

HB 5031 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Sen. Sollman

Joint Committee On Ways and Means

Action Date: 05/26/23

Action: Do pass the A-Eng bill.

Senate Vote

Yeas: 9 - Anderson, Campos, Dembrow, Frederick, Hansell, Knopp, President Wagner, Sollman, Steiner

Exc: 3 - Findley, Gelser Blouin, Girod

House Vote

Yeas: 11 - Breese-Iverson, Evans, Gomberg, Holvey, Lewis, McLain, Pham K, Reschke, Sanchez, Smith G, Valderrama

Exc: 1 - Cate

Prepared By: Wendy Gibson, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

Military Department

2023-25

Military Department

2021-23

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 34,394,421	\$ 28,385,987	\$ 28,361,737	\$ (6,032,684)	(17.5%)
General Fund Capital Improvements	\$ 63,050	\$ -	\$ -	\$ (63,050)	(100.0%)
General Fund Debt Service	\$ 13,493,465	\$ 12,781,890	\$ 12,781,890	\$ (711,575)	(5.3%)
Other Funds Limited	\$ 93,942,602	\$ 20,158,039	\$ 20,563,277	\$ (73,379,325)	(78.1%)
Other Funds Capital Improvements	\$ 200,000	\$ -	\$ -	\$ (200,000)	(100.0%)
Other Funds Debt Service	\$ 100,910	\$ -	\$ -	\$ (100,910)	(100.0%)
Federal Funds Limited	\$ 434,910,308	\$ 136,672,619	\$ 138,435,218	\$ (296,475,090)	(68.2%)
Federal Funds Capital Improvements	\$ 5,543,250	\$ 5,578,971	\$ 5,578,971	\$ 35,721	0.6%
Total	\$ 582,648,006	\$ 203,577,506	\$ 205,721,093	\$ (376,926,913)	(64.7%)

Position Summary

Authorized Positions	488	487	494	6
Full-time Equivalent (FTE) positions	484.96	438.30	455.62	(29.34)

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

2021-23 Budget Actions

	2021-23 Legislatively Approved Budget	2021-23 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
			\$ Change	% Change
General Fund	\$ 34,394,421	\$ 34,394,421	\$ -	0.0%
General Fund Capital Improvements	\$ 63,050	\$ 63,050	\$ -	0.0%
General Fund Debt Service	\$ 13,493,465	\$ 13,493,465	\$ -	0.0%
Other Funds Limited	\$ 93,942,602	\$ 94,942,602	\$ 1,000,000	1.1%
Other Funds Capital Improvements	\$ 200,000	\$ 200,000	\$ -	0.0%
Other Funds Debt Service	\$ 100,910	\$ 100,910	\$ -	0.0%
Federal Funds Limited	\$ 434,910,308	\$ 434,910,308	\$ -	0.0%
Federal Funds Capital Improvements	\$ 5,543,250	\$ 5,543,250	\$ -	0.0%
Total	\$ 582,648,006	\$ 583,648,006	\$ 1,000,000	0.2%

Summary of Revenue Changes

General Fund provides funding for wages and salaries of state employees along with matching funds for various facilities management and Oregon National Guard activities.

Other Funds revenues include proceeds from real property sales, facility rental fees, indirect cost transfers within the Department, bond sale proceeds, and other miscellaneous revenues. Additional Other Funds revenues include a transfer from the State School Fund for the Youth Challenge Program, contingent on passage of other legislation being considered in the 2023 session. Facility rental fees contribute to the cost of armory maintenance and operations. The 78.1% decrease in Other Funds revenue is primarily due to the 9-1-1-related revenue associated with the Office of Emergency Management being transferred into the new independent agency, the Oregon Department of Emergency Management.

Federal Funds come from a variety of federal-state cooperative agreements with the National Guard Bureau and fund the majority of facilities' operating costs; pay wages and salaries of state employees assigned to Oregon National Guard duties; provide construction funds for deferred maintenance projects for armories, training centers, and reserve center facilities; fund the STARBASE and Youth Challenge educational programs for youth; and contribute to central administrative costs through an intra-agency transfer. The 67.3% decrease in Federal Funds revenue is primarily due to the transfer of emergency management grant revenue associated with the Office of Emergency Management into the new independent agency, the Oregon Department of Emergency Management.

The Department has a federal budget administered separately from its state budget, which is not subject to state Federal Funds expenditure limitation.

Summary of Public Safety Subcommittee Action

The Oregon Military Department (OMD) provides the State of Oregon and the United States with a ready force of citizen soldiers, airmen, and civilians trained and equipped to respond to any contingency, natural or manmade. The Department is responsible for the administration of the Oregon Army National Guard, Oregon Air National Guard, and Oregon State Defense Force. OMD has a dual mission: 1) provide combat-ready units and equipment to be deployed in support of national defense under the direction of the President, and 2) provide trained personnel and equipment to protect life and property in Oregon during natural disasters or civil unrest, under the direction of the Governor.

The Subcommittee recommended a budget of \$205,721,093 total funds consisting of \$41,143,627 General Fund, \$20,563,277 Other Funds expenditure limitation, \$144,014,189 Federal Funds expenditure limitation, and 494 positions (455.62 FTE). The total funds budget is a 1.1% increase from the 2023-25 current service level, and a 64.7% decrease from the 2021-23 legislatively approved budget. This decrease is primarily due to the transfer of funding and positions associated with the Office of Emergency Management transferring into a new independent agency, the Oregon Department of Emergency Management.

Administration

The Administration Program provides leadership and support for command, control, and administration of the Oregon National Guard, Oregon Air National Guard, and Oregon State Defense Force. The Program supports over 2,500 state and federal full-time OMD and Oregon National Guard employees, commands more than 7,800 soldiers and airmen, and provides oversight of facilities and equipment worth over \$4 billion. The Program consists of the Command Group, Financial Administration Division, State Personnel Office, Public Affairs Program, Emergency Financial Assistance Program, and the Reintegration Program.

The Subcommittee recommended a budget of \$10,685,606 General Fund, \$3,496,716 Other Funds expenditure limitation, and 36 positions (35.50 FTE).

The Subcommittee recommended the following packages:

Package 101, Agency CIO LD to Permanent. This package increases General Fund by \$436,064 and establishes a permanent, full-time Information Technology Manager 3 position (1.00 FTE) to serve as the Department's Chief Information Officer. This position replaces a limited duration position established in 2021-23.

Package 103, New Payroll Officer. This package increases General Fund by \$93,383 and Other Funds expenditure limitation by \$83,383, and establishes one permanent, full-time Payroll Analyst position (1.00 FTE) within the Financial Administration Division to support the increased payroll activities related to the increased frequency of State Active Duty orders. The position is split funded through General Fund and Other Funds, with associated services and supplies funded with General Fund.

Package 104, HR Position Reclasses. This package increases General Fund by \$16,185 and Other Funds expenditure limitation by \$7,010 to fund the reclassification of two positions with the Department's Personnel Office to support diversity, inclusion, affirmative action, data analysis, and safety programs. The reclassifications include a Human Resources Analyst 3 to an Operations and Policy Analyst 3 to support DEI efforts, and a Human Resource Analyst 1 to a Safety Specialist 2 position to develop occupational safety programs for the Department.

Package 801, LFO Analyst Reduction. This package reduces General Fund of \$124,908 from Services and Supplies. Of the total, \$100,000 is from the Command Group and \$24,908 is from the Public Affairs Office.

Operations

The Operations Program is responsible for ongoing maintenance and support of the facilities utilized by the National Guard and provides the infrastructure to respond to natural or human-made disasters. The program includes operation and maintenance of Army National Guard facilities and operation of the Portland Air Base at the Portland International Airport, Kingsley Field in Klamath Falls, Rees Training Center in Umatilla, and the Camp Rilea Air Station in Warrenton. It also includes staff to oversee the Department's capital construction projects.

The Subcommittee recommended a budget of \$16,171,486 General Fund, \$6,338,590 Other Funds expenditure limitation, \$119,723,418 Federal Funds expenditure limitation, and 366 positions (328.12 FTE).

The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. This package reduces General Fund for facility deferred maintenance to generate savings of \$532,412 with a corresponding reduction in Federal Funds expenditure limitation due to the required matching rate.

Package 202, PANG Over Cap Salary Costs. This package includes \$87,438 General Fund for the payroll costs of employees at the Portland Air National Guard (PANG) Air Base. The General Fund will cover employee payroll costs exceeding the federally mandated pay caps and collective bargaining costs established within the contractual agreement between the National Guard Bureau and OMD that are not allowed to be paid with federal funds.

Package 204, AGI LD to Permanent, Position Reclasses. This package increases Other Funds expenditure limitation by \$969,157, Federal Funds expenditure limitation by \$277,408, reclassifies five positions, and establishes seven permanent full-time positions that were previously limited duration, to support OMD's Facility Operations and Management Program. The Other Funds revenue is primarily received from facility rentals and used as a match for additional Federal Funds revenue. The position actions include:

- Reclassification of two Information Systems Specialists, two Natural Resource Specialists, and one Office Specialist to a higher level within the same job classification; and
- Establishment of six Office Specialist 2 positions (6.00 FTE), supported by Other Funds, and one Procurement and Contract Specialist 3 position (1.00 FTE), supported by Federal Funds.

Package 205, AGI New Positions. This package increases Federal Funds expenditure limitation by \$2,504,970 and establishes 15 new permanent, full-time positions within OMD's Facility Operations and Maintenance Program and the Wildland Fire Management Program. The need for new positions developed from a staffing shortage resulting from the transition of the Rees Training Center into the primary training site, coupled with increased maintenance requirements at Camp Rilea and Camp Withycombe. The position actions include:

- Establishment of three Custodian positions (3.00 FTE) and four Facility Maintenance Specialist positions (4.00 FTE) to provide maintenance and custodial support for Camp Rilea, Rees Training Center, Camp Withycombe, and the Oregon Military Museum;
- Establishment of two Grounds Maintenance Worker 1 positions (2.00 FTE) and one Grounds Maintenance Worker 2 position (1.00 FTE) to manage invasive species and upkeep grounds at Camp Rilea and Rees Training Center;

- Establishment of two Natural Resource Specialist 2 (2.00 FTE) to support Camp Rilea water plant testing and conduct field work in support of permitting and regulatory sampling of resources;
- Establishment of one Supply Specialist 2 (1.00 FTE) to support the growing logistical and equipment inventory needs at Rees Training Center; and
- Establishment of two Wildland Fire Supervisor positions (2.00 FTE) to provide oversight and planning of wildland fire suppression activities at Rees Training Center, Biak Training Center, Camp Rilea, and Adair Training Center.

Package 802, Vacant Position Reductions. This package reduces Other Funds expenditure limitation by \$654,312, reduces Federal Funds expenditure limitation by \$946,203, and eliminates 20 long-term vacant positions (9.68 FTE) within the Department for which there has been no available funding for multiple biennia.

Community Support

The Community Support program offers educational opportunities for youth in Oregon. These opportunities are provided by the Oregon Youth Challenge Program in Bend and the STARBASE program in Portland and Klamath Falls.

The Subcommittee recommended a budget of \$1,504,645 General Fund, \$10,727,971 Other Funds expenditure limitation, \$18,711,800 Federal Funds expenditure limitation, and 92 positions (92.00 FTE). The positions and budget for the Oregon Youth Challenge Program assumes maximum capacity for the program of 240 per class.

The Subcommittee recommended the following package:

Package 801, LFO Analyst Adjustment. This package increases Federal Funds expenditure limitation by \$458,836 to fund the reclassification of five existing positions and establishment of three new, permanent full-time Office Specialist 2 positions (3.00 FTE). These position actions are necessary to align with federal staffing standards that require each of Oregon's four locations (Rees Training Center, Camp Rilea, Klamath Falls, and Portland) to have a supervisor and office manager position on-site.

Capital Debt Service and Related Costs

The Capital Debt Service and Related Costs Program provides funding to make payments on principal, interest, and financing costs for Certificate of Participation and Article XI-Q general obligation bond debt used to construct and upgrade agency facilities and for acquisition of land and facilities. The Subcommittee recommended a budget of \$12,781,890 General Fund.

Capital Improvements

The Capital Improvements program provides for capital improvements to existing facilities. Capital improvement projects are those with a total cost of less than \$1.0 million. Program expenditures are used to address the Department's backlog of deferred maintenance. The Subcommittee recommended a budget of \$5,578,971 Federal Funds expenditure limitation.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

2021-23 Expenditure Actions

The Subcommittee approved a one-time \$1,000,000 Other Funds expenditure limitation increase for the 2021-23 biennium to pay for increased expenses associated with the Dining Facility Program at Camp Rilea due to an accounting change in how food service costs for federal entities are recorded.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Oregon Military Department
Wendy Gibson -- 971-900-9992

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 47,950,936	\$ -	\$ 94,243,512	\$ -	\$ 440,453,558	\$ -	\$ 582,648,006	488	484.96
2023-25 Current Service Level (CSL)*	\$ 41,167,877	\$ -	\$ 20,158,039	\$ -	\$ 142,251,590	\$ -	\$ 203,577,506	487	438.30
SUBCOMMITTEE ADJUSTMENTS (from CSL)									
SCR 001 - Administration									
Package 101: Agency CIO LD to Permanent Personal Services	\$ 436,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 436,064	1	1.00
Package 103: New Payroll Officer Personal Services	\$ 83,383	\$ -	\$ 83,383	\$ -	\$ -	\$ -	\$ 166,766	1	1.00
Services and Supplies	\$ 10,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,000		
Package 104: HR Position Reclasses Personal Services	\$ 16,185	\$ -	\$ 7,010	\$ -	\$ -	\$ -	\$ 23,195	0	0.00
Package 801: LFO Analyst Adjustments Services and Supplies	\$ (124,908)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (124,908)		
SCR 002 - Operations									
Package 090: Analyst Adjustments Services and Supplies	\$ (532,412)	\$ -	\$ -	\$ -	\$ (532,412)	\$ -	\$ (1,064,824)		
Package 202: PANG Over Cap Salary Costs Personal Services	\$ 87,438	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 87,438	0	0.00
Package 204: AGI LD to Permanent, Position Reclasses Personal Services	\$ -	\$ -	\$ 909,157	\$ -	\$ 267,408	\$ -	\$ 1,176,565	7	7.00
Services and Supplies	\$ -	\$ -	\$ 60,000	\$ -	\$ 10,000	\$ -	\$ 70,000		
Package 205: AGI New Positions Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 2,354,970	\$ -	\$ 2,354,970	15	15.00
Services and Supplies	\$ -	\$ -	\$ -	\$ -	\$ 150,000	\$ -	\$ 150,000		
Package 802: Vacant Position Reductions Personal Services	\$ -	\$ -	\$ (654,312)	\$ -	\$ (946,203)	\$ -	\$ (1,600,515)	(20)	(9.68)
SCR 004 - Community Support									
Package 801: LFO Analyst Adjustments Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 458,836	\$ -	\$ 458,836	3	3.00
TOTAL ADJUSTMENTS	\$ (24,250)	\$ -	\$ 405,238	\$ -	\$ 1,762,599	\$ -	\$ 2,143,587	7	17.32
SUBCOMMITTEE RECOMMENDATION *	\$ 41,143,627	\$ -	\$ 20,563,277	\$ -	\$ 144,014,189	\$ -	\$ 205,721,093	494	455.62
% Change from 2021-23 Leg Approved Budget	(14.2%)	0.0%	(78.2%)	0.0%	(67.3%)	0.0%	(64.7%)	1.2%	(6.0%)
% Change from 2023-25 Current Service Level	(0.1%)	0.0%	2.0%	0.0%	1.2%	0.0%	1.1%	1.4%	4.0%

*Excludes Capital Construction Expenditures

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>2021-23 BUDGET ACTIONS</u>									
SCR 002 - Operations									
Services and Supplies	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000		
TOTAL ADJUSTMENTS	\$ -	\$ -	\$ 1,000,000	\$ -	\$ -	\$ -	\$ 1,000,000	0	0.00

Legislatively Approved 2023 - 2025 Key Performance Measures

Published: 5/23/2023 3:25:03 PM

Agency: Oregon Military Department

Mission Statement:

The Oregon National Guard will provide the citizens of the State of Oregon and the United States with a ready force of citizens soldiers and airmen, equipped and trained to respond to any contingency, natural or manmade.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. RECRUITING - Percent of soldiers and airmen recruited vs. recruiting goal.		Approved	85.78%	100%	100%
2. ARMORY CONDITION - Percent of statewide armories in adequate or better condition.		Approved	64.10%	80%	80%
3. REVENUE GENERATION - Percent of available armory time rented.		Approved	30.75%	40%	40%
4. EQUIPMENT AVAILABILITY - Percent of equipment on hand in Oregon vs. equipment authorized.		Approved	119%	100%	100%
5. YOUTH CHALLENGE - Percent of youth who complete the academic phase of the program with a GED, high school diploma, or credit recovery at graduation		Approved	93%	90%	90%
6. REINTEGRATION - Percent of members successfully referred for reintegration services.		Approved	100%	100%	100%
9. CUSTOMER SATISFACTION - Percent of customers rating their satisfaction with Military Department customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	1) Expertise	Approved	61%	80%	80%
	2) Helpfulness		58%		
	3) Timeliness		53%		
	4) Availability of Information		52%		
	5) Accuracy		59%		
	6) Overall		57%		
7. DOMESTIC PREPAREDNESS PLANS - Percentage of counties with National Incident Management System (NIMS) compliant Emergency Operations Plans (EOPS).		Legislatively Deleted	100%		
8. HAZARD MITIGATION PLANS - Percentage of state population covered by a FEMA approved local hazard mitigation plan.		Legislatively Deleted	64.20%		

LFO Recommendation:

The Legislative Fiscal Office recommends deletion of KPM #7 and #8, which relates to the Office of Emergency Management (OEM). OEM is no longer associated with the agency therefore, the related KPMs are not relevant.

For all other KPMs, LFO recommends approval of the proposed Key Performance Measures and targets.

SubCommittee Action:

The subcommittee approved the Key Performance Measures and targets as presented.