

Legislative Fiscal Office

Oregon State Capitol
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Joint Committee on Ways and Means

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To: General Government Subcommittee
From: Amanda Beitel, Legislative Fiscal Office
Date: May 24, 2021
Subject: SB 5544 – Oregon State Treasury
Work Session Recommendations

Oregon State Treasury – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
General Fund	5,190,688	-	-	-
Other Funds	73,987,511	95,461,860	100,841,626	116,453,258
Other Funds NL	-	-	-	2,900,000
Total Funds	79,178,199	95,461,860	100,841,626	119,353,258
Positions	162	169	165	210
FTE	152.15	165.01	164.16	200.36

The Legislative Fiscal Office recommends a 2021-23 budget of \$119,353,258 and 210 positions (200.36 FTE) for the State Treasurer. The recommended budget represents a 25% increase from the 2019-21 legislatively approved budget. Specific budget recommendations include:

- \$12,129,507 and 31 positions (24.26 FTE) to transition administration of Trust Property programs from the Department of State Lands to State Treasury, including adjustments to provide sufficient operations support and investments to improve program performance.
- \$1,985,586 to provide resources for the new Treasury Resiliency Building lease, moving costs, temporary backup facilities, and an emergency communications tool that support Treasury's operational resilience.
- \$1,906,857 and four positions (3.51 FTE) to support modernization of Treasury's core banking infrastructure and cash management activities, including \$1,000,000 for Core Banking Business Systems Renewal project planning activities.

- \$854,682 and three positions (2.63 FTE) to support legal, compliance, and portfolio risk workloads in Investment Services.

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.

Performance Measures

See attached “Legislatively Proposed 2021-23 Key Performance Measures.”

Budget Notes

#1 Budget Note: Core Banking Modernization Project

Oregon State Treasury is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2022 legislative session on the status of the Core Banking Business Systems Renewal (BSR) project. The report shall include: detailed business case, project timeline, and cost estimates. Treasury should follow the Stage Gate or a related process for the Core Banking BSR project, including development of key artifacts and independent quality assurance oversight.

Recommended Changes

LFO recommends a budget of \$116,453,258 Other Funds, \$2,900,000 Other Funds Nonlimited, and 210 positions (200.36 FTE), which is reflected in the -1 amendment.

Final Subcommittee Action

LFO recommends that SB 5544, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 17000-000-00-00-00000
Oregon Treasury

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	92,726,560	-	-	-	92,726,560	166	164.47
2019-21 Ebds, SS & Admin Act	-	-	2,735,300	-	-	-	2,735,300	3	0.54
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	95,461,860	-	-	-	95,461,860	169	165.01
2019-21 Leg Approved Budget (Base)	-	-	92,726,560	-	-	-	92,726,560	166	164.47
Summary of Base Adjustments	-	-	5,463,102	-	-	-	5,463,102	(1)	(0.31)
2021-23 Base Budget	-	-	98,189,662	-	-	-	98,189,662	165	164.16
010: Non-PICS Pers Svc/Vacancy Factor	-	-	345,194	-	-	-	345,194	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(602,734)	-	-	-	(602,734)	-	-
030: Inflation & Price List Adjustments	-	-	2,909,504	-	-	-	2,909,504	-	-
2021-23 Current Service Level	-	-	100,841,626	-	-	-	100,841,626	165	164.16
080: E-Boards	-	-	670,865	-	-	-	670,865	3	2.50
Adjusted 2021-23 Current Service Level	-	-	101,512,491	-	-	-	101,512,491	168	166.66
Total LFO Recommended Packages	-	-	14,940,767	-	2,900,000	-	17,840,767	42	33.70
2021-23 Legislative Actions	-	-	116,453,258	-	2,900,000	-	119,353,258	210	200.36
Net change from 2019-21 Leg Approved Budget	-	-	20,991,398	-	2,900,000	-	23,891,398	41	35.35
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	22.0%	0.0%	100.0%	0.0%	25.0%	24.3%	21.4%
Net change from 2021-23 Adj Current Service Level	-	-	14,940,767	-	2,900,000	-	17,840,767	42	33.70
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	14.7%	0.0%	100.0%	0.0%	17.6%	25.0%	20.2%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	81,042,493	-	-	-	81,042,493	157	155.47
2019-21 Ebds, SS & Admin Act	-	-	2,637,003	-	-	-	2,637,003	3	0.54
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	83,679,496	-	-	-	83,679,496	160	156.01
2019-21 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2021-23 Base Budget	-	-	-	-	-	-	-	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
2021-23 Legislative Actions	-	-	-	-	-	-	-	-	-
Net change from 2019-21 Leg Approved Budget	-	-	(83,679,496)	-	-	-	(83,679,496)	(160)	(156.01)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)
Net change from 2021-23 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 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)
2019-21 Agy. Leg. Adopted	-	-	7,517,661	-	-	-	7,517,661	5	5.75
2019-21 Ebds, SS & Admin Act	-	-	63,381	-	-	-	63,381	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	7,581,042	-	-	-	7,581,042	5	5.75
Net change from 2019-21 Leg Approved Budget	-	-	(7,581,042)	-	-	-	(7,581,042)	(5)	(5.75)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	4,166,406	-	-	-	4,166,406	4	3.25
2019-21 Ebds, SS & Admin Act	-	-	34,916	-	-	-	34,916	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	4,201,322	-	-	-	4,201,322	4	3.25
Net change from 2019-21 Leg Approved Budget	-	-	(4,201,322)	-	-	-	(4,201,322)	(4)	(3.25)
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	(100.0%)	0.0%	0.0%	0.0%	(100.0%)	(100.0%)	(100.0%)

LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 17000-010-00-00-00000
State and Local Government Financial Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	16,585,893	-	-	-	16,585,893	25	25.00
Summary of Base Adjustments	-	-	340,649	-	-	-	340,649	-	-
2021-23 Base Budget	-	-	16,926,542	-	-	-	16,926,542	25	25.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	40,083	-	-	-	40,083	-	-
030: Inflation & Price List Adjustments	-	-	553,084	-	-	-	553,084	-	-
060: Technical Adjustments	-	-	(254,223)	-	-	-	(254,223)	-	-
2021-23 Current Service Level	-	-	17,265,486	-	-	-	17,265,486	25	25.00
Adjusted 2021-23 Current Service Level	-	-	17,265,486	-	-	-	17,265,486	25	25.00
Total LFO Recommended Packages	-	-	2,534,668	-	-	-	2,534,668	5	4.51
2021-23 Legislative Actions	-	-	19,800,154	-	-	-	19,800,154	30	29.51
Net change from 2019-21 Leg Approved Budget	-	-	19,800,154	-	-	-	19,800,154	30	29.51
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2021-23 Adj Current Service Level	-	-	2,534,668	-	-	-	2,534,668	5	4.51
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	14.7%	0.0%	0.0%	0.0%	14.7%	20.0%	18.0%

	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 Housing Bond Staffing

Package Description Package 104 provides Other Funds expenditure limitation of \$281,383 and one position (1.00 FTE) to establish a Senior Debt Analyst (Program Analyst 4) that will oversee increased multifamily housing conduit bond issuance activity. Creation of the Local Innovation and Fast Track (LIFT) Housing Program in 2015 to finance grants for affordable housing increased multifamily housing production in the state and volume of conduit bond issued by Oregon State Treasury (OST) on behalf of the Oregon Housing and Community Services Department. The approved amount includes \$236,197 for personal services and \$45,186 for associated services and supplies costs.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	-	281,383	-	-	-	281,383	1	1.00
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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 105 Treasury Resiliency

Package Description Package 105 increases Other Funds expenditure limitation by \$346,428 for rent on the Treasury Resiliency Building. OST has entered into a lease agreement for a new resilient facility that is anticipated to be completed in spring 2022. Treasury operations and staff that are currently located in the Labor and Industries Building will be located in the new facility, as well as Trust Property Programs staff currently in the State Lands Building. Funding supports the estimated final lease rate of \$194,242 per month for 15 months in the current biennium, which will roll-up to 24 months in the 2023-25 biennium.

LFO Recommendation Approved the policy package as modified.

LFO Recommended	-	-	346,428	-	-	-	346,428	-	-
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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 106 Cash Management Modernization and Resiliency

Package Description Package 106, as modified, increases Other Funds expenditure limitation by \$1,906,857 and establishes four positions (3.51 FTE) to modernize OST’s core banking infrastructure and cash management operations. As part of the ongoing Cash Management Improvement and Renewal Program (CMIRP), the Core Banking Business Systems Renewal (BSR) project will modernize Treasury’s cash management systems and processes through replacement of the infrastructure that supports the state’s banking activities, including account structure, transaction posting, interest and fee calculation, and general ledger accounting and reporting for all funds in the Oregon Short Term Fund. The package includes \$1,000,000 of one-time funding for project planning activities, including development of a comprehensive business case and detailed cost estimates for project execution.

The package also includes \$727,707 for personal services and \$179,150 for associated services and supplies costs for the following four positions that are added to improve the resiliency of ongoing operational banking and cash management activities:

- Finance Division Analyst (Operations and Policy Analyst 3, 0.88 FTE) is established as a limited duration position to support strategy, policy, legislative, contracting, communications, and other administrative activities related to modernization project activities.
- Business Analyst (Operations and Policy Analyst 3, 0.88 FTE) is established as a permanent position to support CMIRP mapping, process updates, business analysis, and similar activities related to modernization project activities.
- Finance Division Analyst (Operations and Policy Analyst 3, 0.92 FTE) is established as a limited duration position to support cash management change and CMIRP activities related to modernization project activities.
- Banking Operations Analyst (Program Analyst 3, 0.83 FTE) is established as a permanent position to support ongoing banking activities and the buildout of subject matter expertise throughout modernization projects.

LFO Recommendation Approve the policy package as modified.

Budget Notes Oregon State Treasury is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2022 legislative session on the status of the Core Banking Business Systems Renewal (BSR) project. The report shall include: detailed business case, project timeline, and cost estimates. Treasury should follow the Stage Gate or a related process for the Core Banking BSR project, including development of key artifacts and independent quality assurance oversight.

LFO Recommended	-	-	1,906,857	-	-	-	1,906,857	4	3.51
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LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 17000-020-00-00-00000
Public Savings Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	11,684,067	-	-	-	11,684,067	9	9.00
Summary of Base Adjustments	-	-	378,162	-	-	-	378,162	-	-
2021-23 Base Budget	-	-	12,062,229	-	-	-	12,062,229	9	9.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	16,367	-	-	-	16,367	-	-
030: Inflation & Price List Adjustments	-	-	628,004	-	-	-	628,004	-	-
060: Technical Adjustments	-	-	4,358	-	-	-	4,358	-	-
2021-23 Current Service Level	-	-	12,710,958	-	-	-	12,710,958	9	9.00
Adjusted 2021-23 Current Service Level	-	-	12,710,958	-	-	-	12,710,958	9	9.00
Total LFO Recommended Packages	-	-	155,501	-	-	-	155,501	-	-
2021-23 Legislative Actions	-	-	12,866,459	-	-	-	12,866,459	9	9.00
Net change from 2019-21 Leg Approved Budget	-	-	12,866,459	-	-	-	12,866,459	9	9.00
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2021-23 Adj Current Service Level	-	-	155,501	-	-	-	155,501	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	1.2%	0.0%	0.0%	0.0%	1.2%	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)
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Package 105 Treasury Resiliency

Package Description Package 105 increases Other Funds expenditure limitation by \$155,501 for rent on the Treasury Resiliency Building. OST has entered into a lease agreement for a new resilient facility that is anticipated to be completed in spring 2022. Treasury operations and staff that are currently located in the Labor and Industries Building will be located in the new facility, as well as Trust Property Programs staff currently in the State Lands Building. Funding supports the estimated final lease rate of \$194,242 per month for 15 months in the current biennium, which will roll-up to 24 months in the 2023-25 biennium.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	-	155,501	-	-	-	155,501	-	-
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LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 17000-030-00-00-00000

Investment Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	37,943,865	-	-	-	37,943,865	66	65.55
Summary of Base Adjustments	-	-	3,130,738	-	-	-	3,130,738	-	0.45
2021-23 Base Budget	-	-	41,074,603	-	-	-	41,074,603	66	66.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	139,643	-	-	-	139,643	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(31,404)	-	-	-	(31,404)	-	-
030: Inflation & Price List Adjustments	-	-	1,140,452	-	-	-	1,140,452	-	-
060: Technical Adjustments	-	-	(1,150,729)	-	-	-	(1,150,729)	-	-
2021-23 Current Service Level	-	-	41,172,565	-	-	-	41,172,565	66	66.00
080: E-Boards	-	-	198,590	-	-	-	198,590	-	-
Adjusted 2021-23 Current Service Level	-	-	41,371,155	-	-	-	41,371,155	66	66.00
Total LFO Recommended Packages	-	-	854,682	-	-	-	854,682	3	2.63
2021-23 Legislative Actions	-	-	42,225,837	-	-	-	42,225,837	69	68.63
Net change from 2019-21 Leg Approved Budget	-	-	42,225,837	-	-	-	42,225,837	69	68.63
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2021-23 Adj Current Service Level	-	-	854,682	-	-	-	854,682	3	2.63
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	2.1%	4.6%	4.0%

	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 087 August 2020 Special Session

Package Description Package 087 increases Other Funds limitation by \$198,590 for the 2021-23 budgetary impact of the reclassification of five Investment Services positions approved in the 2020 second special session.

LFO Recommendation Approve the package as requested.

LFO Analyst Notes Position reclassifications approved in 2019-21 include: a Principal Executive Manager D to General Counsel; a Principal Executive Manager H to Principal Executive Manager I; a Principal Executive Manager D to an Operations and Policy Analyst 4; a Principal Executive Manager D to an Operations and Policy Analyst 4; and an Investment Officer 3 down to Investment Officer 1.

LFO Recommended	-	-	198,590	-	-	-	198,590	-	-
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Investment Services

	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 107 Investment Program Workload

Package Description Package 107 increases Other Funds expenditure limitation by \$854,682 for the establishment of three permanent positions (2.63 FTE) to meet the operational needs of Investment Services, which has expanded over the last several biennia. An in-house Attorney (Principal Executive Manager I) position (0.92 FTE) is added to address legal work needs that exceed current capacity. A Compliance Analyst (Operations and Policy Analyst 4) position (0.88 FTE) is added to implement improved processes for compliance reporting, oversight functions, and regulatory filings. The package also includes a Portfolio Risk Analyst (Investment Analyst 2) position (0.83 FTE) to support Investment Officers by reviewing asset allocation and risk management of various asset pools and asset class portfolios. The approved amount includes \$716,221 for personal services and \$138,461 for associated services and supplies costs.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	854,682	-	-	-	854,682	3	2.63
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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)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	-	-	-	-	-	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2021-23 Base Budget	-	-	-	-	-	-	-	-	-
2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Adjusted 2021-23 Current Service Level	-	-	-	-	-	-	-	-	-
Total LFO Recommended Packages	-	-	8,219,148	-	2,900,000	-	11,119,148	19	17.76
2021-23 Legislative Actions	-	-	8,219,148	-	2,900,000	-	11,119,148	19	17.76
Net change from 2019-21 Leg Approved Budget	-	-	8,219,148	-	2,900,000	-	11,119,148	19	17.76
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2021-23 Adj Current Service Level	-	-	8,219,148	-	2,900,000	-	11,119,148	19	17.76
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	100.0%	0.0%	100.0%	0.0%	100.0%	100.0%	100.0%

	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 Trust Property Transition

Package Description Package 101 transitions Trust Property programs budgeted expenditure limitation and positions from the Department of State Lands (DSL) to OST. SB 454 (2019) transferred administration of the Uniform Disposition of Unclaimed Property Act, unclaimed estates, and escheated property from DSL to OST effective July 1, 2021. This package includes the budget adjustments necessary to implement the transfer and corresponds to a policy package included DSL's budget.

Other Funds expenditure limitation of \$7,259,335 is added and 27 positions (17.00 FTE) are established for Trust Property Services to transfer the following budgeted expenditures and positions from DSL:

- 14 positions (14.00 FTE) that directly support the Unclaimed Property and Estates and Escheated Property programs, including: a Principal Executive Manager D; four Program Analyst 2 positions, a Fiscal Auditor 2; a Program Analyst 1; an Administrative Specialist 2; five Administrative Specialist 1 positions, and an Office Specialist 1.
- 13 partial positions that provide indirect shared services support, including: a Principal Executive Manager D (0.25 FTE); an Accountant 4 (0.25 FTE); a Procurement and Contracts Specialist 2 (0.25 FTE); an Accountant 3 (0.25 FTE); a Fiscal Analyst 2 (0.25 FTE); an Accountant 2 (0.25 FTE); an Accounting Technician 3 (0.25 FTE); an Accounting Technician 2 (0.25 FTE); an Office Specialist 1 (0.50 FTE); a Principal Executive Manager E (0.10 FTE); an Information Systems Specialist 8 (0.10 FTE); an Information Systems Specialist 6 (0.10 FTE); and an Information Systems Specialist 3 (0.20 FTE). The position authority for the 13 indirect positions is established within OST; however, only the fractional FTE of each position is transferred from DSL.
- Services and supplies and capital outlay expenditures totaling \$3,686,122.

The package also establishes Other Funds Nonlimited expenditure of \$2,900,000 for payments to states for audits of holders performed in those states that identify Oregon unclaimed property.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	7,259,335	-	2,900,000	-	10,159,335	27	17.00
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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 102 Trust Property Adjustments

Package Description Package 102 makes adjustments to Trust Property programs budgeted expenditures and positions transferred from DSL to support OST administration of the programs. Other Funds expenditure limitation is decreased by \$154,586 and 12 positions (2.75 FTE) in Trust Property Services for the net impact of the following adjustments:

- \$1,586 personal services increase to reclassify the following nine program positions to the appropriate classification within OST: a Principal Executive Manager D to Principal Executive Manager F; two Program Analyst 2 positions to Program Analyst 3, a Fiscal Auditor 2 to Internal Auditor 2; a Program Analyst 1 to Program Analyst 2; three Administrative Specialist 1 positions to Public Services Representative 4, and an Office Specialist 1 to Office Specialist 2.
- \$440,935 services and supplies increase for costs necessary to operate the programs, including training, expendable property, and rent for Trust Property employees and property that will be located in the State Lands Building through spring 2022. The package also includes the shift of \$650,000 from Professional Services to IT Professional Services for the unclaimed property KAPS system contract.
- \$597,107 personal services decrease to transfer the following 12 partial shared services positions (2.75 FTE) to Administrative Services: an Accountant 4; a Procurement and Contracts Specialist 2; an Accountant 3; a Fiscal Analyst 2; an Accountant 2; an Accounting Technician 3; an Accounting Technician 2; an Office Specialist 1; a Principal Executive Manager E; an Information Systems Specialist 8; an Information Systems Specialist 6; and an Information Systems Specialist 3.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	(154,586)	-	-	-	(154,586)	(12)	(2.75)
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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 103 Trust Property Improvements

Package Description Package 103, as modified, increases Other Funds expenditure limitation by \$736,706 to provide resources to improve Trust Property programs, including four additional staff to address increased workload associated with program growth. An Estate Coordinator (Program Analyst 1) position (0.88 FTE) is established to provide timely response to intestate cases and administer estates. A Claims Examiner (Public Services Representative 4) position (0.83 FTE) is established to process claims within statutory timelines. An Unclaimed Property Compliance Coordinator (Program Analyst 2) position (0.88 FTE) is established to focus on increasing holder compliance. A Trust Property Executive Specialist (Executive Support Specialist 2) position (0.92 FTE) is also added to provide direct administrative support for the Trust Property programs. The approved amount includes \$560,036 for personal services and \$176,670 for associated services and supplies costs.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	-	736,706	-	-	-	736,706	4	3.51
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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 105 Treasury Resiliency

Package Description Package 105 increases Other Funds expenditure limitation by \$377,693 for rent on the Treasury Resiliency Building. OST has entered into a lease agreement for a new resilient facility that is anticipated to be completed in spring 2022. Treasury operations and staff that are currently located in the Labor and Industries Building will be located in the new facility, as well as Trust Property Programs staff currently in the State Lands Building. Funding supports the estimated final lease rate of \$194,242 per month for 15 months in the current biennium, which will roll-up to 24 months in the 2023-25 biennium.

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	-	377,693	-	-	-	377,693	-	-
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LFO102 - Work Session Presentation Report
2021-23 Biennium

Version: L - 01 - LFO Analyst Recommended
Cross Reference: 17000-070-00-00-00000

Administrative Services

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	-	-	-	-	-	-	-
2019-21 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget (Base)	-	-	26,512,735	-	-	-	26,512,735	66	64.92
Summary of Base Adjustments	-	-	1,613,553	-	-	-	1,613,553	(1)	(0.76)
2021-23 Base Budget	-	-	28,126,288	-	-	-	28,126,288	65	64.16
010: Non-PICS Pers Svc/Vacancy Factor	-	-	149,101	-	-	-	149,101	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(571,330)	-	-	-	(571,330)	-	-
030: Inflation & Price List Adjustments	-	-	587,964	-	-	-	587,964	-	-
060: Technical Adjustments	-	-	1,400,594	-	-	-	1,400,594	-	-
2021-23 Current Service Level	-	-	29,692,617	-	-	-	29,692,617	65	64.16
080: E-Boards	-	-	472,275	-	-	-	472,275	3	2.50
Adjusted 2021-23 Current Service Level	-	-	30,164,892	-	-	-	30,164,892	68	66.66
Total LFO Recommended Packages	-	-	3,176,768	-	-	-	3,176,768	15	8.80
2021-23 Legislative Actions	-	-	33,341,660	-	-	-	33,341,660	83	75.46
Net change from 2019-21 Leg Approved Budget	-	-	33,341,660	-	-	-	33,341,660	83	75.46
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	100.0%	100.0%	100.0%
Net change from 2021-23 Adj Current Service Level	-	-	3,176,768	-	-	-	3,176,768	15	8.80
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	10.5%	0.0%	0.0%	0.0%	10.5%	22.1%	13.2%

	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 087 August 2020 Special Session

Package Description Package 087 increases Other Funds limitation by \$472,275 and establishes three positions (2.50 FTE) for the 2021-23 budgetary impact of actions approved in the 2020 second special session. Three permanent positions were added and one position was reclassified in the Administrative Services budget to transition accounting and budget services from the Department of Administrative Services (DAS) Shared Client Services to the OST.

LFO Recommendation Approve the package as requested.

LFO Analyst Notes Positions and the reclassification approved in 2019-21 include: a Principal Executive Manager D; a Fiscal Analyst 1; an Accounting Technician 3; and the reclassification of an Accountant 1 to an Accountant 4.

LFO Recommended	-	-	472,275	-	-	-	472,275	3	2.50
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Administrative Services

	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 Trust Property Adjustments

Package Description Package 102 makes adjustments to Trust Property programs budgeted expenditures and positions transferred from DSL to support OST administration of the programs. Other Funds expenditure limitation is increased by \$1,388,052 and 12 positions (6.50 FTE) in Administrative Services for the following adjustments:

- \$597,107 personal services for the transfer of the following 12 partial shared services positions (2.75 FTE) from Trust Property Services: an Accountant 4; a Procurement and Contracts Specialist 2; an Accountant 3; a Fiscal Analyst 2; an Accountant 2; an Accounting Technician 3; an Accounting Technician 2; an Office Specialist 1; a Principal Executive Manager E; an Information Systems Specialist 8; an Information Systems Specialist 6; and an Information Systems Specialist 3.
- \$567,296 personal services to reclassify and increase the FTE of the following 12 positions by 3.75 to provide sufficient reception, accounting and budget, information technology, contracting operations support for the Trust Property programs: an Accountant 4 is increased from 0.25 to 0.50 FTE; a Procurement and Contracts Specialist 2 is increased from 0.25 to 0.50 FTE; an Accountant 3 is increased from 0.25 to 0.50 FTE; a Fiscal Analyst 2 is increased from 0.25 to 0.50 FTE; an Accountant 2 is increased from 0.25 to 0.50 FTE; an Accounting Technician 3 is increased from 0.25 to 0.50 FTE; an Accounting Technician 2 is reclassified to an Accounting Technician 3 and increased from 0.25 to 0.50 FTE; an Office Specialist 1 is reclassified to an Office Specialist 2 and increased from 0.50 to 1.00 FTE; an Information Systems Specialist 8 is increased from 0.10 to 0.50 FTE; a Principal Executive Manger E is reclassified to an Information Systems Specialist 8 and increased from 0.10 to 0.50 FTE; an Information Systems Specialist 6 is reclassified to an Information Systems Specialist 5 and increased from 0.10 to 0.50 FTE; and an Information Systems Specialist 3 is reclassified to an Information Systems Specialist 5 and increased from 0.20 to 0.50 FTE.
- \$223,649 services and supplies for shared services position related costs and rent for Trust Property employees that will be located in the State Lands Building through spring 2022.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	1,388,052	-	-	-	1,388,052	12	6.50
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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 105 Treasury Resiliency

Package Description Package 105, as modified, increases Other Funds expenditure limitation by \$961,764 for rent on the Treasury Resiliency Building. OST has entered into a lease agreement for a new resilient facility that is anticipated to be completed in spring 2022. Treasury operations and staff that are currently located in the Labor and Industries Building will be located in the new facility, as well as Trust Property Programs staff currently in the State Lands Building. Funding supports the estimated final lease rate of \$194,242 per month for 15 months in the current biennium, which will roll-up to 24 months in the 2023-25 biennium.

Other Funds expenditure limitation is increased by an additional \$144,200 for temporary backup facilities that can be quickly established at alternate locations in a disaster (\$48,600); one-time moving costs (\$50,600); and an emergency communications tool (\$45,000, including one-time costs of \$25,000).

LFO Recommendation Approve the policy package as modified.

LFO Recommended	-	-	1,105,964	-	-	-	1,105,964	-	-
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Administrative Services

	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 108 Information Security

Package Description Package 108 provides Other Funds limitation of \$267,323 and one position (0.92 FTE) to permanently fund a Senior Security Analyst (Information Systems Specialist 8) that was approved as limited duration in the prior biennium to respond to and prepare for information security threats. This position will continue to support security of OST systems, threat and anomaly detection, and risk analysis. The approved amount includes \$221,620 for personal services and \$45,703 for associated services and supplies costs.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	267,323	-	-	-	267,323	1	0.92
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Administrative Services

	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 109 State Treasurer Staffing

Package Description Package 109 increases Other Funds expenditure limitation by \$293,121 to reclassify four positions and establish a new permanent full-time position (0.92 FTE) in the Treasurer’s Office to align budgeted positions with actual duties and provide an effective level of staffing. The package includes:

- \$23,268 to support the upward reclassification of the following positions: Chief of Staff from a Principal Executive Manager F to Principal Executive Manager G; Legislative Director from a Principal Executive Manager C to a Principal Executive Manager E; Legislative and Outreach Coordinator from an Executive Support Specialist 1 to an Operations and Policy Analyst 2; and Administrative Specialist from an Executive Support Specialist 1 to an Administrative Specialist 2.
- \$269,853 to establish a Research and Strategic Initiatives Director (Operations and Policy Analyst 4) position, including \$224,090 for personal services and \$45,763 associated services and supplies.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	293,121	-	-	-	293,121	1	0.92
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Administrative Services

	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 110 Public Records Management

Package Description Package 110 provides Other Funds expenditure limitation of \$122,308 and one permanent part-time position (0.46 FTE) to fulfill public records requests more efficiently. A Public Affairs Specialist 1 is established to provide timely and cost-effective public records requests administrative processing, exemption review, redaction, and negotiation with requestors. The approved amount includes \$79,597 for personal services and \$42,711 for associated services and supplies costs.

LFO Recommendation Approve the policy package as requested.

LFO Recommended	-	-	122,308	-	-	-	122,308	1	0.46
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Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 5/17/2021 5:58:30 PM

Agency: Treasury, Oregon State

Mission Statement:

Improving Oregon Governments' and citizens' financial capabilities.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
8. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved	99%	100%	100%
	Timeliness		98%	100%	100%
	Availability of Information		98%	100%	100%
	Expertise		99%	100%	100%
	Helpfulness		98%	100%	100%
	Overall		99%	100%	100%
1. Oregon Public Employees Retirement Fund Net Performance - Historical 20-year Net Performance compared to target returns.		Proposed New		7.76%	7.76%
2A. Oregon Short-Term Fund Expenses - Biennial asset management fee charged against Oregon Short-Term Fund assets for Treasury operations compared to peer group.		Proposed New		0.160%	0.160%
2B. Oregon Short-Term Fund Performance - Annual performance of the Oregon Short-Term Fund compared to benchmark rates.		Proposed New		0.12%	0.12%
3. Local Government Participation in the Oregon Short-Term Fund - Annual change in the participation of local governments in the Oregon Short-Term Fund.		Proposed New		0%	0%
4. Tax-exempt general obligation bond interest rates. - Average interest rate on tax-exempt general obligation bonds issued as compared to targets.		Proposed New		4.50%	4.50%
5. Percentage of eligible Oregonians with a College Savings Account - The total number of 529 college savings accounts as a percentage of the total eligible population in Oregon compared to the national average.		Proposed New		4.10%	4.10%
6A. Unclaimed Property Disbursements - Percentage of total unclaimed property returned to owners and/or heirs compared to total amount received.		Proposed New		50%	50%
6B. Unclaimed Property Claim Response Time - Average number of days to respond to Unclaimed Property claims as compared to statutory maximum.		Proposed New		120	120
7. Adherence to Board Best Practices - Percent of total best practices met by the Oregon 529 Savings Board and Oregon Retirement Savings Board.		Proposed New		100%	100%
1 D. Oregon Public Employees Retirement Fund Net Performance of 5-Year Rolling Average Compared to Policy Benchmark		Proposed Delete	7.54%	8.50%	
2 D. Common School Fund Net Performance of 5-Year Rolling Average Compared to Policy Benchmark.		Proposed Delete	6.86%	7.50%	
3 D. Oregon Short-Term Fund Returns Compared to Benchmark		Proposed Delete	3.32%	0.50%	
4 D. Expense to Assets Ratio for the Oregon Short-Term Fund		Proposed Delete	0.06%	0.50%	
5 D. Local Government Participation in the Oregon Short-Term Fund		Proposed Delete	66%	75%	

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
6 D. Banking Services - Average Cost per Transaction		Proposed Delete	\$0.032	\$0.035	
7 D. Oregon School Bond Guaranty Program Bonds Outstanding		Proposed Delete	\$8,489,749,275.00	\$45,600,000,000.00	
8 D. Number of Oregon 529 College Savings Network Accounts		Proposed Delete	205,502	170,000	
9 D. Percentage of Minors (under age 25) with 529 College Savings Network Accounts		Proposed Delete	11.70%	11%	
10 D. Oregon Debt Issuance Activity - Levels of Transaction Volume and Total State Government Debt Outstanding by Fiscal Year	a) State Outstanding Debt in Oregon	Proposed Delete	\$11,215,366,539.00	\$12,800,000,000.00	
	b) Local Outstanding Debt in Oregon		\$26,916,632,297.00	\$22,600,000,000.00	

LFO Recommendation:

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

SubCommittee Action: