

WORK SESSION ORIENTATION

JOINT COMMITTEE ON WAYS AND MEANS - HUMAN SERVICES SUBCOMMITTEE

MARCH 2023

LEGISLATIVE FISCAL OFFICE



Primary Budget Measures

- Primary budget (or appropriation) measures are agency-specific and are in the 5000 series (House = 5000 series and Senate = 5500 series)
- Budget measures have an emergency clause and are effective on passage, but not operative until July 1, 2023
- Authority expires at the end of the biennium

Legal Budgetary Control

- Appropriation bills are session law or Oregon Laws and provide budgetary control
- Appropriation bills are structured by fund type and may be further delineated by source or type of funds and programs within the agency
- Appropriation bills are not detailed to the expenditure category level
- Action by either the Legislature or Emergency Board is needed to modify Oregon Law except for Non-Limited authority, which can be modified administratively

Example of a Simple Budget Measure

81st OREGON LEGISLATIVE ASSEMBLY--2021 Regular Session

Enrolled Senate Bill 5519

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

CHAPTER

AN ACT

Relating to the financial administration of the Oregon Government Ethics Commission; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Notwithstanding any other law limiting expenditures, the amount of \$3,323,513 is established for the biennium beginning July 1, 2021, as the maximum limit for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts and reimbursements from federal service agreements, but excluding lottery funds and federal funds not described in this section, collected or received by the Oregon Government Ethics Commission.

SECTION 2. This 2021 Act being necessary for the immediate preservation of the public peace, health and safety, an emergency is declared to exist, and this 2021 Act takes effect July 1, 2021.

**Enrolled
Senate Bill 5536**

Printed pursuant to Senate Interim Rule 213.28 by order of the President of the Senate in conformance with pre-session filing rules, indicating neither advocacy nor opposition on the part of the President (at the request of Oregon Department of Administrative Services)

CHAPTER

AN ACT

Relating to the financial administration of the Public Employees Retirement System; and declaring an emergency.

Be It Enacted by the People of the State of Oregon:

SECTION 1. Notwithstanding any other law limiting expenditures, the following amounts are established for the biennium beginning July 1, 2021, as the maximum limits for payment of expenses from fees, moneys or other revenues, including Miscellaneous Receipts but excluding lottery funds and federal funds, collected or received by the Public Employees Retirement System, for the following purposes:

- (1) **Central Administration**
 - Division \$ 18,389,692
- (2) **Financial and Administrative Services Division.....** \$ 25,509,775
- (3) **Information Services Division ..** \$ 29,427,649
- (4) **Operations Division.....** \$ 43,996,509
- (5) **Compliance, Audit and Risk Division** \$ 9,643,688
- (6) **Core Retirement System:**
 - (a) **Implementation of chapter 355, Oregon Laws 2019:**
 - (A) **Project management and implementation** \$ 2,044,800
 - (B) **Quality assurance and testing ..** \$ 812,500
 - (C) **Information technology applications** \$ 13,337,000
 - (D) **Operational implementation.....** \$ 6,620,497
 - (b) **ORION Modernization Project..** \$ 800,000

Example of a
Programmatically
Structured
Budget Measure

Subcommittee Work Session

- The subcommittee will take action on Legislative Fiscal Office recommendations for the agency's primary budget measure, any associated fee measure, budget notes, and Key Performance Measures
- LFO's recommendation memo and report from the Oregon Budget Information Tracking System (ORBITS) will be available on OLIS prior to the meeting
- The subcommittee will adopt an amendment to the primary budget measure that reflects the LFO recommendation
- Subcommittee recommendations will advance to the Joint Committee on Ways and Means and then both chambers

Subcommittee Process

- Subcommittees will follow the rules adopted by the Full Committee
- An affirmative vote of a majority of the appointed members of each chamber on the subcommittee is needed to advance a measure to the Full Committee
- A subcommittee does not have the power to table or hold legislation or an agenda item but must report it back to the Full Committee for consideration
- Before the subcommittee can take action on an amendment, it must be posted to OLIS four hours in advance of a work session

Example of an LFO Recommendation Memo

Legislative Fiscal Office

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

Laurie Byerly, Interim Legislative Fiscal Officer
Amanda Beitel, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)



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. Fred Girod, Senate Co-Vice Chair
Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Human Services Subcommittee
From: Zane Potter, Legislative Fiscal Office
Date: May 6, 2021
Subject: HB 5022 – Oregon State Board of Nursing Work Session Recommendations

Oregon State Board of Nursing – Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	16,500,862	20,326,025	21,022,293	21,084,201
Total Funds	16,500,862	20,326,025	21,022,293	21,084,201
Positions	49	54	54	54
FTE	48.90	53.90	53.90	53.90

The 2021-23 LFO Recommended Budget is \$21.1 million and 54 positions (53.90 FTE). This is 3.7% more than the 2019-21 Legislatively Approved Budget and 0.3% more than the 2021-23 Current Service Level.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Package 801 increases the Board's Other Funds expenditure limitation by \$100,000 to cover e-government transaction fees effective January 1, 2021. This fee would otherwise be paid by licensees.

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.

ORBITS Work Session Report

Nursing, Board of

LFO Analyst Recommended

Agency Number: 85100

**LFO102 - Work Session Presentation Report
2021-23 Biennium**

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 85100-001-00-00-00000

Board Operations

	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	-	-	19,719,954	-	-	-	19,719,954	54	53.90
2019-21 Ebds, SS & Admin Act	-	-	606,071	-	-	-	606,071	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	20,326,025	-	-	-	20,326,025	54	53.90
2019-21 Leg Approved Budget (Base)	-	-	19,719,954	-	-	-	19,719,954	54	53.90
Summary of Base Adjustments	-	-	741,595	-	-	-	741,595	-	-
2021-23 Base Budget	-	-	20,461,549	-	-	-	20,461,549	54	53.90
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(37,913)	-	-	-	(37,913)	-	-
030: Inflation & Price List Adjustments	-	-	598,657	-	-	-	598,657	-	-
2021-23 Current Service Level	-	-	21,022,293	-	-	-	21,022,293	54	53.90
Adjusted 2021-23 Current Service Level	-	-	21,022,293	-	-	-	21,022,293	54	53.90
Total LFO Recommended Packages	-	-	61,908	-	-	-	61,908	-	-
2021-23 Legislative Actions	-	-	21,084,201	-	-	-	21,084,201	54	53.90
Net change from 2019-21 Leg Approved Budget	-	-	758,176	-	-	-	758,176	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	3.7%	0.0%	0.0%	0.0%	3.7%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	61,908	-	-	-	61,908	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	0.3%	0.0%	0.0%	0.0%	0.3%	0.0%	0.0%

Work Session Reports for DHS and OHA are Typically Created Outside of ORBITS

OREGON DEPARTMENT OF HUMAN SERVICES: SELF SUFFICIENCY SB 5529 WORK SESSION

	GENERAL	LOTTERY	OTHER	FEDERAL	NL OTHER	NL FEDERAL	TOTAL FUNDS	POS	FTE	Comments
2019-21 Legislatively Approved Budget (As of June 2021)	455,167,000	-	163,843,837	611,201,501	-	2,889,345,331	4,119,557,669	2,611	2,520.10	
2021-23 Current Service Level	480,302,803	-	119,814,326	594,949,933	-	1,939,345,331	3,134,412,393	2,621	2,617.30	
2021-23 Governor's Budget	480,502,270	-	119,875,381	578,836,844	-	2,975,868,127	4,155,082,622	2,600	2,596.89	
2021-23 LFO RECOMMENDED BUDGET	497,566,764	-	119,309,422	545,854,286	-	2,975,868,127	4,138,598,599	2,739	2,735.89	
2021-23 LFO RECOMMENDED BUDGET ADJUSTMENTS DETAIL										
2021-23 Current Service Level Estimate	480,302,803	-	119,814,326	594,949,933	-	1,939,345,331	3,134,412,393	2,621	2,617.30	
LFO Recommendations for Existing Packages										
Pkg 070: Revenue Shortfall	-	-	-	(4,134,268)	-	-	(4,134,268)	-	-	
Pkg 087: August Special Session Rollup	(3,593,577)	-	261,262	1,670,063	-	-	(1,662,252)	(29)	(28.05)	
Pkg 095: GB Fall Reshoot	(520,903)	-	(167,101)	(9,364,257)	-	1,036,522,796	1,026,470,535	1	1.00	
Pkg 130: Survivor Investment Partnership	10,000,000	-	-	-	-	-	10,000,000	3	2.64	Dom violence and sexual assault services contracts
Pkg 206: Integrated Eligibility	458,832	-	-	688,252	-	-	1,147,084	4	4.00	Support for Virtual Eligibility Center during transition
Other Recommended Adjustments										
Pkg 801: LFO Analyst Adjustments										
Spring TANF Caseload Changes	(13,578,891)	-	(646,518)	(47,286,504)	-	-	(61,511,913)	-	-	Spring 2021 Reshoot
Workload Model	17,474,906	-	-	8,223,201	-	-	25,698,107	139	139.00	Spring 2021 Reshoot
FMAP	41,268	-	-	(41,268)	-	-	-	-	-	Spring 2021 Reshoot
Enhanced FMAP	(831,350)	-	-	831,350	-	-	-	-	-	Spring 2021 Reshoot
Postage	513,676	-	47,453	317,784	-	-	878,913	-	-	Spring 2021 Reshoot
Refugee Extended Case Management	4,300,000	-	-	-	-	-	4,300,000	-	-	Budget Note
211 Service Expansion	3,000,000	-	-	-	-	-	3,000,000	-	-	Report back in 2023
	-	-	-	-	-	-	-	-	-	
Total adjustments LFO Rec from CSL	17,263,961	-	(504,904)	(49,095,647)	-	1,036,522,796	1,004,186,206	118	118.59	
TOTAL 2019-21 LFO Recommended Budget	497,566,764	-	119,309,422	545,854,286	-	2,975,868,127	4,138,598,599	2,739	2,735.89	
\$ Change from 2019-21 Approved										
	42,399,764	-	(44,534,415)	(65,347,215)	-	86,522,796	19,040,930	128	215.79	
% Change from 2019-21 Approved										
	9.32%	-	-27.18%	-10.69%	-	2.99%	0.46%	4.90%	8.56%	
\$ Change from 2021-23 CSL Estimate										
	17,263,961	-	(504,904)	(49,095,647)	-	1,036,522,796	1,004,186,206	118	118.59	
% Change from 2021-23 CSL Estimate										
	3.59%	-	-0.42%	-8.25%	-	53.45%	32.04%	4.50%	4.53%	
\$ Change from 2021-23 Governor's Budget										
	17,064,494	-	(565,959)	(32,982,558)	-	-	(16,484,023)	139	139.00	
% Change from 2021-23 Governor's Budget										
	3.55%	-	-0.47%	-5.70%	-	0.00%	-0.40%	5.35%	5.35%	

Requested by JOINT COMMITTEE ON WAYS AND MEANS

**PROPOSED AMENDMENTS TO
SENATE BILL 5536**

1 On page 1 of the printed bill, delete lines 5 through 28 and delete page
2 2 and insert:

3 **“SECTION 1. Notwithstanding any other law limiting expenditures,**
4 **the following amounts are established for the biennium beginning July**
5 **1, 2021, as the maximum limits for payment of expenses from fees,**
6 **moneys or other revenues, including Miscellaneous Receipts but ex-**
7 **cluding lottery funds and federal funds, collected or received by the**
8 **Public Employees Retirement System, for the following purposes:**

- 9 (1) **Central Administration**
- 10 Division \$ 18,389,692
- 11 (2) **Financial and Administrative**
- 12 Services Division..... \$ 25,509,775
- 13 (3) **Information Services Division ..** \$ 29,427,649
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- 15 (5) **Compliance, Audit and Risk**
- 16 Division \$ 9,643,688
- 17 (6) **Core Retirement System:**
- 18 (a) **Implementation of chapter 355,**
- 19 **Oregon Laws 2019:**
- 20 (A) **Project management and**
- 21 **implementation** \$ 2,044,800

Example of an Amendment to a Budget Measure

Budget Starting Point

During work session, LFO will review any change to the current service level as a discrete policy option package:

- 070 package – revenue shortfall (i.e., eliminates budget authority unsupported by a revenue source)
- 08X series packages – reflects ongoing interim activities of the Emergency Board/Special Sessions/Legislature
- 09X series packages – Governor's budget recommendations
- 100 series packages - agency requested and recommended by LFO (can be modified as part of recommendation)
- 80X series packages - LFO added packages, including agency-specific adjustments or statewide adjustment
- Assessment and rate changes will come at the end of session
- Packages that adjust only revenue or beginning balances for Other Funds might also be included

Key Performance Measures

The subcommittee will take action on Legislative Fiscal Office recommendations for the agency's:

- Key Performance Measures, including any recommended changes
- Key Performance Measure targets for the years 2024 and 2025
- Possible instructions to the agency

Sample KPM Report

Legislatively Proposed 2021 - 2023 Key Performance Measures

Published: 3/20/2021 2:31:14 PM

Agency: Public Employees Retirement System, Oregon

Mission Statement:

We serve the people of Oregon by administering public employee benefit trusts to pay the right person the right benefit at the right time.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. TIMELY RETIREMENT PAYMENTS - Percent of initial service retirements paid within 45 days from retirement date.		Approved	62%	80%	80%
2. TOTAL BENEFIT ADMIN COSTS - Total benefit administration costs per member.		Approved	\$172.00	\$165.00	\$165.00
3. MEMBER TO STAFF RATIO - Ratio of members to FTE staff.		Approved	983	1,055	1,055
4. ACCURATE BENEFIT CALCULATIONS - Percent of service retirement monthly benefits accurately calculated to within \$5 per month.		Approved	100%	100%	100%
5. LEVEL OF PARTICIPATION - Percent of state employees participating in the deferred compensation program.		Approved	37%	50%	50%
6. CUSTOMER SERVICE - Percent of member 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.	Helpfulness	Approved	89%	95%	95%
	Overall		89%	95%	95%
	Availability of Information		86%	95%	95%
	Timeliness		89%	95%	95%
	Accuracy		90%	95%	95%
	Expertise		90%	95%	95%
7. TIMELY BENEFIT ESTIMATES - Percent of benefit estimates processed within 30 days.		Approved	63%	95%	95%
8. BOARD OF DIRECTORS BEST PRACTICES - Percent of total best practices criteria met by the PERS board.		Approved	100%	100%	100%

LFO Recommendation:

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

SubCommittee Action:

Budget Note Recommendation

A budget note is a formal directive included in a budget report to express legislative intent for a particular budget issue. A budget note directs an agency to take administrative or managerial action relating to the agency's execution of its biennial budget. A budget note is of limited scope, not intended to circumvent, supplant, or replace other substantive or policy measures or law. The directive in a budget note typically expires at the end of the biennium. Budget notes are neither required nor necessary for every Ways and Means measure. See JWM Rule #9

Work Sessions

- No agency or public testimony will be given during work sessions unless approved by the presiding Subcommittee Co-Chair
- The Department of Administrative Services will not make a recommendation, as that recommendation has already been made as part of the Governor's budget

Budget Report

- Satisfies chamber rules by serving as both a Staff Measure Summary and Fiscal Impact Statement, and will be prepared after Full Committee
- Provides narrative to support legislative intent of a budget measure and explains the approved actions
- Authorizes number of positions and full-time equivalents
- Includes any budget notes, agency instructions, or requests to unschedule funds
- Includes Key Performance Measure report as an addendum

Sample Budget Report

81st Oregon Legislative Assembly – 2021 Regular Session

SB 5537 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Smith G

Joint Committee On Ways and Means

Action Date: 06/04/21

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 11 - Bynum, Drazan, Gomberg, Leif, McLain, Nosse, Rayfield, Sanchez, Smith G, Sollman, Stark

Senate Vote

Yeas: 12 - Anderson, Frederick, Girod, Golden, Gorsek, Hansell, Johnson, Knopp, Lieber, Steiner Hayward, Taylor, Thomsen

Prepared By: Patrick Heath, Department of Administrative Services

Reviewed By: Zane Potter, Legislative Fiscal Office

Department of Revenue
2021-23

Sample Budget Report (continued)

Budget Summary*

	2019-21	2021 - 23	2021-23	Committee Change from 2019-21 Leg.	
	Legislatively Approved Budget ⁽¹⁾	Current Service Level	Committee Recommendation	Approved	
				\$ Change	% Change
General Fund	\$ 193,109,647	\$ 204,437,845	\$ 213,020,750	\$ 19,911,103	10.3%
General Fund Debt Service	\$ 14,287,394	\$ 6,695,900	\$ 6,695,900	\$ (7,591,494)	-53.1%
Other Funds Nonlimited	\$ 8,817	\$ -	\$ -	\$ (8,817)	-100.0%
Other Funds Debt Service Nonlimited	\$ 2,246,184	\$ -	\$ -	\$ (2,246,184)	-100.0%
Other Funds Limited	\$ 140,177,244	\$ 129,810,993	\$ 149,099,871	\$ 8,922,627	6.4%
Other Funds Debt Service	\$ 2,018,471	\$ 550,120	\$ 550,120	\$ (1,468,351)	-72.7%
Total	\$ 351,847,757	\$ 341,494,858	\$ 369,366,641	\$ 17,518,884	5.0%

Position Summary

Authorized Positions	1,094	1,001	1,105	11
Full-time Equivalent (FTE) positions	1,014.40	957.18	1,045.62	31.22

⁽¹⁾ Includes adjustments through January 2021

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Revenue (DOR) is responsible for collecting taxes that make up 97% of the state's General Fund revenue, including the Personal Income Tax, Corporate Income Tax, Inheritance Tax, Cigarette Tax, and Other Tobacco Products Tax. General Fund revenues collected by DOR are expected to reach \$22.6 billion in the 2021-23 biennium. The General Fund is uniquely dependent on the Personal Income Tax, which is projected to account for approximately 89% of the General Fund revenues in 2021-23.

Legislatively Adopted Budget

Equals an agency's primary budget measure

- + Any policy measures with budgetary impacts
- + Any changes included in the omnibus budget reconciliation measure (e.g. statewide DAS assessment changes and Attorney General rate change)
- + Any change in the Capital Construction measure
- = Legislatively **Adopted** Budget

Legislatively Approved Budget

Equals an agency's Legislatively Adopted Budget:

- + February session actions (omnibus/capital construction measures and policy measures with budgetary impact)
 - + Emergency Board actions (under limited authority)
 - + Special session actions, if convened
 - + Select executive branch administrative actions authorized by law
- = Legislatively **Approved** Budget

Questions?

