

**Legislative
Fiscal Office**

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

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



**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: General Government Subcommittee
From: Theresa McHugh, Legislative Fiscal Office
Date: June 6, 2019
Subject: HB 5021 – Office of the Governor
Work Session Recommendations

Office of the Governor				
	2015-17 Actual	2017-19 Legislatively Approved*	2019-21 Current Service Level	2019-21 LFO Recommended Budget
General Fund	11,529,028	13,660,135	15,362,514	16,453,726
Lottery Funds	3,434,970	3,723,949	4,094,546	3,962,796
Other Funds	2,451,565	3,413,769	3,621,636	3,924,437
Federal Funds		3,585,152		
Total Funds	17,415,563	24,383,005	23,078,696	24,340,959
Positions	62	61	59	62
FTE	60.75	59.13	58.50	61.63

*Includes Emergency Board and administrative actions through December 2018.

The 2019-21 Legislative Fiscal Office (LFO) recommended budget for the Office of the Governor is \$24,340,959 total funds and 62 positions (61.63 FTE). This is a 0.19% decrease from the 2017-19 Legislatively Approved Budget and a 5.45% increase from the 2019-21 Current Service Level. The recommended budget fully provides for continuation of programs and services and additional resources for the following:

- Realignment and reclassification of positions; new positions (includes an additional Deputy Chief of Staff position, transfer in of an Education Policy Advisor from the former Chief Education Office, and the elimination of a half-time support specialist position)
- Additional new positions - Diversity and Inclusion Coordinator and Census Coordinator (limited duration)
- Small Business Forums
- Shuttle Service for the extradition program

Adjustments to Current Service Level

See attached “Work Session Presentation Report” dated June 1, 2019.

Note: Statewide adjustments 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 5021. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5021, 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

Office of the Governor Funding Methodology

The Office of the Governor, with the assistance of the Department of Administrative Services Chief Financial Office, shall review the various funding sources for its positions and identify alternative funding methodologies, including an assessment-based approach to all permanent positions in the Office. The Office should present a proposed methodology to the Legislature during the 2020 Session so that the new methodology could potentially be used to develop the price list for state agencies for the 2021-23 biennium. It shall be the policy going forward that positions funded in another agency’s budget that are assigned to the Office of the Governor or are otherwise considered “on loan” to the Office of the Governor should be limited to needs related to issues that are temporary in nature.

Accept LFO Recommendation:

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

Recommended Changes

LFO recommends a budget of \$16,453,726 General Fund, \$3,962,796 Lottery Funds, \$3,924,437 Other Funds and 62 positions (61.63 FTE), which is reflected in the -1 amendment.

MOTION: I move adoption of the -1 amendment to HB 5021. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5021, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5021, 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: 12100-000-00-00-00000
Governor, Office of the

	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	12,947,791	3,689,100	3,322,288	6,907,780	-	-	26,866,959	59	58.50
2017-19 Ebds, SS & Admin Act	712,344	34,849	91,481	(3,322,628)	-	-	(2,483,954)	2	0.63
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	13,660,135	3,723,949	3,413,769	3,585,152	-	-	24,383,005	61	59.13
2017-19 Leg Approved Budget (Base)	13,660,135	3,723,949	3,413,769	3,585,152	-	-	24,383,005	61	59.13
Summary of Base Adjustments	441,040	227,575	154,006	(158,037)	-	-	664,584	(2)	(0.63)
2019-21 Base Budget	14,101,175	3,951,524	3,567,775	3,427,115	-	-	25,047,589	59	58.50
010: Non-PICS Pers Svc/Vacancy Factor	265,184	142,006	74,488	(5,185)	-	-	476,493	-	-
020: Phase In / Out Pgm & One-time Cost	(288,127)	-	(68,000)	(3,421,930)	-	-	(3,778,057)	-	-
030: Inflation & Price List Adjustments	1,284,282	1,016	47,373	-	-	-	1,332,671	-	-
2019-21 Current Service Level	15,362,514	4,094,546	3,621,636	-	-	-	23,078,696	59	58.50
Adjusted 2019-21 Current Service Level	15,362,514	4,094,546	3,621,636	-	-	-	23,078,696	59	58.50
Total LFO Recommended Packages	1,091,212	(131,750)	302,801	-	-	-	1,262,263	3	3.13
2019-21 Legislative Actions	16,453,726	3,962,796	3,924,437	-	-	-	24,340,959	62	61.63
Net change from 2017-19 Leg Approved Budget	2,793,591	238,847	510,668	(3,585,152)	-	-	(42,046)	1	2.50
Percent change from 2017-19 Leg Approved Budget	20.5%	6.4%	15.0%	(100.0%)	0.0%	0.0%	(0.2%)	1.6%	4.2%
Net change from 2019-21 Adj Current Service Level	1,091,212	(131,750)	302,801	-	-	-	1,262,263	3	3.13
Percent change from 2019-21 Adj Current Service Level	7.1%	(3.2%)	8.4%	0.0%	0.0%	0.0%	5.5%	5.1%	5.4%

LFO102 - Work Session Presentation Report
2019-21 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12100-001-00-00-00000
General Program

	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	12,947,791	3,689,100	3,322,288	6,907,780	-	-	26,866,959	59	58.50
2017-19 Ebds, SS & Admin Act	712,344	34,849	91,481	(3,322,628)	-	-	(2,483,954)	2	0.63
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2017-19 Leg Approved Budget	13,660,135	3,723,949	3,413,769	3,585,152	-	-	24,383,005	61	59.13
2017-19 Leg Approved Budget (Base)	13,660,135	3,723,949	3,413,769	3,585,152	-	-	24,383,005	61	59.13
Summary of Base Adjustments	441,040	227,575	154,006	(158,037)	-	-	664,584	(2)	(0.63)
2019-21 Base Budget	14,101,175	3,951,524	3,567,775	3,427,115	-	-	25,047,589	59	58.50
010: Non-PICS Pers Svc/Vacancy Factor	265,184	142,006	74,488	(5,185)	-	-	476,493	-	-
020: Phase In / Out Pgm & One-time Cost	(288,127)	-	(68,000)	(3,421,930)	-	-	(3,778,057)	-	-
030: Inflation & Price List Adjustments	1,284,282	1,016	47,373	-	-	-	1,332,671	-	-
2019-21 Current Service Level	15,362,514	4,094,546	3,621,636	-	-	-	23,078,696	59	58.50
Adjusted 2019-21 Current Service Level	15,362,514	4,094,546	3,621,636	-	-	-	23,078,696	59	58.50
Total LFO Recommended Packages	1,091,212	(131,750)	302,801	-	-	-	1,262,263	3	3.13
2019-21 Legislative Actions	16,453,726	3,962,796	3,924,437	-	-	-	24,340,959	62	61.63
Net change from 2017-19 Leg Approved Budget	2,793,591	238,847	510,668	(3,585,152)	-	-	(42,046)	1	2.50
Percent change from 2017-19 Leg Approved Budget	20.5%	6.4%	15.0%	(100.0%)	0.0%	0.0%	(0.2%)	1.6%	4.2%
Net change from 2019-21 Adj Current Service Level	1,091,212	(131,750)	302,801	-	-	-	1,262,263	3	3.13
Percent change from 2019-21 Adj Current Service Level	7.1%	(3.2%)	8.4%	0.0%	0.0%	0.0%	5.5%	5.1%	5.4%

	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 As recommended, this package increases vacancy savings to five percent of salaries and wages and eliminates inflation on certain Services & Supplies accounts. The package also adds an Education Policy Advisor and associated Services & Supplies as a result of the discontinuation of the Chief Education Office and provides funding to re-align position classifications and funding within the Office.

LFO Recommendation Approve the package.

LFO Recommended	855,274	(131,750)	(125,504)	-	-	-	598,020	1	1.50
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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 Census Coordinator - 2020 Census

Package Description This package reauthorizes one Limited Duration Census Coordinator position, who will serve as the primary point of contact for the Census Bureau employees for Oregon Census 2020 activities. The coordinator will work with local and regional census staff, create and staff Oregon’s “Every Vote Counts Committee,” and work with state and university employees who provide data and support to the U.S. Census Bureau.

LFO Recommendation Approve the package.

LFO Recommended	235,938	-	-	-	-	-	235,938	1	0.75
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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 102 Small Business Forums

Package Description This package increases Other Funds expenditure limitation for additional small business forums, particularly in rural Oregon, to be sure Oregon's small businesses have the tools, resources, and education they need to successfully complete for state contracts. These events are mostly funded by sponsorships with local business and community groups, the funding for this package is supported by increased donations.

LFO Recommendation Approve the package.

LFO Recommended	-	-	140,000	-	-	-	140,000	-	-
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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 103 Diversity and Inclusion Coordinator

Package Description This package adds a permanent, full-time Diversity and Inclusion Coordinator, effective October 1, 2019, who will be responsible for analyzing current programs, policies and practices related to statewide affirmative action, diversity and inclusion, and business equity programs. This work will help state agencies achieve affirmative action goals while reducing barriers and creating opportunities for small businesses who want to do business with state government. The coordinator will manage research studies, workshops, trainings, and conferences, design new operational systems for state government, and manage a communications plan and strategy for internal and external stakeholders.

LFO Recommendation Approve the package.

LFO Recommended	-	-	216,305	-	-	-	216,305	1	0.88
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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 104 Shuttle Service

Package Description This package funds the purchase of two 15 passenger vans to continue operation of the Oregon Northwest Shuttle System. This is a key component of the Extradition Program. The cost per van is \$36,000 for a total of \$72,000 in one-time costs and is funded with ending balance cash available to the restitution program.

LFO Recommendation Approve the package.

LFO Recommended	-	-	72,000	-	-	-	72,000	-	-
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Legislatively Proposed 2019 - 2021 Key Performance Measures

Published: 6/1/2019 12:02:41 PM

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; Extradition Services (for all law enforcement agencies); Constituent Services; Diversity, Equity and Inclusion; Affirmative Action; and Regional Solutions. The focus of the Annual Performance Progress Report is on the last three program areas. These program areas track performance measures, as detailed within this report.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2020	Target 2021
1. Customer Satisfaction - Percent of participants (customers) who rate the Regional Solutions process very good to excellent.	Timeliness	Approved	91.30%	90%	90%
	Overall		91.80%	90%	90%
	Helpfulness		93.20%	90%	90%
	Availability of Information		88.20%	90%	90%
	Accuracy		87.70%	90%	90%
	Expertise		93.20%	90%	90%
2. Percentage of State Contract Awards to Business Certified by the Certification Office for Business Inclusion and Diversity		Approved	1.60%	10%	10%
3. State Hiring - Number of protected classes being hired, promoted, and retained in state agencies.		Approved	22%	22%	22%

LFO Recommendation:

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

SubCommittee Action: