	45,887	-	-
2019-21 Current Service Level	-	1,253,432	-	-	-	-	1,253,432	-	-
Adjusted 2019-21 Current Service Level	-	1,253,432	-	-	-	-	1,253,432	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2019-21 Legislative Actions	-	1,253,432	-	-	-	-	1,253,432	-	-
Net change from 2017-19 Leg Approved Budget	-	45,887	-	-	-	-	45,887	-	-
Percent change from 2017-19 Leg Approved Budget	0.0%	3.8%	0.0%	0.0%	0.0%	0.0%	3.8%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-600-00-00-00000
Arts

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	5,402,041	-	12,963,086	1,957,113	-	-	20,322,240	11	10.50
2017-19 Ebds, SS & Admin Act	15,246	-	58,615	-	-	-	73,861	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	5,417,287	-	13,021,701	1,957,113	-	-	20,396,101	11	10.50
2017-19 Leg Approved Budget (Base)	5,417,287	-	13,021,701	1,957,113	-	-	20,396,101	11	10.50
Summary of Base Adjustments	39,348	-	107,783	-	-	-	147,131	-	-
2019-21 Base Budget	5,456,635	-	13,129,484	1,957,113	-	-	20,543,232	11	10.50
010: Non-PICS Pers Svc/Vacancy Factor	1,195	-	6,281	-	-	-	7,476	-	-
020: Phase In / Out Pgm & One-time Cost	(1,650,000)	-	(405,179)	-	-	-	(2,055,179)	-	-
030: Inflation & Price List Adjustments	115,036	-	274,719	74,435	-	-	464,190	-	-
2019-21 Current Service Level	3,922,866	-	13,005,305	2,031,548	-	-	18,959,719	11	10.50
Adjusted 2019-21 Current Service Level	3,922,866	-	13,005,305	2,031,548	-	-	18,959,719	11	10.50
Total LFO Recommended Packages	-	-	(377,010)	-	-	-	(377,010)	(1)	(1.00)
2019-21 Legislative Actions	3,922,866	-	12,628,295	2,031,548	-	-	18,582,709	10	9.50
Net change from 2017-19 Leg Approved Budget	(1,494,421)	-	(393,406)	74,435	-	-	(1,813,392)	(1)	(1.00)
Percent change from 2017-19 Leg Approved Budget	(27.6%)	0.0%	(3.0%)	3.8%	0.0%	0.0%	(8.9%)	(9.1%)	(9.5%)
Net change from 2019-21 Adj Current Service Level	-	-	(377,010)	-	-	-	(377,010)	(1)	(1.00)
Percent change from 2019-21 Adj Current Service Level	0.0%	0.0%	(2.9%)	0.0%	0.0%	0.0%	(2.0%)	(9.1%)	(9.5%)

	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 decreases Other Funds expenditure limitation by \$377,010 for the following budget adjustments:

- \$126,611 reduction to remove costs of issuance on 2017-19 bond sales that were not phased out during development of the 2019-21 current service level budget.
- \$250,399 decrease in Other Funds limitation for the Cultural Trust program to reflect the net impact of two actions. The Arts Assistant Director position (1.00 FTE) is abolished, resulting in a General Fund reduction of \$125,961 and an Other Funds reduction of \$125,961. General Fund savings of \$124,438 are used to shift the Arts Executive Director position from 50% General Fund / 50% Other Funds to 90% General Fund / 10% Other Funds, resulting in an Other Funds reduction of \$124,438. Remaining General Fund savings of \$1,523 are used to increase the Arts Commission other services and supplies budget.

LFO Recommendation Approve the package.

LFO Recommended	-	-	(377,010)	-	-	-	(377,010)	(1)	(1.00)
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LFO102 - Work Session Presentation Report
2019-21 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-900-00-00-00000
Lottery & General Obligation Bond Debt Svc

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2017-19 Agy. Leg. Adopted	39,144,515	49,761,252	-	-	-	-	88,905,767	-	-
2017-19 Ebds, SS & Admin Act	(108,108)	-	108,109	-	-	-	1	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	39,036,407	49,761,252	108,109	-	-	-	88,905,768	-	-
2017-19 Leg Approved Budget (Base)	39,036,407	49,761,252	108,109	-	-	-	88,905,768	-	-
Summary of Base Adjustments	15,090,333	2,237,488	(108,109)	-	-	-	17,219,712	-	-
2019-21 Base Budget	54,126,740	51,998,740	-	-	-	-	106,125,480	-	-
2019-21 Current Service Level	54,126,740	51,998,740	-	-	-	-	106,125,480	-	-
Adjusted 2019-21 Current Service Level	54,126,740	51,998,740	-	-	-	-	106,125,480	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2019-21 Legislative Actions	54,126,740	51,998,740	-	-	-	-	106,125,480	-	-
Net change from 2017-19 Leg Approved Budget	15,090,333	2,237,488	(108,109)	-	-	-	17,219,712	-	-
Percent change from 2017-19 Leg Approved Budget	38.7%	4.5%	(100.0%)	0.0%	0.0%	0.0%	19.4%	0.0%	0.0%
Net change from 2019-21 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2019-21 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)
2017-19 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2017-19 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Net change from 2017-19 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2017-19 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2019 - 2021 Key Performance Measures

Published: 5/11/2019 11:09:36 AM

Agency: Business Oregon

Mission Statement:

Business Oregon invests in Oregon's businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Number of jobs created		Approved	1,074	1,200	1,300
2. Number of jobs retained		Approved	5,374	5,500	5,600
3. Personal income tax generated by the Department's investment in jobs		Approved	\$18,300,000.00	\$19,100,000.00	\$20,100,000.00
4. New export sales of assisted clients		Approved	\$95,771,169.00	\$47,800,000.00	\$47,800,000.00
5. b. Number of federal contracts awarded to Oregon businesses receiving Government Contract Assistance Program assistance.		Approved	200	200	200
5. a. Total dollar amount of federal contracts awarded to Oregon Businesses receiving Government Contract Assistance Program assistance.		Approved	\$76,135,147.00	\$76,000,000.00	\$76,000,000.00
6. Number of new industrial sites/acres certified "project ready."		Approved	1	1	1
7. Number of community capital projects assisted for planning (infrastructure, community and organizational).		Approved	41	37	37
8. Number of community capital construction financing projects that address public health and safety issues.		Approved	45	40	40
9. Number of community capital construction financing projects that assist with future economic and community development.		Approved	18	25	25
10. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved	92%	90%	90%
	Expertise		95%	90%	90%
	Overall		92%	90%	90%
	Accuracy		86%	90%	90%
	Timeliness		86%	90%	90%
	Availability of Information		84%	90%	90%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of the proposed Key Performance Measures and targets.

SubCommittee Action:

SB 5524-1
(LC 9524)
5/9/19 (DFY/ps)

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
SENATE BILL 5524**

- 1 On page 1 of the printed bill, line 8, delete “\$3,918,994” and insert
2 “\$3,922,866”.
- 3 In line 10, delete “\$3,298,836” and insert “\$3,440,456”.
- 4 In line 11, delete “\$63,349,611” and insert “\$54,126,740”.
- 5 In line 18, delete “\$22,331,031” and insert “\$22,078,923”.
- 6 In line 20, delete “Finance Authority” and delete “\$480,342,967 and insert
7 “\$312,203,054”.
- 8 In line 21, delete “\$3,489,670” and insert “\$2,813,872”.
- 9 In line 22, delete “\$13,002,971” and insert “\$12,628,295”.
- 10 On page 2, line 3, delete “\$53,855,338” and insert “\$54,601,780”.
- 11 In line 4, delete “\$8,305,513” and insert “\$8,631,129”.
- 12 In line 5, delete “\$1,207,595” and insert “\$1,253,432”.
- 13 In line 6, delete “\$60,553,568” and insert “\$51,998,740”.
- 14 In line 8, delete “Finance Authority” and delete “\$3,123,819” and insert
15 “\$1,579,520”.
- 16 In line 14, delete “\$5,998,768” and insert “\$5,980,869”.
- 17 In line 15, delete “Finance”.
- 18 In line 16, delete “Authority” and delete “\$34,878,483” and insert
19 “\$34,864,879”.
- 20 Delete line 24 and insert “Small Business Expansion Loan Fund (section
21 2, chapter 71, Oregon Laws 2018).”.

1 In line 26, delete “and” and insert a comma.

2 In line 27, before the period insert “and Brownfields Redevelopment Fund
3 (ORS 285A.188)”.

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