

SB 5515 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Renee Klein, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

**Department of Forestry
2021-23**

PRELIMINARY

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Leg. Approved	
				\$ Change	% Change
General Fund	\$ 1,940,000	\$ -	\$ 80,092	\$ (1,859,908)	-95.9%
General Fund Debt Service	\$ 4,334,048	\$ -	\$ -	\$ (4,334,048)	-100.0%
Lottery Funds Debt Service	\$ 3,023,365	\$ 3,022,570	\$ 3,022,570	\$ (795)	0.0%
Other Funds Limited	\$ 33,621,773	\$ 29,098,987	\$ 31,011,546	\$ (2,610,227)	-7.8%
Other Funds Nonlimited	\$ 1,210,647	\$ 1,128,074	\$ 1,128,074	\$ (82,573)	-6.8%
Other Funds Debt Service Nonlimited	\$ 64,303,071	\$ 30,531,300	\$ 30,531,300	\$ (33,771,771)	-52.5%
Federal Funds Limited	\$ 3,347,683	\$ 2,818,981	\$ 3,123,736	\$ (223,947)	-6.7%
Federal Funds Debt Service Nonlimited	\$ 104,000	\$ -	\$ -	\$ (104,000)	-100.0%
Total	\$ 111,884,587	\$ 66,599,912	\$ 68,897,318	\$ (42,987,269)	-38.4%

Position Summary

Authorized Positions	81	78	79	-2
Full-time Equivalent (FTE) positions	79.25	76.77	78.00	-1.25

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Department of Energy (ODOE) is historically supported with Other Funds, Federal Funds and non-Measure 76 Lottery Funds. ODOE has several sources of Other Funds revenues including Other Funds Nonlimited revenues related to Small-Scale Energy Loan Program (SELP) loan repayments and interest income; various fees and charges for services, including the Energy Supplier Assessment; radioactive waste transport fees, and energy facility siting fees. For the 2021-23 biennium, ODOE will also receive a small amount of General Fund support for its Radioactive Waste Oversight program.

Lottery Funds are allocated to ODOE for debt service payments. Federal Funds are received from the United States Department of Energy for the USDOE State Energy Program Formula, Hanford grants and other federal grants.

Summary of Natural Resources Subcommittee Action

The mission of ODOE is to lead Oregon to a safe, clean, and sustainable energy future. It is organized into five divisions: Energy Planning and Innovation, Energy Development Services, Nuclear Safety and Emergency Response, Energy Facility Siting, and Administrative Services. The Subcommittee recommended a budget for the 2021-23 biennium of \$68,897,318 total funds and 79 positions (78.00 FTE). This budget represents a 38.4% decrease from the 2019-21 legislatively approved budget. The budget reduction is largely attributable to the removal of \$33 million Other Funds Nonlimited expenditures from SELP, as it has not received authorization for new bonding authority for several biennia. Other changes decreasing the budget between biennia include a base budget General Fund debt service adjustment and the phase-out of one-time funding that had been provided for the Solar Rebate Program established in HB 2618 (2019).

While not included in this budget bill, there is an anticipated need of approximately \$3.5 million General Fund for debt service payments in order to cover bond payments due in April 2022 and April 2023 for the SELP Fund. This funding need is due to losses sustained from loans dating back to 2007. The General Fund debt service will be provided in an end-of-session bill. The total projected overall cash flow shortfall in the SELP Fund is around \$5 million, down from \$8 million last biennium, but is dynamic and may be reduced further based on revenue received.

Energy Planning and Innovation Division

The Energy Planning and Innovation Division develops state policy and goals relating to energy conservation, the development of alternative fuel and renewable energy resources for energy independence, economic development and the reduction of greenhouse gas emissions. The Subcommittee recommended a budget of \$8,494,045 total funds and 25 positions (25.00 FTE), which includes the following packages:

Package 087, August 2020 Special Session. During the August 2020 Special Session of the Oregon Legislature the Department was granted additional Federal Funds limitation for a federal grant that had been approved earlier in the 2019-21 biennium. A portion of that Federal Funds limitation will need to carry forward into the 2021-23 biennium to complete project work associated with the grant. This package provides \$21,117 Federal Funds expenditure limitation to continue work associated with the grant.

Package 801, LFO Analyst Adjustments. This package utilizes funding from vacant positions eliminated in other Divisions to fund a permanent full-time Research Analyst 3 position (1.00 FTE), which will enhance work related to various energy studies contributing to the Department's Biennial Energy Report. The cost of the position is \$186,500 Other Funds. Additionally, the package includes \$33,000 Other Funds expenditure limitation and \$100,000 Federal Funds expenditure limitation related to a grant award for Energy Efficiency Audits approved during the 2021 session. Total cost of the package is \$319,500.

Energy Development Services Division

The Energy Development Services Division historically administered financing and incentives for businesses, households and the public sector to reduce the cost of energy for Oregonians through energy efficiency, renewable energy and the use of alternative transportation. As of the end

of the 2017 tax year, all of ODOE's energy tax credit and incentive programs have sunset or moved to other agencies. SELP continues to administer loans, however, it is not currently issuing new loans. The Subcommittee approved a budget of \$39,047,343 total funds and three positions (3.00 FTE), which includes the following packages:

Package 090, Analyst Adjustments. This package eliminates a vacant Accountant 2 position (1.00 FTE) and reduces services and supplies for a total reduction of \$182,140 Other Funds. Currently, the work of the Accountant 2 is being done by existing staff within the Administration Division.

Package 801, LFO Analyst Adjustments. This package includes \$1,454,770 Other Funds special payments expenditure limitation representing the estimated final remaining projects related to the Department's Renewable Energy Grants program, which has sunset. Additionally, there is \$85,626 Other Funds expenditure limitation in personal services that is related to the activities still required for accounting work within the program that is being handled by accounting staff in the Administration Division. While the work is being done by staff in another division, this limitation will allow them to charge back to the appropriate program within the Energy Development Services Division.

Nuclear Safety and Emergency Response Division

The Nuclear Safety and Emergency Response Division works to provide safe energy through oversight of nuclear waste cleanup activities at the Hanford nuclear site to ensure that decisions regarding cleanup protect the Columbia River. The division also provides emergency preparedness for potential hazards including a nuclear reactor accident, transporting radioactive materials through Oregon, the potential operation of Liquefied Natural Gas import terminals and petroleum shortages that could impact emergency and essential services. The Subcommittee recommended a total funds budget of \$2,556,070 total funds and six positions (6.00 FTE), which includes the following package:

Package 301, Nuclear Safety and Emergency Response. This package includes \$80,092 General Fund in order to shift the costs of a portion of an existing position and the associated services and supplies from Federal Funds to General Fund. This position is responsible for monitoring and enforcing compliance with statutory and administrative rules regarding the disposal of radioactive material in Oregon. The work is budgeted with Federal Funds but is currently supported by the Energy Supplier Assessment, which are Other Funds. However, the work performed around this issue is more appropriately funded by General Fund as this is a statewide issue rather utilizing ESA funds.

Energy Facility Siting Division

The Energy Facility Siting Division works with energy facility developers and operating energy facilities to meet the state's energy needs by ensuring that large power plants, transmission lines and natural gas pipelines are built to meet Oregon siting requirements. Facility Siting provides staff to the seven-member Energy Facility Siting Council, coordinates the energy facility siting process, oversees compliance with existing site certificates and coordinates federal energy siting projects for the state. The Division coordinates input from other state agencies, tribes, local governments, contractors and the public. The Subcommittee recommended a total funds budget of \$6,078,551 and 13 positions (13.00 FTE), which includes the following packages:

Package 087, August 2020 Special Session. During the August 2020 Special Session of the Oregon Legislature the Department was granted additional Federal Funds limitation for a federal grant in the 2019-21 biennium. A portion of that Federal Funds limitation will need to carry forward into the 2021-23 biennium to complete project work associated with the grant. This package provides \$113,666 Federal Funds expenditure limitation to continue work associated with the grant.

Package 401, Energy Siting Analyst Support. This package includes \$488,630 Other Funds expenditure limitation to continue two limited duration positions (2.00 FTE) first approved in the 2019 session to address increased workload in the Energy Facility Siting application process associated with review of applications and compliance activities. Revenue for these positions comes primarily from cost recovery fees around energy siting work.

Administrative Services Division

The Administrative Services Division consists of the Director's Office and the Central Services Division. The Director provides operational and policy leadership and direction for the Department. The Director's Office functions include internal audits, communications and outreach, human resources management and government relations. The Subcommittee recommended a total funds budget of \$12,721,309 and 32 positions (31.00 FTE), which includes the following packages:

Package 087, August 2020 Special Session. During the August 2020 Special Session of the Oregon Legislature, the Department was granted additional Federal Funds limitation for a federal grant in the 2019-21 biennium. A portion of that Federal Funds limitation will need to carry forward into the 2021-23 biennium to complete project work associated with the grant. This package provides \$115,217 Federal Funds expenditure limitation to continue work associated with the grant.

Package 090, Analyst Adjustments. This package eliminates two vacant positions (1.77 FTE) and reduces personal services associated with temporary employees and differential costs for a total reduction of \$334,684 Other Funds expenditure limitation.

Package 099, Microsoft 365 Consolidation. Microsoft 365 is being consolidated within the office of the State Information Officer at the E5 level of service. This cost is built into the State Government Service Charge for every agency as a cost increase for the 2021-23 biennium. This package makes a corresponding reduction of \$57,137 Other Funds to the agency budget in an amount equivalent to what agencies should be paying in the current 2019-21 biennium for Microsoft 365 at the E3 level of service.

Package 801, LFO Analyst Adjustments. This package includes \$237,994 Other Funds expenditure limitation for a limited duration full-time Information Systems Specialist 7 position (1.00 FTE) which will be used to address data development needs and assist with development and support for existing databases in need of updating or replacement. Funding for this position comes from the Energy Supplier Assessment and is partially offset by elimination of vacant positions in package 090.

Summary of Performance Measure Action

See attached Legislatively Approved 2021-23 Key Performance Measures.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Department of Energy
Renee Klein -- 971-283-1841

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2019-21 Legislatively Approved Budget at Jan. 2021*	\$ 6,274,048	\$ 3,023,365	\$ 33,621,773	\$ 65,513,718	\$ 3,347,683	\$ 104,000	\$ 111,884,587	81	79.25
2021-23 Current Service Level (CSL)*	\$ -	\$ 3,022,570	\$ 29,098,987	\$ 31,659,374	\$ 2,818,981	\$ -	\$ 66,599,912	78	76.77
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 100 - Energy Planning & Innovation									
Package 080: E-Boards									
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 21,117	\$ -	\$ 21,117		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 180,406	\$ -	\$ -	\$ -	\$ 180,406	1	1.00
Services and Supplies	\$ -	\$ -	\$ 39,094	\$ -	\$ 100,000	\$ -	\$ 139,094		
SCR 200 - Energy Development Services									
Package 090: Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ (165,829)	\$ -	\$ -	\$ -	\$ (165,829)	-1	-1.00
Services and Supplies	\$ -	\$ -	\$ (16,311)	\$ -	\$ -	\$ -	\$ (16,311)		
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 85,626	\$ -	\$ -	\$ -	\$ 85,626	0	0.00
Special Payments	\$ -	\$ -	\$ 1,454,770	\$ -	\$ -	\$ -	\$ 1,454,770		
SCR 300 - Nuclear Safety & Emergency Response									
Package 301: Radioactive Waste Oversight									
Personal Services	\$ 45,245	\$ -	\$ -	\$ -	\$ (45,245)	\$ -	\$ -	0	0.00
Services and Supplies	\$ 34,847	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 34,847		
SCR 400 - Energy Facility Siting									
Package 087: August 2020 Special Session									
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 113,666	\$ -	\$ 113,666		
Package 401: Energy Facility Siting Analyst Support									
Personal Services	\$ -	\$ -	\$ 388,482	\$ -	\$ -	\$ -	\$ 388,482	2	2.00
Services and Supplies	\$ -	\$ -	\$ 100,148	\$ -	\$ -	\$ -	\$ 100,148		
SCR 500 - Administration									
Package 087: August 2020 Special Session									
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 115,217	\$ -	\$ 115,217		
Package 090: Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ (334,684)	\$ -	\$ -	\$ -	\$ (334,684)	-2	-1.77
Package 099: Microsoft 365 Consolidation									
Services and Supplies	\$ -	\$ -	\$ (57,137)	\$ -	\$ -	\$ -	\$ (57,137)		SB 5515

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 801: LFO Analyst Adjustments									
Personal Services	\$ -	\$ -	\$ 224,877	\$ -	\$ -	\$ -	\$ 224,877	1	1.00
Services and Supplies	\$ -	\$ -	\$ 13,117	\$ -	\$ -	\$ -	\$ 13,117		
TOTAL ADJUSTMENTS	\$ 80,092	\$ -	\$ 1,912,559	\$ -	\$ 304,755	\$ -	\$ 2,297,406	1	1.23
SUBCOMMITTEE RECOMMENDATION *	\$ 80,092	\$ 3,022,570	\$ 31,011,546	\$ 31,659,374	\$ 3,123,736	\$ -	\$ 68,897,318	79	78.00
% Change from 2019-21 Leg Approved Budget	-98.7%	0.0%	-7.8%	-51.7%	-6.7%	-100.0%	-38.4%	-2.5%	-1.6%
% Change from 2021-23 Current Service Level	100.0%	0.0%	6.6%	0.0%	10.8%	0.0%	3.4%	1.3%	1.6%

*Excludes Capital Construction Expenditures

PRELIMINARY

Legislatively Approved 2021 - 2023 Key Performance Measures

Published: 5/26/2021 9:13:01 AM

Agency: Energy, Department of

Mission Statement:

The Oregon Department of Energy is leading Oregon to a safe, clean, and sustainable energy future.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. 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.	a) Timeliness	Approved	84%	90%	90%
	b) Accuracy		88%	90%	90%
	c) Helpfulness		80%	90%	90%
	d) Expertise		88%	90%	90%
	e) Availability of Information		82%	90%	90%
	f) Overall			85%	90%
2. ZERO EMISSION VEHICLE ADOPTION IN OREGON - Total ZEV registrations in the light-duty vehicle sector		Approved		100,000	150,000
3. APPLICATION PROCESSING - Percent of Energy Facility Siting applications reviewed and approved within administrative or statutory deadlines.		Approved		100%	100%
4. ENERGY USE BY STATE BUILDINGS - Electrical and fossil fuel energy use in state owned buildings by use type and building area.		Approved	54.450	51	51
5. GREENHOUSE GAS CONTENT OF OREGON'S ELECTRICITY AND STATIONARY FUEL - Carbon intensity of emissions in Oregon's electricity and stationary fuels.	a) Greenhouse gas emissions per unit of electricity used in Oregon.	Approved		0.151	0.151
	b) Greenhouse gas emissions per unit of electricity generated in Oregon.			0.151	0.151
	c) Greenhouse gas emissions per unit of the mix of other stationary fuels used in Oregon.			35.680	35.680
6. TRANSPORTATION FUELS USED IN OREGON - Percentage of petroleum vs non-petroleum fuels used for on road transportation in Oregon		Approved		45%	45%
8. HOME ENERGY SCORING - Percent of Oregon population receiving a state authorized home energy score.		Approved		7,500%	7,500%
1. ENERGY SAVINGS AND PRODUCTION - Annual energy savings and production from the agency's programs.	a) Total of Programs	Legislatively Deleted	131.30	236	
	b) Energy Incentive Programs		86.20	200	
	c) Small-Scale Energy Loan Program		0	0	
	d) Public Buildings		39.50	30	
	e) Residential Programs		0	0	
3. APPLICATION PROCESSING - Percent of applications reviewed and approved within administrative or statutory deadlines.	a) Energy Facility Siting: Percent of new applicants notified within 60 days of application completeness	Legislatively Deleted	100%	100%	
	b) Energy Incentive Programs: Percent of Final Applications Processed within 60 Days		64%	100%	

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
	c) Residential Energy Tax Credit (RETC)-Percent of applications processed within 60 days		54%	100%	
5. GREENHOUSE GAS CONTENT OF OREGON'S ELECTRICITY AND STATIONARY FUEL - Greenhouse gas emissions per unit	a) Electricity used in Oregon	Legislatively Deleted	0.335	0.151	
	b) Electricity generated in Oregon		0.137	0.151	
	c) The mix of other stationary fuels used in Oregon		0.058	0.036	
	d) The mix of other stationary fuels produced in Oregon			0	
6. TRANSPORTATION FUELS USED IN OREGON - Percentage of petroleum vs non-petroleum fuels used for transportation in Oregon: a) On-road fuel and b) Non-road fuel.	a) On Road Percentage Non-petroleum	Legislatively Deleted	8.69%	0%	
	b) Non Road Percentage Non Petroleum			0%	

LFO Recommendation:

The Department has reevaluated their Key Performance Measures and targets and is proposing a number of changes. Adjustments to the Department's KPM's include modifications of KPM's related to application processing, transportation fuels, and greenhouse gas content in fuels. These changes resulted in the deletion of KPM's 3, 5, and 6, but they are re-established with modified benchmarks based on the ability of the Department to collect relevant data for those KPM's.

The former KPM #1 related to Energy Savings & Production has been deleted as those savings were measured through programs that largely no longer exist within the agency. There are also two new KPM's, one measuring registration of Zero Emissions Vehicles in Oregon as part of the emphasis toward ZEV usage, and also one measuring the percentage of homes receiving a Home Energy Score around efficient energy use. A third proposed new KPM around agency outreach is not recommended at this time.

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

SubCommittee Action:

The Natural Resources Subcommittee approved the Key Performance Measures and targets.

PRELIMINARY