SB 5506 A BUDGET REPORT and MEASURE SUMMARY **Carrier:** Rep. Sanchez

Joint Committee On Ways and Means

Action Date:	04/14/23
Action:	Do Pass the A-Eng bill.
House Vote	
Yeas:	8 - Evans, Gomberg, Holvey, McLain, Pham K, Sanchez, Smith G, Valderrama
Nays:	3 - Breese-Iverson, Cate, Lewis
Exc:	1 - Reschke
Senate Vote	
Yeas:	8 - Anderson, Campos, Dembrow, Frederick, Gelser Blouin, Knopp, Sollman, Steiner
Nays:	3 - Findley, Girod, Hansell
Prepared By:	Tom MacDonald, Legislative Fiscal Office
Reviewed By:	Amanda Beitel, Legislative Fiscal Office

Emergency Board
2023-25

Various Agencies
2023-25

Department of Human Services
2021-23

2023-25 Adjustments

Budget Summary	2023-25 Committee Recommendation
Emergency Board	
General Fund - General Purpose	50,000,000
General Fund - Special Purpose Appropriations	
State Agencies for state employee compensation	330,000,000
State Agencies for recruitment and retention	120,000,000
State Agencies for non-state employee compensation	75,000,000
Oregon CHIPS Fund	50,000,000
OHA and DHS Caseloads	50,000,000
Long Term Rental Assistance	39,000,000
Natural Disasters	35,000,000
Special Education Stipend	8,900,000
Employment Related Day Care Program Caseload	8,000,000
Firearm background checks	7,593,100
Public Defense Services Contingency	6,170,768
Unrepresented Defendant/Persons Crisis	5,000,000
Transfer PDSC to the Executive Branch	5,000,000
District Attorneys Victim Assistance	1,000,000
Nonunanimous Jury Convictions	1,000,000
ADMINISTRATION PROGRAM AREA	
Department of Administrative Services	
General Fund	86,103,100
General Fund Debt Service	(205,700)
Lottery Funds Debt Service	1,765,778
Other Funds	69,196,563
Other Funds Debt Service	(1,467,140)
Federal Funds	156,795,418

Budget Summary	2023-25 Committee Recommendation
Department of Revenue	
General Fund	(6,440)
General Fund Debt Service	1,876,979
Other Funds	13,948,009
Employment Relations Board	
General Fund	(47,287)
Other Funds	(31,546)
Office of the Governor	
General Fund	287,101
Lottery Funds	(30,723)
Other Funds	(18,931)
Oregon Advocacy Commissions Office	
General Fund	(88)
Oregon Government Ethics Commission	
Other Funds	(34,122)
Oregon Liquor and Cannabis Commission	
Other Funds	17,684,389
Other Funds Debt Service	(1,832,150)
Public Employees Retirement System	
Lottery Funds	7,310,000
Other Funds	(1,423,881)
Public Records Advocate	
Other Funds	8,958
Secretary of State	
General Fund	327,083
Other Funds	480,620
Federal Funds	(7,212)

Budget Summary	2023-25 Committee Recommendation
State Library	
General Fund	(2,470)
Other Funds	(3,707)
State Treasurer	
Other Funds	(209,206)
CONSUMER AND BUSINESS SERVICES PROGRAM AREA	
Bureau of Labor and Industries	
General Fund	246,108
Other Funds	553,330
Federal Funds	8,023
Department of Consumer and Business Services	
General Fund	6,300,000
Other Funds	(1,913,255)
Federal Funds	(191)
State Board of Accountancy	
Other Funds	(70,954)
State Board of Chiropractic Examiners	
Other Funds	(34,247)
Construction Contractors Board	
Other Funds	(119,495)
Oregon Board of Dentistry	
Other Funds	(26,936)
Health Related Licensing Boards	
Other Funds	(67,906)
Oregon Medical Board	
Other Funds	(64,529)

Budget Summary	2023-25 Committee Recommendation
Oregon State Board of Nursing	
Other Funds	(108,458)
Board of Licensed Social Workers	
Other Funds	(24,782)
Mental Health Regulatory Agency	
Other Funds	(71,666)
Board of Pharmacy	
Other Funds	(74,238)
Public Utility Commission	
Other Funds	(413,334)
Real Estate Agency	
Other Funds	(106,793)
State Board of Tax Practitioners	
Other Funds	(20,850)
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA	
Oregon Business Development Department	
General Fund	6,598,025
General Fund Debt Service	10,880,614
Lottery Funds	13,680,852
Lottery Funds Debt Service	4,012,383
Other Funds	309,042,338
Other Funds Debt Service	1,100,715
Other Funds Nonlimited	30,000,000
Federal Funds	(2,706)

Budget Summary	2023-25 Committee Recommendation
Employment Department	
Other Funds	(1,775,561)
Federal Funds	(188,267)
Housing and Community Services Department	
General Fund	31,699,267
General Fund Debt Service	(15,398,550)
Lottery Funds Debt Service	2,126,263
Other Funds	54,317,963
Federal Funds	(94,360)
Department of Veterans' Affairs	
General Fund	(1,964)
Lottery Funds	220,000
Other Funds	(410,335)
EDUCATION PROGRAM AREA	
Department of Early Learning and Care	
General Fund	22,148,826
Other Funds	(46,644)
Federal Funds	1,487,116
Department of Education	
General Fund	43,603,977
General Fund Debt Service	(10,861,500)
Lottery Funds	(42,412,064)
Lottery Funds Debt Service	(254,270)
Other Funds	288,020,388
Other Funds Debt Service	7,968,610
Federal Funds	1,444,281

Budget Summary	2023-25 Committee Recommendation
Higher Education Coordinating Commission	
General Fund	12,713,813
General Fund Debt Service	2,993,387
Lottery Funds	(348,584)
Other Funds	24,458,032
Other Funds Debt Service	3,860,789
Federal Funds	(77,996)
Teacher Standards and Practices Commission	
Other Funds	135,100
HUMAN SERVICES PROGRAM AREA	
Commission for the Blind	
General Fund	947,932
Other Funds	(1,466)
Federal Funds	40,370
Oregon Health Authority	
General Fund	(135,970,016)
General Fund Debt Service	1,813,084
Lottery Funds	(118)
Lottery Funds Debt Service	2,209,833
Other Funds	362,797,225
Other Funds Debt Service	27,000
Federal Funds	343,928,807
Department of Human Services	
General Fund	26,483,946
General Fund Debt Service	(2,855,780)
Other Funds	(152,759)
Other Funds Debt Service	264,000
Federal Funds	(1,677,718)
Long Term Care Ombudsman	
General Fund	(44,033)
Other Funds	299,569
Psychiatric Security Review Board	
General Fund	(144,327)

Budget Summary	2023-25 Committee Recommendation
JUDICIAL BRANCH	
Commission on Judicial Fitness and Disability	
General Fund	469
Judicial Department	
General Fund	17,100,239
General Fund Debt Service	11,735,830
Other Funds	127,969,443
Other Funds Debt Service	260,000
Public Defense Services Commission	
General Fund	1,485,644
Other Funds	1,000,000
LEGISLATIVE BRANCH	
Legislative Administration Committee	
General Fund	(138,597)
General Fund Debt Service	18,792,107
Other Funds	1,920,000
Legislative Assembly	
General Fund	(35,197)
Legislative Counsel	
General Fund	(11,341)
Legislative Fiscal Office	
General Fund	(1,644)
Commission on Indian Services	
General Fund	(27,755)
Legislative Policy and Research Office	
General Fund	(31,806)
Legislative Revenue Office	
General Fund	(123)

Budget Summary	2023-25 Committee Recommendation
NATURAL RESOURCES PROGRAM AREA	
State Department of Agriculture	
General Fund	986,516
Lottery Funds	(25,662)
Other Funds	(243,361)
Federal Funds	(23,916)
Columbia River Gorge Commission	
General Fund	(2,316)
State Department of Energy	
General Fund	30,951,606
Other Funds	30,326,322
Federal Funds	5,060,596
Department of Environmental Quality	
General Fund	(189,842)
General Fund Debt Service	1,771,995
Lottery Funds	(15,876)
Other Funds	4,125,153
Federal Funds	(37,786)
State Department of Fish and Wildlife	
General Fund	1,368,858
General Fund Debt Service	(143,729)
Lottery Funds	(107)
Other Funds	14,155,074
Other Funds Debt Service	397,000
Federal Funds	(2,429)
Department of Forestry	
General Fund	(1,879,270)
General Fund Debt Service	1,021,701
Other Funds	14,902,279
Other Funds Debt Service	114,170
Other Funds Capital Improvements	4,820,771
Federal Funds	(33,649)

Budget Summary	2023-25 Committee Recommendation
Department of Geology and Mineral Industries	
General Fund	228,693
Other Funds	28,423
Department of Land Conservation and Development	
General Fund	2,916,303
Other Funds	6,495,117
Federal Funds	(27,346)
Land Use Board of Appeals	
General Fund	3,166
State Marine Board	
Other Funds	(51,334)
Department of Parks and Recreation	
General Fund Debt Service	(479,980)
Lottery Funds	(200,698)
Lottery Funds Debt Service	(176,730)
Other Funds	9,954,700
Department of State Lands	
Other Funds	17,729,011
Federal Funds	500,000
Water Resources Department	
General Fund	10,900,703
Lottery Funds Debt Service	783,717
Other Funds	65,651,911
Watershed Enhancement Board	
Lottery Funds	(37,082)
Other Funds	4,052,728
Federal Funds	(2,010)

Budget Summary	2023-25 Committee Recommendation
PUBLIC SAFETY PROGRAM AREA	
Department of Corrections	
General Fund	(1,272,438)
General Fund Debt Service	2,679,982
Other Funds	5,693,016
Other Funds Debt Service	1,184,175
Department of the State Fire Marshal	
General Fund	12,000,000
Other Funds	258,721
Federal Funds	(106)
Oregon Criminal Justice Commission	
General Fund	15,695,461
Other Funds	14,973,052
Federal Funds	(7,593)
District Attorneys	
General Fund	116,385
Oregon Department of Emergency Management	
General Fund	1,405,311
General Fund Debt Service	(299,560)
Other Funds	279,381
Other Funds Debt Service	190,000
Federal Funds	(153)
Department of Justice	
General Fund	28,211,050
Other Funds	36,951,328
Other Funds Debt Service	2,508,271
Federal Funds	(523,185)

Budget Summary	2023-25 Committee Recommendation
Oregon Military Department	
General Fund	(46,721)
General Fund Debt Service	102,520
Other Funds	104,703
Other Funds Debt Service	721,000
Federal Funds	(139,220)
Oregon Board of Parole and Post Prison Supervision	
General Fund	198,613
Department of State Police	
General Fund	1,174,812
General Fund Debt Service	4,520,744
Lottery Funds	(2,176,250)
Other Funds	567,861
Federal Funds	6,553
Department of Public Safety Standards and Training	
Other Funds	(303,075)
Federal Funds	(1,347)
Oregon Youth Authority	
General Fund	14,509,403
General Fund Debt Service	1,187,948
Other Funds	8,642,040
Other Funds Debt Service	56,000
Federal Funds	8,263,945
TRANSPORTATION PROGRAM AREA	
Department of Aviation	
Other Funds	(9,938)
Department of Transportation	
General Fund	14,500,000
Lottery Funds Debt Service	(76,660)
Other Funds	294,128,334
Federal Funds	(90,474)

Budget Summary	2023-25 Committee Recommendation
2023-25 Budget Summary	
General Fund Total	1,043,022,603
General Fund Debt Service Total	29,132,092
Lottery Funds Total	(24,036,312)
Lottery Funds Debt Service Total	10,390,314
Other Funds Total	1,793,017,772
Other Funds Capital Improvements	4,820,771
Other Funds Debt Service Total	15,352,440
Other Funds Nonlimited	30,000,000
Federal Funds Total	514,597,445

2021-23 Adjustments

Budget Summary	2021-23 Committee Recommendation
Department of Human Services	
General Fund	(2,500,000)

Position Summary	2023-25 Committee Recommendation
ADMINISTRATION PROGRAM AREA	
Department of Administrative Services	
Authorized Positions	4
Full-time Equivalent (FTE) positions	3.75
Department of Revenue	
Authorized Positions	8
Full-time Equivalent (FTE) positions	5.66
Oregon Liquor and Cannabis Commission	
Authorized Positions	2
Full-time Equivalent (FTE) positions	1.76
Secretary of State	
Authorized Positions	3
Full-time Equivalent (FTE) positions	3.00
CONSUMER AND BUSINESS SERVICES PROGRAM AREA	
Bureau of Labor and Industries	
Authorized Positions	5
Full-time Equivalent (FTE) positions	4.64
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA	
Oregon Business Development Department	
Authorized Positions	3
Full-time Equivalent (FTE) positions	2.13
Housing and Community Services Department	
Authorized Positions	1
Full-time Equivalent (FTE) positions	0.88

Position Summary	2023-25 Committee Recommendation
EDUCATION PROGRAM AREA	
Department of Early Learning and Care	
Authorized Positions	9
Full-time Equivalent (FTE) positions	8.59
Department of Education	
Authorized Positions	20
Full-time Equivalent (FTE) positions	19.60
HUMAN SERVICES PROGRAM AREA	
Oregon Health Authority	
Authorized Positions	27
Full-time Equivalent (FTE) positions	18.42
Department of Human Services	
Authorized Positions	5
Full-time Equivalent (FTE) positions	1.90
NATURAL RESOURCES PROGRAM AREA	
State Department of Energy	
Authorized Positions	4
Full-time Equivalent (FTE) positions	8.62
Department of Fish and Wildlife	
Authorized Positions	3
Full-time Equivalent (FTE) positions	3.00
Department of Geology and Mineral Industries	
Authorized Positions	2
Full-time Equivalent (FTE) positions	1.50

Position Summary	2023-25 Committee Recommendation
Department of Land Conservation and Development	
Authorized Positions	1
Full-time Equivalent (FTE) positions	1.00
PUBLIC SAFETY PROGRAM AREA	
Department of the State Fire Marshal	
Authorized Positions	3
Full-time Equivalent (FTE) positions	3.00
Department of Justice	
Authorized Positions	44
Full-time Equivalent (FTE) positions	41.26
TRANSPORTATION PROGRAM AREA	
Department of Aviation	
Authorized Positions	-
Full-time Equivalent (FTE) positions	(0.26)

Summary of Revenue Changes

The General Fund appropriations and Lottery Funds adjustments included in SB 5506 are within the level of resources projected in the May 2023 state economic and revenue forecast published by the Department of Administrative Services, Office of Economic Development. Other Funds expenditure limitations are adjusted to support capital projects funded with bond proceeds; satisfy debt service obligations; make payments from statutory accounts capitalized with General Fund or other revenue sources; expend American Rescue Plan Act (ARPA) State Fiscal Recovery Funds carried over from the 2021-23 biennium; rebalance the level of revenues dedicated for the Oregon Health Plan; and make other expenditures for agencies that rely on Other Funds revenue, within forecasted amounts. The measure increases Federal Funds expenditure limitations to account for federal Medicaid match; transfer ARPA Capital Projects Funds from the Department of Administrative Services to the Oregon Business Development Department; and recognize legislatively approved federal grants.

Summary of Capital Construction Subcommittee Action

SB 5506 is an omnibus budget bill that appropriates General Fund to the Emergency Board for general and targeted purposes and makes other adjustments to agency budgets and position authority in the 2023-25 biennium. The measure also includes one adjustment to the 2021-23 budget for the Department of Human Services.

For the 2023-25 biennium, the measure increases General Fund appropriations by $1,072.2 million, decreases Lottery Funds expenditure limitation by $13.6 million, increases Other Funds expenditure limitation by $1,813.2 million, increases Federal Funds expenditure limitation by $514.6 million, and establishes 144 positions (128.45 FTE). Major adjustments in the measure include:

- $791.7 million General Fund appropriated to the Emergency Board for general purposes ($50 million) and special purposes ($741.7 million)
- $108.7 million General Fund and $15.1 million Lottery Funds for capital projects
- $99.7 million General Fund, not including appropriations to the Emergency Board, for investments that address climate initiatives ($33.9 million), wildfire ($22 million), housing ($21 million), behavioral health ($17.9 million), and drought-related issues ($4.9 million)
- $84.1 million General Fund and $13.1 Lottery Funds for debt service related to the issuance of new bonds
- $20.9 million General Fund in temporary extended support provided through the Department of Human Services for individuals pursuing a case by U.S. Citizenship and Immigration Services
- $20 million General Fund for public health modernization, which is in addition to an increase of $30 million General Fund included in the budget bill for the Oregon Health Authority
- $15 million General Fund in the Department of Early Learning and Care for a cost per case increase for the Employment Related Day Care program
- $1,147.3 million Other Funds to expend proceeds from the issuance of bonds

The Subcommittee also approved nine budget notes in the Department of Administrative Services, Higher Education Coordinating Commission, Department of Veterans' Affairs, Department of Human Services (two), Department of Fish and Wildlife, Criminal Justice Commission, Department of Justice, and Public Defense Services Commission. The amendment recommended by the Subcommittee includes the legal citations necessary to effectuate the omnibus budget adjustments, which are described in the narrative below.

Emergency Board

The Emergency Board allocates General Fund from the Emergency Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated expenditures when the Legislature is not in session. The Subcommittee recommends a $50 million General Fund appropriation to the Emergency Board for general purposes.

SB 5506 also establishes 15 special purposes appropriations to the Emergency Board totaling $741.7 million. Agencies must submit requests to the Emergency Board for the funds to be allocated for the authorized purposes. The General Fund special purposes appropriations include:

- $330 million for state employee compensation plan changes
- $120 million for state employee recruitment and retention
- $75 million for allocation to state agencies for compensation changes driven by collective bargaining for workers who are not state employees
- $50 million for allocation to the Oregon Business Development Department for the Oregon CHIPS Fund
- $50 million for changes in Department of Human Services and Oregon Health Authority caseload levels
- $39 million for long-term rental assistance
- $35 million for natural disaster prevention, preparedness, response, and recovery
- $8.9 million for allocation to the Department of Education for providing stipends to licensed educators and classified school employees working in special education during the 2024-25 school year
- $8 million for allocation to the Department of Early Learning and Care for expanding access to the Employment Related Day Care program
- $7.6 million for allocation to the Department of State Police for issues related to firearm background checks
- $6.2 million for expenses related to public defense
- $5 million for transferring the Public Defense Services Commission to the executive branch
- $5 million for the unrepresented defendant/persons crisis
- $1 million for allocation to the Department of Justice for expenses of district attorneys for victim assistance, investigation, temporary staffing, and other one-time, non-routine prosecution expenses related to nonunanimous jury convictions
- $1 million for nonunanimous jury convictions

Adjustments to 2023-25 Agency Budgets

STATEWIDE ADJUSTMENTS

Statewide adjustments impact agency budgets based on changes to the cost of debt service on existing outstanding bonds, Department of Administrative Services rates and service charges, Attorney General rates, and costs for supporting the Government Ethics Commission and Public Records Advocate. Overall, statewide adjustments result in decreases of $46.3 million General Fund, $5.3 million Lottery Funds, $31.7 million Other Funds, and $8.9 million Federal Funds. Section 318 of the measure identifies these changes for each agency and the amounts are included in the summary table at the beginning of this report.

ADMINISTRATION

Department of Administrative Services - American Rescue Plan Act

As part of HB Bill 5006 (2021), $240 million in federal American Rescue Plan Act (ARPA) funds were approved for the Department of Administrative Services (DAS) to distribute in each Senate and House district in the amounts of $4 million per Senate district and $2 million per House district, for member-identified projects. After session, a subset of the projects required adjustments to the project or descriptions. The Subcommittee approved the following revisions to the 2021 session member ARPA projects:

District	Member	**OLD** Recipient **NEW** Recipient	**OLD** Project Description **NEW** Project Description	**OLD** Amount **NEW** Amount
S-26	Bonham	Port of Hood River	E. Anchor Way/N. 1st St. Industrial Streets and Transit Center	500,000
		Port of Hood River	**Traffic Improvements to support light industrial property on the Hood River waterfront**	500,000
H-44	Nelson	Neigborhood Housse	Co-Located Early Childhood Classroom Space at N. Marland Affordable Housing Development	500,000
		Neigborhood Housse	**SW Barbur Free Food Market and Senior Center**	500,000
H-46	Pham	ROSE Community Development Corporation	East Portland Community Placemaking Projects	75,000
		ROSE Community Development Corporation & Portland Bureau of Transportation	East Portland Community Placemaking Projects	75,000
H-49	Hudson	Oregon Food Bank	Troutdale Terrace Food Assistance	6,000
		Oregon Food Bank	Troutdale Terrace Food Assistance	**0**
H-49	Hudson	East County Food Pantry	East County Food Pantry	10,000
		East County Food Pantry	East County Food Pantry	**16,000**
H-53	Levy	REACH & Redmond Early Learning Center	REACH & Redmond Early Learning Center	200,000
		NeighborImpact	**Expand Childcare and Preschool in Deschutes County**	200,000

Department of Administrative Services

The Subcommittee approved modifying the scope of the $5 million General Fund grant to the Grande Ronde Hospital Foundation authorized in HB 5202 (2022) from the purchase of hospital equipment to capacity building health initiatives that will further develop and expand care in the community and region. In addition, the Subcommittee approved modifying the eligible uses of the $7.9 million General Fund grant for the United We Heal Training Trust's Rebuild Child Care Plan approved in HB 5202 (2022) to include child care provider capital grants of up to $14,000 for in-home providers and up to $70,000 for child care centers; equipment grants of up to $3,000 per provider; an accounting shared services pilot program; training, coaching, and mentorship for new providers; sub-awards for developing new black, indigenous, people of color (BIPOC)-focused child care centers; and administrative and operating costs.

As part of the behavioral health package, the Subcommittee approved $2.9 million General Fund, on a one-time basis, for DAS to reimburse local governments, community mental health programs established under ORS 430.620, and providers for payment of awards, settlements and expenses that are: 1) incurred in civil actions arising out of the provision of services pursuant to ORS 161.365 and 161.370; 2) become payable on or after the effective date of this 2023 Act; and 3) exceed insurance coverage available to the local government, community mental health program, or provider.

An additional part of the behavioral health package is a one-time General Fund appropriation of $100,000 to DAS to collaborate with county governments and community mental health programs established under ORS 430.620 to study barriers that prevent local governments, community mental health programs and providers from obtaining insurance coverage for liability arising out of the provision of services pursuant to ORS 161.365 and 161.370.

> **BUDGET NOTE**
>
> By February 1, 2024, the Department of Administrative Services shall submit a report to the Joint Committee on Ways and Means and an appropriate committee or interim committee of the Legislative Assembly with recommended solutions and a timeline for how to insure against liability arising out of the provision of services pursuant to ORS 161.365 and 161.370 for the purposes of community restoration or to restore fitness to proceed, or other behavioral health services required under a court order. The recommended solutions may include establishing an insurance pool for counties, community mental health programs and providers.

The budget includes a General Fund appropriation of $832,000 to DAS for the payment of legal services incurred as a result of SB 1584 (2022) and billed by the Department of Justice utilizing the 2023-25 Attorney General rate. An appropriation of $4 million General Fund is for payment of court-awarded compensation, reimbursement of reasonable attorney fees, and other costs associated with wrongful conviction claims. SB 1584 (2022) created a procedure for filing a petition for compensation for wrongful conviction and establishes criteria to file a claim against the State of Oregon to receive compensation at a statutorily set rate for every year spent in prison for wrongful conviction.

The Subcommittee approved a one-time General Fund appropriation of $2.4 million for deposit into the Universal Representation Fund, and a corresponding one-time increase of $2.4 million Other Funds expenditure limitation for disbursement from the Fund to Oregon Worker Relief, for legal services through the Universal Representation Program. The Subcommittee approved a separate one-time General Fund appropriation of $4.3 million for deposit into the Universal Representation Fund, and a corresponding one-time increase of $4.3 million Other Funds for disbursement from the Fund to Oregon Worker Relief, for services through the Universal Representation Program.

The measure includes an increase of $167,008 General Fund to support a permanent full-time Operations and Policy Analyst 2 position (0.75 FTE) in the DAS Chief Financial Office for grant administration due to the cumulative impact of legislation appropriating funds to the Department to distribute as grants to other entities. The Subcommittee also approved a one-time General Fund appropriation of $300,000 to DAS Enterprise Asset Management to contract for an independent audit of land purchases by the Oregon Liquor and Cannabis Commission from fiscal years 2019 through 2023.

Also included is a $537,447 increase in Other Funds expenditure limitation and authorization for three Payroll Analyst positions (3.00 FTE) for DAS Enterprise Goods and Services to provide Shared Financial Services with staffing resources to address increasing workload from new client agencies.

To provide temporary financial assistance to agricultural workers who lose work or wages because of extreme heat or smoke, a one-time $1 million General Fund appropriation is included for the Oregon Worker Relief Climate Change Fund. Oregon Worker Relief is required to report quarterly to DAS on the expenditure of funds.

In addition, a $250,000 General Fund appropriation is approved on a one-time basis for Home Share Oregon to provide grants to individuals participating in the home-sharing program to expand access to affordable housing.

The measure includes a one-time $1 million General Fund appropriation for DAS to distribute to the Willamette Career Academy to fund regional career and technical education programs provided by the Academy. The Subcommittee also approved an increase in Federal Funds expenditure limitation of $156.8 million for the purpose of transferring available American Rescue Plan Act (ARPA) Capital Projects Funds to the Oregon Business Development Department for broadband infrastructure programs.

An increase of $508,034 Other Funds is included for debt service costs associated with the repayment of General Obligation bond proceeds approved in HB 5005 (2023) that will be issued before the end of the biennium to support DAS projects; an additional increase of $50,000 Other Funds is included for the cost of issuance of the bonds. The Subcommittee also approved $1.4 million in additional Lottery Funds debt service for repayment of lottery bonds that will be issued before the end of the biennium.

SB 5506 also includes various one-time increases to DAS's budget for capital projects and other specific purposes. The information below summarizes each funding increase:

<u>Water and drought package</u> - the Subcommittee approved the following one-time General Fund appropriations to DAS as part of a statewide series of investments related to water and drought:

- $1.2 million for the Mid-Columbia Water Commission to implement the Morrow and Umatilla Drought Relief Aquifer Recharge and Aquifer Storage and Recovery Project.
- $2 million for the Oregon Farmers Market Association to support local food system resilience through increased producer and community access, and mitigation of impacts such as closures due to drought.
- $500,000 for the Oregon Farmers Market Association to increase grants to non-profit farmers markets to cover costs associated with acceptance of Supplemental Nutrition Assistance Program benefits.
- $2.65 million for the Oregon Community Food System Network for grants for small-scale farms and ranches.

- $1.6 million for the Oregon Association of Water Utilities (OAWU) to build the Water System Training Center.
- $1.5 million for the Oregon Community Food System Network to develop food hubs and regional food system infrastructure.
- $1.5 million for the High Desert Partnership for infrastructures to deliver and spread water in Harney County.

Rural package - the Subcommittee approved the following one-time General Fund appropriations to DAS as part of statewide investments in rural infrastructure:

- $2.25 million for Baker County for infrastructure improvement projects (water, sewer, road, broadband).
- $1.9 million for the City of Philomath for the Philomath Frolic Rodeo (Skirvin Park) stands replacement and lighting upgrade.
- $2 million for Polk County for the Polk County Mental Health Treatment/Crisis Center.
- $1.5 million for the City of La Pine for the La Pine Incubator/Spec Building Project.
- $1.5 million for the City of Depoe Bay for the Depoe Bay docks and pilings restoration project.

Capital projects - the Subcommittee approved additional one-time General Fund appropriations for the following capital projects:

- $1.85 million for the City of Salem for the renovations of ARCHES and Wallace Early Learning Center sheltering service.
- $2.2 million for La Clinica for La Clinica Acute Care Clinic Expansion.
- $1 million for the Vietnam War Memorial Fund for the Vietnam War Memorial on the Oregon State Capitol Grounds.
- $2 million for the Oregon Center for Creative Learning for expansion of the Center.
- $2 million for City of Springfield for the reconstruction of Mill Street.
- $2 million for Klamath County for construction of the Klamath Crimson Rose facility
- $1.5 million for the Gresham-Barlow School District for School Based Health Center.
- $1 million for the Children's Cancer Therapy Development Institute for research expansion and equipment.
- $1.15 million for the Native American Youth and Family Center (NAYA) for campus improvements and building remodel.
- $143,000 for the Row River Fire Response for emergency communication equipment.
- $850,000 for the Boring, Oregon Foundation to purchase property for the community center to the Boring area of Clackamas County.
- $800,000 for the Wildflower Preschool & Child Care LLC for a new child care facility in Myrtle Creek, serving South Douglas County.
- $450,000 for the East Salem Community Center for the El Campo Community Soccer Field.
- $375,000 for the City of Milwaukie for the Johnson Creek Solar Project.
- $225,000 for the City of Sheridan for homeless community shelters.
- $100,000 for the Boys & Girls Club of Western Treasure Valley for revitalizing and enhancing the safety of the clubhouse.
- $1.2 million for the Kellogg Rural Fire District for the construction of the Main Fire Station.
- $800,000 for the North Douglas County Fire & EMS to purchase property and to build student and volunteer housing for fire station.
- $175,000 for the East Salem Community Center for HVAC replacement.
- $50,000 for The Dalles Civic Auditorium for sound and lighting for theatre.
- $250,000 for Every Child Linn Benton (ECLB) to support ECLB programs to mobilize community to uplift children and families impacted by foster care.
- $1.25 million for the Community Action Program of East Central Oregon (CAPECO) to build a food bank center.

- $1.15 million for FOOD for Lane County to purchase land for Food Farm.
- $1 million for the Marion Polk Food Share for mobile pantries.
- $3 million for the Oregon Food Bank for warehouse expansion and renovation at multiple locations.
- $800,000 for ACCESS, Inc. of Medford for food bank warehouse expansion.
- $500,000 for Community Connection of Northeast Oregon for food bank equipment.
- $570,000 for Clatsop Community Action for food bank warehouse renovations and equipment upgrade.
- $520,000 for the Columbia Pacific Food Bank for equipment upgrade.
- $980,000 for Feed'em Freedom Foundation for campus expansion.
- $630,000 for Feeding Umpqua for warehouse renovation and truck purchase.
- $580,000 for Klamath Lake County Food Bank for warehouse renovation and paving.
- $780,000 for Linn-Benton Food Share for delivery vehicles and equipment upgrade.
- $790,000 for NeighborImpact for food bank equipment and operations funding.
- $600,000 for the Oregon Coast Community Action for a second warehouse to serve Curry County.
- $580,000 for the Yamhill Community Action Partnership for warehouse renovations and delivery vehicle.
- $530,000 for Food Share Lincoln County to purchase land and building of new warehouse for pantry.
- $690,000 for the Ella Curran Community Food Bank for community food bank expansion.
- $5,000 for the South Douglas Food Bank for HVAC Upgrade.
- $2 million for the City of Happy Valley for the Happy Valley Library Expansion.
- $5 million for Oregon Metro Transit-Oriented Development Program for the 82nd Avenue Property Acquisition Fund to secure land to build affordable housing and commercial spaces in preparation for future development.
- $137,000 for distribution to King City for the King City Park path repair and resurfacing project.

Lottery revenue bond projects - the Subcommittee approved an Other Funds expenditure limitation increase of $64.8 million to facilitate the pass-through of lottery fund proceeds, including the cost of issuance, for the following purposes:

- $7.4 million for the Willamette Falls Locks Authority for the Willamette Falls Locks and Canal Restoration.
- $3 million for the City of Redmond for the Redmond Public Safety Center.
- $2.8 million for the Serendipity Center, Inc. Therapeutic School for Portland campus expansion.
- $5.1 million for the Lane County for the Behavioral Health Stabilization Center.
- $5 million for the Homes For Good Housing Agency for the Naval Reserve Affordable Housing and Early Learning Center project in Eugene, Oregon.
- $4.1 million for the City of Oregon City for the Main Street Connective Corridor Project Phase II: 10th Street to 15th Street.
- $4.1 million for Jefferson County for the Central Oregon Community College Early Childhood Education and Health Careers Center.
- $4.1 million for the Latino Network for the La Plaza Esperanza - Service Hub for Portland and Gresham residents.
- $4.1 million for the Family Justice Center of Washington County for the Family Peace Center of Washington County.
- $5.1 million for the Washington County for the Center for Addictions Triage and Treatment (CATT).
- $5.1 million for the Port of Portland for seismic strengthening of the soil under Marine Terminal 2 to accomodate construction of the Building Innovation Hub.

- $5.1 million for Benton County for the Benton County Emergency Operations Center.
- $5.1 million for the City of Redmond for infrastructure improvements to support construction of the Northpoint affordable housing project in Redmond.
- $5.1 million for the Eugene Civic Alliance for the Civic Park project.

The measure includes a one-time $3.75 million General Fund appropriation for DAS to make grants to the Portland Opportunities Industrialization Center (POIC) for the following two purposes:

- $750,000 General Fund to increase the capacity of the Healing Hurt People program to reduce community violence.
- $3 million General Fund for POIC to make grants to other nonprofit organizations for community violence prevention and intervention efforts. POIC may not provide these services itself but instead must conduct an open process for other nonprofits to apply for grants. The funding is also approved with the understanding POIC will report annually to DAS on the use of the grant funds and the impact of the service provided.

The Subcommittee also approved one-time General Fund appropriations to DAS to distribute according to the following purposes:

- $250,000 for Cherriots (Salem Area Mass Transit District) to collaborate with the Department of Transportation, Department of Environmental Quality, and community members, economists, and business leaders in Salem to study the feasibility of developing a rail streetcar system in the City of Salem.
- $2 million for Pueblo Unido PDX to facilitate the creation of language proficiency evaluations for interpreters of Indigenous languages spoken in present-day Mexico and Central and South America.
- $500,000 for Oregon Worker Relief for payments to individuals who provide interpretation services of languages that are the national languages of small countries from which local populations have emigrated, languages spoken by small ethnic minority groups or languages spoken by Indigenous groups.

Public Employees Retirement System

The Subcommittee approved a Lottery Funds expenditure limitation increase of $7.3 million for the allocation of net sports betting revenue dedicated to the Employer Incentive Fund (EIF) to reconcile to the May 2023 Department of Administrative Services - Office of Economic Analysis revenue forecast. With this adjustment, the Public Employees Retirement System's Lottery Funds total is $28.5 million, which is sufficient for another EIF application period during the 2023-25 biennium.

Department of Revenue

The Subcommittee approved a one-time increase of $14 million Other Funds for the Department of Revenue (DOR) to spend Article XI-Q bond proceeds for Phase 2 of the Electronic Valuation Information System (ELVIS) project. The ELVIS project replaces a 20-plus year-old system for the Property Tax Division's assessment and valuation programs. Phase 1, completed in 2021-23, addressed DOR's central assessment work for communications, transportation, and utility company properties. Phase 2 is directed at the appraisal of large industrial properties with over $1 million of machinery and equipment which DOR is required to appraise. Related to the ELVIS project, the Subcommittee also approved increases of $265,000 Other Funds for the cost of issuance for the Article XI-Q bonds, approximately $2.4 million General Fund for 2023-25 debt service on those bonds, and $100,000 General Fund for system training.

An increase of $1.2 million General Fund, $81,129 Other Funds, and eight permanent positions (5.66 FTE) are also included for implementing HB 3235 (2023), which establishes a new refundable $1,000 tax credit for personal income tax returns for filers with a dependent under the age of six years old. The positions approved are one Operations and Policy Analyst 2 for outreach and education, four Public Service Representative 3 positions to respond to taxpayer questions and inquiries, one Revenue Supervisor 2 to maintain supervisor to staff ratios, and two Administrative Specialists to validate credit compliance on tax returns. Funding is also available for changes to the agency's information systems to implement the tax credit.

Secretary of State

The Subcommittee approved a $538,735 Other Funds expenditure limitation increase and the establishment of two permanent full-time positions (2.00 FTE) to support the operations of the Corporation Division. An Operations and Policy Analyst 4 position is established to ensure the Division's forms are available online. Currently, over 20 forms are frequently used by customers that are not available online. An Operations and Policy Analyst 3 position is established to use data from critical functions, such as business registrations and Uniform Commercial Code filings, to make recommendations designed to enhance the Division's activity forecasting, use of resources, and better manage risk.

Increases totaling $73,319 General Fund and $174,962 Other Funds expenditure limitation are included to accommodate changes to the compensation plans for management positions. While most of the Executive Branch had adopted these comprehensive changes to the classifications of management positions earlier in the biennium, the Secretary of State did not adopt these changes until late 2022 and therefore the cost of these compensation plan changes was not included in the agency's requested budget. The changes affect nine positions in the Administrative Services, Elections, and Archives Divisions.

The budget also includes an increase of $325,474 General Fund to continue a full-time limited duration Program Analyst 3 position (1.00 FTE) responsible for staffing the Translation Advisory Council created in HB 3021 (2021). The position will continue and expand upon this work in the 2023-25 biennium.

CONSUMER AND BUSINESS SERVICES

Bureau of Labor and Industries

The measure includes several changes to the Bureau of Labor and Industries budget for position increases and technical adjustments. An increase of $553,535 Other Funds supports the hiring of a permanent full-time Administrative Specialist 2 (0.88 FTE) and two permanent full-time Compliance Specialist 3 positions (1.76 FTE) to expand wage claim investigation capacity in the Wage and Hour Division.

An ongoing General Fund appropriation of $215,670 was approved to make permanent the Eastern Oregon apprenticeship support position (1.00 FTE) in the Apprenticeship and Training Division. The measure also includes $37,407 General Fund for services and supplies in the Commissioner's Office and reestablishes an Administrative Specialist 1 position (1.00 FTE) for the Department of Transportation's Heavy Highway Project. Additionally, the Subcommittee approved the transfer of approximately $5.1 million Other Funds from the Wage Security Fund to the agency's primary budget structure for Other Funds expenditure limitation to account for where the funds will be expended.

Department of Consumer and Business Services

A one-time General Fund appropriation of $6.3 million was approved to reauthorize unspent funding for the Department of Consumer and Business Services Fire Hardening Grant Program formed as part of the Wildfire Recovery Initiative adopted in the 2021 session. The Fire Hardening Grant Program incentivizes residential and commercial fire hardening for rebuilding and repairing dwellings and other structures that were destroyed or damaged in the 2020 wildfires. The reauthorized grant funds will be made available to 2021 wildfire survivors in addition to the 2020 survivors. Of the $6.3 million, $300,000 is available to counties for program administration.

ECONOMIC AND COMMUNITY DEVELOPMENT

Department of Veterans' Affairs

The Subcommittee approved one-time Lottery Funds expenditure limitation of $220,000, available from the Veterans' Services Fund, for the Department of Veterans' Affairs to study and make recommendations for policy proposals on the tax treatment of military pensions.

> **BUDGET NOTE**
> The Oregon Department of Veterans' Affairs shall provide a report detailing its study of the tax treatment of military pensions and recommendations for related policy proposals. The report shall be submitted to the Emergency Board and interim committees of the Legislature related to veterans by September 2024.

Housing and Community Services Department

General Fund in the amount of $5 million is included to pair with Low Income Fast Track (LIFT) bond proceeds to incentivize homeownership development in rural areas and foster greater density in urban areas. The historical average subsidy for LIFT homes for purchase has been $70,000 per home. This investment will be able to subsidize approximately 71 new affordable homes that are financed with LIFT Article XI-Q bond proceeds.

Other Funds expenditure limitation is increased by $50 million related to lottery bonds authorized for issuance to preserve an estimated 1,075 units of existing affordable housing. This can include publicly supported affordable housing, properties with federal project-based rental assistance contracts, rent subsidies, manufactured dwelling parks, and properties undergoing recapitalization. Other Funds expenditure limitation was increased by $525,793 for cost of issuance associated with these bonds, and Lottery Funds debt service limitation was increased by $2.5 million as a result of this investment.

The agency's General Fund appropriation for debt service was increased by $26.5 million to reflect the issuance of $600 million in general obligation bonds authorized for issuance to finance the creation of affordable housing, and by $4.3 million for cost of issuance. Of the $600 million in bonds, $440 million is associated with the LIFT Housing Program, issued pursuant to Article XI-Q of the Constitution, with $350 million intended for an estimated 2,953 affordable rental housing units, and $90 million is set aside for projects to finance home ownership, estimated to fund 383 homes. General Obligation bonds of $160 million will also finance the construction of an estimated 1,067 units of permanent supportive housing (PSH). Once occupied, each PSH unit requires an ongoing operating subsidy of $20,000 for wrap around services to households, and $20,000 for rental assistance, per biennium. Other Funds expenditure limitation was further increased by $29,000 attributable to debt service adjustments on outstanding bonds.

General Fund in the amount of $216,349 is appropriated to support a permanent Policy Analyst 3 position (0.88 FTE) to accommodate workload implications relating to HB 2071, which has the effect of expanding the Oregon Affordable Housing Tax Credit to lenders of limited equity homeownership cooperatives.

In addition to the adjustments to HCSD's budget, a $39 million General Fund special purpose appropriation is made to the Emergency Board for allocation to the HCSD to pay longer-term rental assistance for people rehoused after homelessness. This amount would expand rehousing efforts from the 600 households included in HB 5019 and SB 5511, to an additional estimated 700 households statewide, with 25% of the funds set aside for distribution by culturally responsive organizations. HCSD must report to the Emergency Board on details of a framework for longer term rental assistance associated with these initiatives, which includes the following information in each continuum of care: the estimated number of households served; the average amount of rental assistance assumed and the length of time such assistance will be provided; eligibility criteria and subsequent income verification measures undertaken by the service providers administering rental assistance; and associated services and plans to leverage other federal or state benefits with the goal of reducing the amount of or need for longer-term rental assistance services. The department will also provide information on accountability measures for its service delivery partners. Long term rental assistance is not assumed to be part of the calculation for ongoing service needs for the 2025-27 biennium.

Oregon Business Development Department

Increased expenditure limitation of $50 million Other Funds was approved for OBDD for the expenditure of net lottery revenue bond proceeds deposited in the Child Care Infrastructure Fund established in HB 3005 (2023). The monies in the fund are to be used by the Department to provide loans and grants for allowable costs expended for early child care infrastructure activities. For the administration of the Child care Infrastructure Fund, an increase in Lottery Funds expenditure limitation of $534,259 and the establishment of three positions (2.13 FTE) was approved. The total funding includes position costs of $430,159 and program related services and supplies expenditures of $104,100, including $25,000 for attorney general costs for contract reviews.

Adjustments to the agency's nonlimited Other Funds expenditures were approved for net lottery revenue bond proceeds of $30 million to be deposited in the Special Public Works Fund from authorized bond issuance in the upcoming 2023-25 biennium. The Special Public Works Fund provides loan and grant funding to eligible municipalities for planning, design, and construction of essential public infrastructure including utilities and facilities essential to industrial growth, commercial enterprise, and job creation.

The Subcommittee approved an increase of $10 million Other Funds for the Infrastructure Division to allow the department to provide grants for levee projects from the net proceeds of lottery revenue bonds authorized to be issued and deposited in the fund during the upcoming biennium.

Approved increases in Other Funds expenditure limitation totaling $43.3 million were made for the distribution of grants funded by the issuance of lottery revenue bonds for economic development capital projects as follows:

- $5 million - Umatilla Electrical Cooperative Association Industrial Site Utility Expansion
- $4.5 million - City of Phoenix Industrial Improvements, South Valley Employment Center
- $5 million - City of Aumsville Wastewater System Improvements
- $5 million - City of Molalla New Wastewater Treatment Plant
- $3.8 million - City of Newport Wastewater Treatment & Conveyance System Improvements

- $20 million - Port of Coos Bay channel modification

Lottery Funds expenditure limitation is increased by $4 million for the payment of debt service related to lottery bonds anticipated to be issued in the 2023-25 biennium for capitalization of the Special Public Works Fund and the Child Care Infrastructure Fund. An Other Funds expenditure limitation of $1.1 million was established for OBDD for the payment of debt service costs from the proceeds of bond reserves, interest earnings, and bond refinancing activities on bonds issued in prior biennia. An increase in Other Funds expenditure limitation of $1.6 million was also approved for the payment of costs associated with the issuance of lottery revenue bonds associated with specific infrastructure projects, Child Care Infrastructure Fund capitalization, Special Public Works Fund capitalization, and grant funding from the Cultural Resources Economic Fund.

Increased Other Funds expenditure limitation of $3 million was approved from the Cultural Resources Economic Fund for OBDD to distribute a grant to the Native Arts and Cultural Foundation for renovations to the Center for Native Arts and Cultures.

The Subcommittee approved multiple General Fund appropriations to OBDD for the distribution of grants to cultural venues in specified amounts. The grant funding is provided on a one-time basis to offset financial losses suffered by these cultural venues due to the negative impact of the COVID-19 pandemic. Individual grant funding and recipient venues are:

- $269,623 - Aladdin Theater
- $107,925 - Alberta Rose Theater
- $49,892 - Alberta Street Pub
- $28,690 - Artichoke Music
- $136,133 - Ashland Armory
- $44,811 - Atlantis Lounge
- $14,051 - Barnstormers Theatre
- $20,431 - The Belfry
- $24,934 - BodyVox
- $65,317 - Bossanova Ballroom
- $67,151 - Britt Festival Pavilion
- $33,418 - Cascades Theatre Company
- $14,051 - Coaster Theatre Playhouse
- $13,348 - CoHo Productions
- $23,981 - Cottage Theatre
- $112,128 - Craterian Performances Company
- $285,580 - Crystal Ballroom
- $107,511 - Cuthbert Amphitheater
- $103,672 - Dante’s
- $20,127 - Domino Room
- $145,877 - Doug Fir Lounge

- $28,102 - Egyptian Theatre
- $30,507 - The Elgin Opera House
- $109,368 - Elsinore Theatre (Historic)
- $128,301 - 45 East, LLC
- $17,089 - Gallery Theater
- $57,730 - The Goodfoot
- $171,267 - Hawthorne Theatre
- $13,386 - Headwaters Theatre/Water in the Desert
- $30,380 - Historic Rogue Theatre
- $111,267 - Holocene
- $4,310 - HQ LaGrande
- $203,166 - Hult Center for the Performing Arts
- $39,748 - Imago Theatre
- $34,785 - Jack London Revue
- $11,393 - Jazz Station/Willamette Jazz Society
- $7,595 - KALA
- $19,747 - Kelly's Olympian
- $33,057 - Kickstand Comedy (formerly Brody Theater)
- $45,570 - Lakewood Center for the Arts
- $30,836 - Laurelthirst Public House
- $33,627 - Liberty Theater
- $17,089 - Lincoln City Cultural Center
- $45,665 - Little Theatre on the Bay/ Liberty Theatre (North Bend)
- $51,266 - Majestic Theatre
- $115,463 - McDonald Theatre
- $31,899 - Midtown Ballroom
- $13,948 - Milagro Theatre
- $159,522 - Mississippi Studios
- $13,606 - New Expressive Works
- $60,001 - Newport Performing Arts Center (2 stages)
- $43,671 - Northwest Children's Theater
- $9,494 - OK Theater
- $47,469 - Old Church Concert Hall
- $28,102 - Oregon Contemporary Theatre
- $14,290 - Pentacle Theatre
- $101,845 - Portland Institute for Contemporary Art

- $230,634 - Pickathon
- $99,654 - Polaris Hall
- $46,265 - Portland Playhouse
- $235,604 - Revolution Hall
- $263,706 - Roseland
- $130,873 - Ross Ragland Theater
- $3,798 - Sawdust Theatre
- $34,204 - Shaking the Tree Theatre
- $200,094 - Shedd Institute for the Arts
- $22,405 - The Siren Theater
- $97,516 - Stage 722
- $81,646 - Star Theater
- $14,051 - Theatre in the Grove
- $186,694 - Tower Theatre (Bend)
- $33,862 - Vault Theater (Bag and Baggage)
- $27,397 - Volcanic Theatre
- $63,175 - White Eagle
- $20,127 - Whiteside Theatre
- $32,564 - Wildish Community Theater
- $147,309 - Wonder Ballroom
- $41,393 - WOW Hall/Community Center for the Performing Arts

A one-time General Fund appropriation of $1 million to OBDD is included for a grant to Literary Arts, Inc. to fund a portion of a $12 million renovation of the organization's newly purchased 14,000 square foot headquarters at 716 S.E. Grand in Portland.

A total of $15.1 million Lottery Funds was provided to OBDD on a one-time basis for local governments as grants for various infrastructure projects supporting economic development. The individual projects and funding include: City of Estacada New Wastewater Facility project, $2.4 million; Port of Morrow, South Morrow County Water and Transportation Infrastructure Development, $2.5 million; Harney County Industrial Improvements: B Street Extension, $2.25 million; City of Waldport Industrial Park Sewer expansion, $2.2 million; Wheeler County Industrial Development, $2.4 million; City of Lowell Water Treatment Plant Upgrades, $306,420; Illinois Valley Fire District Extension of Water & Sewer Lines, $984,500; City of Port Orford Water Recycling project, $750,000; and Tillamook County Shilo Levee Rehabilitation, $1.3 million.

In anticipation of the issuance of general obligation bonds for the seismic rehabilitation program at OBDD, expenditure limitation of $150 million Other Funds was included for program grants: $100 million for public school buildings and $50 million for emergency services facilities. An increase in expenditure limitation of $1.5 million was approved for the payment of costs associated with the issuance of the bonds. In addition, the Subcommittee approved an

increase in the General Fund appropriation to OBDD in the amount of $12.6 million for the payment of debt service obligations related to the issuance of bonds for the seismic rehabilitation program.

The measure also includes several technical adjustments to OBDD's budget. First, expenditure limitation of $287,800 Other Funds which was established in error for the transfer of American Rescue Plan Act State Fiscal Recovery Funds is reduced. This is offset by an increase in the agency's general Other Funds appropriation in the same amount.

Other Funds expenditure limitation of $166,476 and authority for three positions (0.88 FTE) are transferred from the Business, Innovation, and Trade Division to the Operations Division where the positions were intended to be budgeted. The offsetting adjustments net to zero agencywide.

A technical adjustment is included to resolve statutory expenditure limitation conflicts between Other Funds expenditure limitation from the University Innovation Research Fund that arose between SB 4 (2023) and SB 5524 (2023), the agency's budget bill, with no net change in overall expenditure limitation from the fund. The expenditure limitation from the fund provided in SB 4 is reduced by $10 million and the expenditure limitation associated with the fund in SB 5524 is increased by $10 million.

The measure includes another technical adjustment to resolve conflicts between Lottery Funds expenditure limitation supporting Small Business Development Centers that arose between HB 3410 (2023) and SB 5524 (2023) with no net change in overall expenditure limitation or program support. The expenditure limitation from the fund provided in HB 3410 is reduced by $3 million and the expenditure limitation supporting Small Business Development Centers in SB 5524 is increased by $3 million.

An adjustment is made to correct an error in OBDD's primary budget bill, SB 5524. This change reduces expenditure limitations from the Broadband Fund as provided in section 7 of the agency's budget bill related to American Rescue Plan Act (ARPA) Capital Projects Funds and includes language that appropriately provides expenditure limitation for only the portions in the Broadband Fund that are from ARPA Capital Projects revenue, as multiple sources of revenue are comingled in the fund. The revised language also updates the amount of expenditure limitation to reflect the total amount of ARPA Capital Projects Funds anticipated to be transferred by the Department of Administrative Services in the upcoming biennium, as the funding that was anticipated to be transferred in the prior biennium was not transferred due to the statutorily defined uses of funds deposited in the Broadband Fund being in conflict with federal guidance on the expenditure of the ARPA Capital Projects monies. These conflicts are anticipated to be resolved with the adoption of HB 3201 (2023) which contains provisions aligning the stated uses of the fund with federal guidance.

Oregon Liquor and Cannabis Commission

Two positions (1.76 FTE) and $496,133 Other Funds expenditure limitation are added to the Oregon Liquor and Cannabis Commission (OLCC) budget to improve information technology security and data privacy. An Information Specialist 8 will monitor and remediate threats to OLCC systems, networks and devices, and a Principle Executive Manager D position will develop systems, policies and procedures to improve security, as well as coordinate with state and licensee stakeholders who want access to data.

Other Funds expenditure limitation in the amount of $16.5 million is included for bonds reauthorized for the OLCC's information technology systems for the warehouse management system, and licensing and enforcement systems. The total approved project cost is $27 million, and bonds for this purpose were

approved in the 2021-23 biennium but the entire approved amount was not issued. The $16.5 million represents the balance of project costs remaining. Cost of issuance on this amount, as well as bonds reauthorized for the liquor warehouse and conveyer system, is $977,217, and associated debt service for the biennium is $9.5 million. These bonds are supported by revenue from liquor sales.

EDUCATION

Department of Early Learning and Care

To establish the Imagination Library of Oregon program for providing a free book each month to eligible Oregon children from birth to age five, the Subcommittee approved a General Fund appropriation of $1.7 million to the Department of Early Learning and Care (DELC). The Department will contract with an Oregon-based non-profit organization to manage the program.

For DELC to provide technical assistance to child care providers seeking to access the Child Care Infrastructure Fund (CCIF), the Subcommittee approved $186,943 General Fund, $216,168 Federal Funds expenditure limitation, and two positions (1.75 FTE) to design, coordinate and implement the CCIF technical assistance program, focused on ensuring that child care providers – particularly those who historically have not had access to funding – can access and navigate the CCIF administered by the Oregon Business Development Department. For grants to nonprofit entities that have experience in providing technical assistance to child care providers, the Subcommittee approved an appropriation of $5 million General Fund to the Department. The grant program is intended to support child care business owners as they navigate local county/city zoning requirements related to child care, and to provide resources specifically to ensure that the nine federally recognized Tribes within Oregon's borders can navigate the system with their sovereignty in mind.

The Employment Related Day Care program provides consistent, quality child care to eligible low-income families while they are working or attending school. To improve the cost per case rate paid to child care providers in this program, the Subcommittee approved $15 million General Fund.

The Subcommittee approved $401,243 General Fund and $1.6 million Federal Funds expenditure limitation to create two new Investigations Specialist positions (1.84 FTE) to improve agency response to complaints; convert three limited duration Compliance Specialist 2 positions (3.00 FTE) to permanent positions; convert one limited duration Program Analyst 4 position (1.00 FTE) to permanent in the Baby Promise program; and convert one limited-duration Program Analyst 4 position (1.00 FTE) to permanent in the Spark quality recognition and improvement program.

Department of Education

The Subcommittee approved $559,094 Other Funds expenditure limitation and the establishment of one Business Analyst (ISS7) position (0.96 FTE) and one Project Manager 3 position (0.96 FTE) to develop the business case and artifacts required by the Stage Gate process to start a project to replace the State School Fund Information Technology System.

In 2022, the Educator Advancement Council began development of a comprehensive adult professional learning system for educators. To bring the system to scale statewide and support its continued development for and use by educators, the Subcommittee approved $4.8 million Other Funds expenditure limitation and the establishment of 10 permanent positions (10.00 FTE). This amount includes $2 million for procurement of an online learning platform.

Funding for the purchase of the online learning platform is provided on a one-time basis in the 2023-25 biennium; any future costs related to licensing and maintenance of this system are assumed to be ongoing.

The Subcommittee approved an increase in Other Funds expenditure limitation for the High School Graduation and College and Career Readiness Fund of $14.7 million. The source of Other Funds is the Statewide Education Initiatives Account of the Fund for Student Success.

The Department of Education administers a statewide education plan for African American/Black students who are in early childhood through post-secondary education programs. To increase the grants that may be awarded through this plan, the Subcommittee approved an increase in Other Funds expenditure limitation of $5 million on an ongoing basis. The source of Other Funds is the Statewide Education Initiatives Account of the Fund for Student Success.

Oregon schools teach approximately 17,000 migrant students, and nearly 100,000 students who are English language learners. To support school districts in teaching migrant students and English Language Learners and improving their educational success in Oregon schools, the Subcommittee approved $748,833 Other Funds expenditure limitation, $1.5 million Federal Funds expenditure limitation, and the establishment of eight permanent positions (7.68 FTE) for the Department of Education to create a new migrant and multilingual education team. The source of Other Funds is the Statewide Education Initiatives Account of the Fund for Student Success; the source of Federal Funds is federal COVID-19 relief funding from the Elementary and Secondary School Emergency Relief program, available on a one-time basis in the 2023-25 biennium.

The Subcommittee approved $100 million Other Funds expenditure limitation for the Oregon School Capital Improvement Matching program. The proceeds of the sale of Article XI-P general obligation bonds authorized in HB 5005 (2023) will be used for grants to school districts that can match the grant with proceeds of locally issued bonds for the construction and improvement of school district buildings and property.

The Subcommittee approved $15 million Other Funds expenditure limitation for lottery bond proceeds authorized in HB 5030 (2023) for deposit into the Connecting Oregon School Fund (COSF) for expanding internet connectivity in schools and maximizing the use of available federal resources. The agency will use COSF to provide state grants to school districts, education service districts, and public charter schools that are successful in applying for federal E-rate funding from the Universal Service Administrative Company (USAC) for special construction projects. These projects will provide new or improved existing internet connectivity for schools in which the federal E-Rate funding would typically provide between 60-80% of project costs. ODE will provide state grants for up to 10% of project costs which will leverage an additional matching federal contribution, which may enable sufficient funding to pay for the entire cost of the project. State funding will be allocated through a formula that prioritizes schools based on income levels; rural and remote areas of the state; and the current type of internet connectivity and download speeds.

A total of $1.1 million Other Funds expenditure limitation was approved for the cost of issuance of general obligation bonds (HB 5005) and lottery bonds (HB 5030). These include the costs for bonds issued for the Oregon School Capital Improvement Matching program (Article XI-P bonds), projects for the Oregon School for the Deaf (Article XI-Q bonds) and Broadband Connecting Oregon Schools grants (lottery bonds). An Other Funds expenditure limitation of approximately $8 million was established for debt service on bonds sold in prior periods.

The Subcommittee approved an increase of $42.4 million General Fund and a reduction of $42.4 million Lottery Funds in the State School Fund. This change reflects the final balance of available Lottery Funds usage across the state budget and maintains the total State School Fund budget of $10.2 billion for the 2023-25 biennium.

The East Multnomah Outreach, Prevention, and Intervention program, operated by the City of Gresham, provides culturally responsive outreach, prevention, and intervention programs to prevent youth violence and to empower youth to be successful members of the community. To continue state support for this program, the Subcommittee approved $2 million General Fund on a one-time basis for the 2023-25 biennium.

The Subcommittee approved an increase of $146.3 million Other Funds expenditure limitation for the Student Investment Account in the Fund for Student Success. This increase brings expenditure limitation in this account to 50% of the estimated revenues available for distribution in the Fund for Student Success for 2023-25.

Higher Education Coordinating Commission

The Subcommittee approved a one-time $100,000 General Fund appropriation for the Higher Education Coordinating Commission (HECC) to distribute to the Oregon State University Institute of Natural Resources to convene a statewide water conference to facilitate learning and relationship-building between sectors, identify research needs, and develop a statewide research and learning agenda. An additional one-time General Fund appropriation of $500,000 is included for the University of Oregon Just Future Institute for the following purposes related to equitable water access:

- Conduct research to understand and address water needs of environmental justice communities.
- Provide grants to community-based organizations, tribes, and other entities to build capacity to engage in water related work and projects that help to understand and address water needs of environmental justice communities, including resources for outreach, education, planning, research, and projects.

BUDGET NOTE

The Higher Education Coordinating Commission, in collaboration with the University of Oregon, shall submit a report on the use of funds related to equitable water access to the Joint Committee on Ways and Means and any committee of the Legislature working on water-related issues during the 2025 legislative session.

The Subcommittee approved a one-time General Fund appropriation of $195,000 for Portland State University to support two years of the development of a Project Rebound Resource Center to support formerly incarcerated students complete their degree post-release. In addition, the Subcommittee approved, on a one-time basis, a $306,000 General Fund appropriation for HECC to distribute to Portland State University, Portland Community College, Chemeketa Community College, Treasure Valley Community College, and Central Oregon Community College to provide bridge funding for delivery of college-in-prison-courses for the 2023-24 academic year.

As part of the wildfire prevention and management package, a $10 million General Fund is approved for deposit into the Oregon Conservation Corps Fund to fund grant supported projects related to the Oregon Conservation Corps Program. The program was established in SB 762 (2021) to reduce the risk of wildfires, assist in the creation of fire-adapted communities, and engage youth and young adults in workforce training. In addition, the Subcommittee approved a corresponding Other Funds expenditure limitation increase of $10 million for expenditures from the Oregon Conservation Corps Fund.

The Subcommittee approved a one-time General Fund appropriation of $135,000 for Oregon State University's Southern Oregon Research Extension Center to partner with growers in affected areas to increase capacity to monitor, trap, and suppress vine mealybug found in Oregon vineyards.

As part of the climate package, the Subcommittee approved a General Fund appropriation of $250,000 for the Oregon Climate Service at Oregon State University to support the State Climatologist position.

HB 2049 (2023) established the Oregon Cybersecurity Center of Excellence. The measure established three Funds to provide resources to the Center: (1) the Oregon Cybersecurity Center of Excellence Operating Fund; (2) the Oregon Cybersecurity Workforce Development Fund; and (3) the Oregon Cybersecurity Grant Program Fund. The measure provided $2.5 million General Fund to be deposited into the Operating Fund for startup costs for the Center; $2.15 General Fund to be deposited into the Workforce Development Fund to support specified education and training programs; and $250,000 General Fund for the Grant Program Fund to provide assessment, monitoring, incident response, and competitive grants to government bodies for cybersecurity-related goods and services. After review of HB 2049 (2023), it was determined that Other Funds expenditure limitations are required to spend out of these three Funds. The Subcommittee approved three Other Funds expenditure limitations totaling $4.9 million for the Higher Education Coordinating Commission to for distribution of monies from these three Funds to the Oregon Cybersecurity Center of Excellence.

The Subcommittee approved increasing Other Funds expenditure limitation by $4.7 million for the costs of issuing bonds authorized in HB 5005 (2023) for public universities, community colleges, and HECC. In addition, the Subcommittee approved $2.1 million General Fund for debt service on the Oregon Institute of Technology Geothermal System emergency renovation project, which has approval for the October 2023 bond sale requiring debt service for the 2023-25 biennium. Capital construction limitation for new public university and community colleges capital projects is provided in HB 5006 (2023) and project descriptions are included in HB 5005 (2023).

Other Funds expenditure limitation of $5 million was approved for the second phase of the Financial Management Information System (FAMIS) project. The second phase will include the replacement of two additional legacy information systems: ETPL (Eligible Training Provider List System), and PCSVets (Private Career Schools and Office of Degree Authorization). The project replaces multiple out-of-date existing systems with one IT platform that consolidates HECC's data to provide students and job seekers with better access to assistance, while improving security and reporting functions. This information systems modernization project is financed with the proceeds from the sale of Article XI-Q Bonds. The project has approval for the May 2024 bond sale requiring debt service for 2023-25; the Subcommittee approved $856,842 General Fund to pay that expense.

The Subcommittee approved a General Fund appropriation of $500,000 for the Oregon Health and Science University School of Public Health to perform a public health study on the effects of current laws and policies on people in the sex trade in the state of Oregon.

The Subcommittee approved the following one-time General Fund appropriations to HECC for distribution to entities supporting youth workforce development and college access:

- $586,500 to grant to REAP, Inc. for REAP's Young Entrepreneurs Program (YEP) to create opportunities for young entrepreneurs in outer east Portland.

- $1.2 million to grant to Self Enhancement, Inc. for establishing an Underserved and Underrepresented Youth Cohort that will build a pipeline of diverse students who are ready to gain employment in the newly expanded semiconductor industry following the students' graduation from high school or a post-secondary institution of education.
- $2 million to grant to Building Blocks 2 Success for the purpose of increasing workforce development in the semiconductor industry, with a focus on enhancing: (1) a Science, Technology, Engineering, and Math (STEM) pipeline program for summer programming; (2) college preparation for individuals who will major in STEM fields at historically Black colleges and universities; (3) participation at STEM-based camps at Oregon State University; (4) wraparound supports for STEM interns; and (5) improving indicators of student success in semiconductor-related academic majors.

HUMAN SERVICES

Commission for the Blind

Oregon Commission for the Blind's information technology (IT) infrastructure update and alignment project was originally approved in the 2019-21 biennium. The goals of the project are to establish a case management system and transfer IT support from a contractor to Department of Administrative Services (DAS) IT services. The measure increases General Fund by $952,421 to implement the second phase of the project, which includes ongoing maintenance and system support and cloud hosting, and to support the cost of DAS IT helpdesk services and state data center costs. The agency will provide a project status update to the Legislative Fiscal Office, including the projected project completion date, prior to the 2025 legislative session.

The budget increases Federal Funds expenditure limitations for the Commission for the Blind by $234,260 to fund the upward reclassification 36 rehabilitation instructor and counselor positions to vocational rehabilitation specialist positions. The Department of Administrative Services Chief Human Resources Office conducted a position analysis of the commission's rehabilitation instructors and vocational rehabilitation counselors and determined the work conducted by these positions was consistent with the vocational rehabilitation specialist classification.

Department of Human Services

The Subcommittee approved a General Fund appropriation of $20.9 million to the Department of Human Services (DHS) to phase out the temporary food and shelter services being provided to 300 individuals pursuing a case by U.S. Citizenship and Immigration Services. The funding includes $10.8 million to cover food and shelter costs for nine months, during which time DHS will work with Multnomah County and community-based organizations to fully transition these individuals out of short-term shelter and into long-term community-based housing and wrap around services. The appropriation includes $9.8 million General Fund for Multnomah County to coordinate services and contract with community-based organizations. Also included is $377,564 for five limited-duration positions (1.90 FTE) in DHS Self-Sufficiency for program administration, including four Public Service Representative 4 positions and one Program Analyst 2 position. The Subcommittee adopted the following related budget note:

> **BUDGET NOTE**
> The Department of Human Services is directed to present to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2024 regular legislative session on (1) the status of efforts to transition the current caseload of 300 individuals (as of June 5, 2023) into

community-based housing and wrap-around services, (2) the number of similarly-situated individuals who have arrived in Oregon in need of like services, and (3) efforts to connect those individuals with community-based organizations and resources.

The budget includes $6.8 million General Fund and Federal Funds expenditure limitation of $3.4 million for the Department of Human Services to make permanent a 5% occupancy rate enhancement first approved in 2021-23 due to the COVID-19 pandemic, and to reflect a new methodology for calculating the rates paid to behavior rehabilitation service providers. This new methodology will connect provider payment rates to data from the U.S. Bureau of Labor Statistics and the Consumer Price Index to account for inflation. The funding provided is in addition to the $2.9 million General Fund included in the Department of Human Services budget bill (HB 5026). A corresponding rate adjustment is supported for behavior rehabilitation services funded in the Oregon Youth Authority's budget.

BUDGET NOTE

The Department of Human Services is directed to conduct a comprehensive rate and wage study across home and community-based service delivery systems, with a focus on providers of in-home and residential care to individuals receiving services through the Office of Developmental Disabilities Services and the Office of Aging and People with Disabilities and provide a written report on the findings and recommendations to the Joint Committee on Ways and Means or Emergency Board no later than September 2024. The report shall provide an analysis of (1) the findings of the wage and rate study; (2) the different required qualifications to provide services in a particular setting; the different service delivery models and service requirements for the service delivery model; and the levels of acuity among recipients of the services provided; and (3) the costs and benefits of recommendations designed to standardize the compensation of direct care workers across programs and service delivery models.

The Subcommittee also approved a one-time General Fund appropriation of $2.5 million to DHS for assistance to Afghan refugees. SB 5561 (2021 second special session) appropriated $18.2 million General Fund to DHS on a one-time basis for a 12-month package of support for up to 1,200 Afghan individuals and families paroled into the United States through the U.S. State Department's Afghan Placement Assistance Program, including funds for short-term food and shelter, case management services, rental assistance, culturally specific food assistance and interpretation classes. The $2.5 million appropriated by the Subcommittee for 2023-25 represents the anticipated unspent amount from the 2021-23 biennium, which the measure disappropriates.

An increase of $350,000 General Fund is included for the Intellectual and Developmental Disabilities program to support legal reviews of guardianship pleadings through Disability Rights Oregon. The Subcommittee also approved Other Funds expenditure limitation of $264,000 for DHS debt service payments.

The measure also includes a General Fund appropriation of $3.6 million for implementation of SB 104 (2023) related to agency with choice services for individuals served by the DHS Office of Developmental Disabilities Services. This increase serves as a necessary correction to the fiscal amendment adopted for SB 104 and does not represent additional program funding.

Long Term Care Ombudsman

The Subcommittee approved $300,000 in Other Funds expenditure limitation for the Long Term Care Ombudsman to administer a grant from Asante Hospital Systems to increase access to public guardian services.

Oregon Health Authority

The Subcommittee approved a $20 million General Fund increase in the Oregon Health Authority (OHA) for local community investment in public health modernization. Included are 10 permanent full-time positions (6.66 FTE) to assist in administering the funds. This increase adds to a $30 million General Fund increase in OHA's budget bill (SB 5525) for public health modernization.

The budget includes a General Fund decrease of $98.3 million to recognize savings to the Oregon Health Plan based on greater than anticipated revenue forecasted from the intergovernmental transfer agreement with Oregon Health and Science University. Also included are increases of $241 million Other Funds and $344.4 million Federal Funds to utilize the federal match associated with the additional revenue.

Insurer's tax revenue collected by the Department of Consumer and Business Services exceeded prior forecasts, requiring an Other Funds expenditure limitation increase for OHA of $34.9 million as the funds are transferred to support the Oregon Health Plan, while allowing for a $34.9 million decrease to reflect the savings to the General Fund.

OHA's primary budget bill (SB 5525) includes a General Fund investment for expansion of the 9-8-8 system and mobile crisis response. Upon the passage of HB 2757 (2023), a new tax on telephone lines of $0.40/line will generate revenue for the program. The new revenue reflects an increase of $32.9 million Other Funds. The original $39.6 million General Fund investment included in SB 5525 is decreased in SB 5506 by $26.4 million to reflect the savings resulting from the new tax, while leaving some of the original investment in place to accommodate program start-up and account for the timing of new tax revenue that will not be available until April 2024.

The budget includes a $2 million General Fund investment to supplement health care interpreter services in the Central Services Division.

The Subcommittee approved a $1.5 million General Fund investment for the Prescription Drug Monitoring Program (PDMP) integration with provider electronic health records systems for the 2023-25 biennium. The PDMP integrates information collected by the Public Health Division and makes it available at the point of care by physicians to ensure that patients are not receiving unnecessary prescriptions for opioids and other narcotics, helping to prevent drug addiction and overdoes.

To recognize, support, and promote initiatives that contribute to the advancement of equity and inclusion at the Oregon State Hospital, the budget includes $1.9 million General Fund. This funding will support the establishment of 10 positions (7.50 FTE) for training; cultural linguistic, and identity-affirming needs and supports; and other activities to support an inclusive and welcoming culture. Also included are increases of $426,651 General Fund and $103,882 Other Funds, a reduction of $97,153 Federal Funds, the abolishment of six positions (6.00 FTE) across multiple divisions, and the creation of six positions (5.01 FTE) to realign diversity, equity, and inclusion efforts agencywide.

The budget includes a one-time increase of $4.9 million General Fund, $8,631 Other Funds, $1.6 million Federal Funds, and seven positions (5.25 FTE) to improve mental health programs by strategically investing in jail diversion and civil commitment programs.

The budget includes $1.8 million General Fund for debt service on general obligation bonds for capital projects approved for the Oregon State Hospital (OSH). The approved projects include $5 million to remodel a single unit at the Junction City facility to accommodate a complex patient and $3 million to

replace the programmable logic controller (PLC) information technology system. To pay for the cost of issuance of the bonds, an increase of $140,000 Other Funds is included. The Subcommittee also approved $50 million in Other Funds expenditure limitation for lottery bond proceeds to build new community acute psychiatric facility capacity, and $525,793 Other Funds for cost of issuance. An increase of $2.5 million Lottery Funds is also included for the debt service on lottery bond sales, as well as an increase of $27,000 in Other Funds expenditure limitation for debt service payments on existing bonds.

An increase in Other Funds expenditure limitation of $4.4 million is included for the Public Health Division to utilize proceeds from the JUUL settlement for inhalant cessation assistance. The agreement includes a $1.8 million payment for 2021-23 and a $3.6 million payment for 2023-25, and the amount available to OHA is net of $1 million in legal cost recovery for the Department of Justice.

JUDICIAL BRANCH

Judicial Department

The Subcommittee approved the following Other Funds expenditure limitations for the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF) for both state and local matching funds. Article XI-Q general obligation bond proceeds support state matching funds.

Circuit Courthouse	State Match Other Funds	Local Match Other Funds	Total Other Funds
Clackamas County	$30,000,000	$30,000,000	$60,000,000
Morrow County	$12,575,000	$12,575,000	$25,150,000
Curry County	$10,600,000	$10,600,000	$21,200,000
Benton County	$8,831,894	$8,831,894	$17,663,788
Total	$62,006,894	$62,006,894	$124,013,788

The Subcommittee approved, on a one-time basis, a separate increase to Other Funds expenditure limitation of $813,106 associated with bond costs of issuance. The measure also includes a one-time Other Funds expenditure limitation of $260,000 for debt service payments on previously authorized bond issuances.

The following one-time General Fund appropriations are included for the following courthouse projects:

Courthouse Project	Purpose	Total General Fund
Deschutes County Courthouse	Renovation	$15,000,000
Columbia County Courthouse	Renovation	$2,000,000
Total		$17,000,000

The Subcommittee approved, on a one-time basis, Other Funds expenditure limitation for the courthouse projects summarized in the table below. The revenue source is the American Rescue Plan Act State Fiscal Recovery funds received by the Department of Administrative Services as Federal Funds and transferred to the Judicial Department as Other Funds.

Courthouse Project	**Purpose**	**Total Other Funds**
Harney County Courthouse Annex	Renovation	$3,000,000
Umatilla County Courthouse	Replacement planning	$100,000
Hood River County Courthouse	Replacement planning	$42,549
Total		$3,142,549

An additional one-time General Fund appropriation of $818,333 is also included in the measure for distribution to the Oregon State Bar for immigration legal services.

Public Defense Services Commission

The Subcommittee approved, on a one-time basis, a General Fund appropriation of $1.5 million to the Public Defense Services Commission to contract with Disability Rights Oregon (DRO) for civil court-appointed counsel at state expense for qualified individuals when the estate of the protected person is insufficient to pay the expense of a private counsel (SB 578, 2021). The appropriation provides funding to support for three provider attorneys ($1.2 million), one provider investigator ($156,817), and an administrative charge of five percent ($74,639). Of note is that the Commission has yet to adopt any policies or procedures related this program, including those needed to determine the financial eligibly requirements for participation.

The measure includes a one-time increase of $1 million Other Funds for the potential receipt from the Criminal Justice Commission of a subgrant from the Edward R. Byrne Memorial Justice Assistance Grant.

The Subcommittee adopted the following budget note related to the Case Financial Management System information technology project:

> **BUDGET NOTE**
> The Public Defense Services Commission is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means prior to the 2024 legislative session on the status of the Financial/Case Management System (F/CMS) information technology project. The Commission's reports to the Legislature shall include: (a) updates on project scope, schedule, budget, and total cost of ownership; (b) current project risks, likely impacts, and mitigation strategies; (c) independent quality assurance reporting; (d) stakeholder/provider involvement in the planning and governance of the project; and (e) other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project. The Commission is to follow the Joint Stage Gate or a similar disciplined process related to information technology projects, including development of key artifacts and independent quality assurance oversight.

LEGISLATIVE BRANCH

Legislative Administration Committee

To support the third phase of the Capitol, Accessibility, Maintenance, and Safety (CAMS) project, the budget includes an increase of $19.1 million General Fund for debt service and $1.9 million Other Funds for the cost of issuance on $215 million in general obligation bonds authorized in HB 5005 (2023). CAMS III will continue seismic upgrades and other improvements to the 1938 Capitol rotunda. Added to the project are the replacement of the Capitol's nine elevators, the fire alarm systems in the House and Senate wings and their integration with the new system in the rotunda, and the chamber sound systems, including outdated wiring to member desks on the House floor.

NATURAL RESOURCES

Department of Agriculture

The Subcommittee approved a one-time General Fund appropriation of $312,100 in the Oregon Department of Agriculture (ODA) to support survey and treatment of the vine mealybug. This pest presents a substantial threat to wine grapes in many production regions worldwide, and it was first identified in Oregon in 2021. Vine mealybug directly impacts vines and fruit and is also a key vector of leafroll virus in grapevines. Both the vine mealybug and leafroll virus cause economic damage in vineyards once established. A monitoring study conducted by ODA in 2022 found that Oregon's vine mealybug population is confined to commercial vineyards within a small area of Jackson County. In a budget note for HB 5002 (2023), ODA has been directed to report to the Legislature during the 2024 legislative session on the status of the agency's surveillance and treatment against the Japanese beetle and other emerging pests, such as the vine mealybug.

The budget also includes a one-time General Fund appropriation of $1 million to increase funding for the Wolf Depredation Compensation and Financial Assistance Grant Program. This program administers grants to counties that have created and implemented a county wolf depredation compensation program.

Department of Energy

The Subcommittee approved several investments and adjustments for the Oregon Department of Energy (ODOE) related to recommendations from a legislative workgroup on climate and energy issues. Unless otherwise noted, these investments are approved on a one-time basis and include the following:

- $20 million General Fund for deposit into the Community Renewable Investment Fund, established in HB 2021 (2021), to provide grants for planning and developing projects that advance community renewable energy and energy resilience. Additionally, $20 million Other Funds expenditure limitation was provided for expenditures from the Fund.
- $10 million General Fund for deposit into the Rooftop Solar Incentive Fund, established in HB 2618 (2019) for issuance of rebates and administration of the Solar and Storage System Rebate program which incentivizes the purchase, construction or installation of solar electric systems and paired solar and storage systems. Additionally, $10 million Other Funds expenditure limitation was provided for expenditures from the Fund. The related program sunset has been extended to January 2, 2029, in HB 3049 (2023).
- $200,000 General Fund for Oregon's share of upfront monies for a proposal to establish a regional hub intended to move towards producing green hydrogen fuels.

- Due to the extension of the Solar and Storage System Rebate program, as well as the Heat Pump Deployment program, the months for seven related limited duration positions have been increased by 4.48 FTE so they may continue to support the programs throughout the 2023-25 biennium. These positions are established in the Department's policy packages 205 and 206. The positions are funded by the programs, and expenditure limitation is already included in the agency's budget. Only a technical adjustment shifting $900,292 Other Funds expenditure limitation from special payments to personal services is needed.
- $451,606 General Fund is provided for establishment of a permanent, full-time Business Operations Manager 3 (0.88 FTE) and related services and supplies. This position will provide management, oversight, and support for the various new programs established in ODOE's Energy Development Services division.

Additionally, the budget includes $513,354 Other Funds expenditure limitation for establishment of a limited duration Procurement and Contracting Specialist 3 (0.88 FTE), a limited duration Human Resources Analyst 2 (0.88 FTE), position related services and supplies, and 12 additional months for an existing Operations and Policy Analyst 2, bringing it to 1.00 FTE. All three positions are in the Administrative Services division. The additional staff capacity is intended to address workload from the cumulative effect of policy bills passed during this legislative session, inclusive of climate initiatives, which approved over $45 million in various programs and established 19 positions for the Department.

SB 1536 (2022) directs ODOE to complete a cooling study and submit a report to the Legislature no later than September 15th, 2023. The bill provided $500,000 as a one-time General Fund appropriation for the study. The Subcommittee approves reappropriation of the remaining $300,000 General Fund that will revert at the end of the 2021-23 biennium. The reappropriation of these funds is necessary to complete the report, which has been contracted through a third party.

Lastly, $5.1 million Federal Funds expenditure limitation and establishment of one permanent, full-time Economist 4 position (1.00 FTE) is provided in support of the State Energy Program grant, awarded to the Department by the U.S. Department of Energy, and made possible through the Infrastructure Investment and Jobs Act. The position establishment makes permanent an existing limited duration position for delivery of the grant over the performance period, which will be at least five years. The position provides additional support for energy planning, policy, and program development, coupled with education, outreach and technical assistance for Oregonians. ODOE received approval to apply for the grant during the December 2022 meeting of the Emergency Board.

Department of Environmental Quality

The measure includes Other Funds expenditure limitation of $5 million to expend a portion of the proceeds from $10 million in general obligation bonds approved through HB 5005 (2023). The bond proceeds will replenish the Orphan Site Account which is used to fund investigations and cleanup at sites where parties who are responsible for the pollution are unknown, unable, or unwilling to perform cleanup at the site. The Orphan Site Account is also used to meet Oregon's obligations at federally funded Superfund sites. Oregon must contribute at least 10% of the Environmental Protection Agency's cleanup costs and pay 100% of long-term maintenance costs at Superfund sites. The Department typically spends the proceeds over two consecutive biennia before making another request for additional Orphan Site bonds. Other Funds expenditure limitation is also increased by $333,333 for the cost of issuing $10 million in general obligation bonds in May 2024, and $1.8 million General Fund is provided for debt service payments.

Interest earnings on general obligation bond proceeds produced $54,000, which is available to offset General Fund debt service payments. The Subcommittee approved establishment of an Other Funds expenditure limitation of $54,000 to apply these interest earnings towards debt repayment.

Department of Fish and Wildlife

The Subcommittee approved a one-time General Fund appropriation of $1 million for the Department of Fish and Wildlife to pay for a third-party assessment of state-owned fish hatcheries. In its 2023-25 request budget, the Department discussed many agency initiatives to prepare for the impacts of climate change and ocean acidification, including initiation of a climate vulnerability assessment of Oregon's fish hatcheries. This investment provides funding to procure an assessment providing fish hatchery information including, but not limited to climate vulnerability. The Subcommittee provided the following instruction to the Department regarding the assessment:

> **BUDGET NOTE**
>
> The Department of Fish and Wildlife is directed to procure a third-party assessment of the operations, sustainability, and climate vulnerability of state-owned fish hatcheries. The department shall present a detailed and thorough report which must, at a minimum, include the following:
>
> - Funding models and financial sustainability of state-owned hatchery operations, including consideration of facility maintenance costs.
> - An economic cost-benefit analysts that includes:
> - The total agency costs associated with producing hatchery fish at each facility.
> - The estimated economic benefits associated with production of hatchery fish.
> - A summary of how the ecological impacts and benefits of hatchery programs on wild fish are incorporated into federal and state planning and policy making.
> - Climate vulnerability for a sample set of state-owned hatcheries. This assessment should include:
> - The projected impact of climate change on the ability of each hatchery to rear and release fish.
> - The likely impact of climate change on the viability of, and need (augmentation and conservation) for hatchery programs.
> - Recommendations to mitigate these impacts through hatchery program changes, such as the species of fish released, and other measures.
>
> During the 2024 legislative session, the Department is directed to provide an update on the status of this report to the Joint Committee on Ways and Means. The Department shall present a completed report during the 2025 session.

The Subcommittee also approved a one-time General Fund appropriation of $100,000 to pay for anticipated Department of Justice costs related to contested water rights cases and protest resolution. This likely increase in legal expense is related to an agency effort to reduce the backlog of protests concerning water rights and transfers. Additionally, a shift of $957,216 General Fund from the Fish Division to the Habitat Division rebalances statewide drought package investments approved and funded in the Department's budget bill (SB 5509).

The measure includes a one-time General Fund increase of $238,271 for the payment of debt service associated with bonds authorized to finance $2.5 million of capital renewal and improvement projects on non-hatchery related facilities. The Subcommittee also approved $40,000 Other Funds expenditure limitation for the cost of issuance related to the bonds. The $2.5 million Other Funds expenditure limitation is provided in the Capital Construction bill (HB 5006).

Other Funds expenditure limitation of $13.8 million is included to expend lottery bond proceeds authorized to be issued for infrastructure projects improving fish and wildlife passage. Proceeds in the amount of $8.8 million will be deposited into the Fish Passage Fund (ORS 497.139) for fish passage projects, and proceeds in the amount of $5 million will be deposited into the Oregon Conservation and Recreation Fund (ORS 496.252) for wildlife passage projects. This investment is included in the statewide drought package. An additional $181,834 Other Funds expenditure limitation is included for the cost of bond issuance, and due to the sale scheduled in March 2025, debt service costs will not occur during the 2023-25 biennium.

The Subcommittee approved position authority to continue three limited duration positions (3.00 FTE) first approved in 2021-23. Positions include a Facilities Engineer 3 (1.00 FTE), a Construction Project Manager 1 (1.00 FTE), and an Engineering Technician 2 (1.00 FTE). The positions support a capital improvement and renewal project which was approved and financed with $5 million in Article XI-Q bonds in 2021. Funding for the position comes from the bond proceeds, which have six-year limitation.

Department of Forestry

The Subcommittee established a $12 million Other Funds expenditure limitation for the Oregon Department of Forestry (ODF) for the purchase of a new multi-mission capable aircraft from the net proceeds of General Obligation bonds anticipated to be issued in the upcoming biennium. The new aircraft is intended to replace the agency's current aircraft that has been in service for 36 years and has been increasingly in need of repairs and is subject to unexpected down time. The aircraft will perform missions that include fire start detection, air attack, large fire direct and logistical support, firefighter transportation, search and rescue, and disaster relief. Agency defined requirements for the new aircraft include twin turbine engines, high fixed wing, type certified at purchase, infrared and night vision equipped (or compatible platform), short take-off and landing performance, minimum 10-passenger capacity, 8,000 foot single-engine service ceiling, cargo rail system, and opening in flight rear cargo door.

Other Funds expenditure limitation increases totaling $5.1 million for ODF were approved for the expenditure of general obligation bond proceeds for capital improvement projects and bond cost of issuance related to bonds approved for issuance in the upcoming biennium. The agency's General Fund appropriation for debt service is increased by $1.5 million and debt service expenditure limitation is increased by $1.1 million Other Funds for the payment of anticipated debt service on bonds approved to be issued in the upcoming biennium for capital improvement projects, the second construction phase of the agency's Toledo facility, and purchase of the new multi-mission aircraft and hanger renovation/replacement.

Additionally, the General Fund appropriation made to ODF for the Fire Protection division is reduced by $1.9 million to adjust the ongoing budget of the agency due to the decision to not continue the catastrophic fire insurance coverage through Lloyds of London.

Department of Geology and Mineral Industries

In the Department of Geology and Mineral Industries, $381,097 General Fund and $37,097 Other Funds supports the establishment of two positions (1.50 FTE) and associated services and supplies to expand the Oregon Mapping Program. This investment was included in the statewide drought package and seeks to create an integrated Oregon Mapping Program through inclusion of a sampling program for water and mineral resources. The two positions include a permanent, full-time Natural Resource Specialist 4 (0.75 FTE) and a permanent, full-time Natural Resource Specialist 2 (0.75 FTE) established in the Geologic Survey and Services division.

Department of Land Conservation and Development

The measure makes a technical adjustment to allow funds appropriated to the Department of Land Conservation and Development (DLCD) in HB 3409 (2023) for the Community Green Infrastructure Grant Program to be deposited in the Community Green Infrastructure Fund established in the same bill. The technical adjustment also includes $6.5 million in Other Funds expenditure limitation to allow DLCD to expend moneys from the Community Green Infrastructure Fund.

The measure appropriates $3 million General Fund to DLCD for continued work on climate friendly and equitable communities. Of this funding, a one-time appropriation of $2.7 million will be used to provide financial assistance to local governments to adopt climate-friendly areas, work on parking reform and management, engage in equitable community engagement, and perform other work related to this program. The remaining $309,078 General Fund would be used to hire one permanent, full-time Planner 4 position to work on this program.

Department of State Lands

Increased Other Funds expenditure limitation of $18.8 million was approved for the Department of State Lands for expenditure of monies allocated from the Polychlorinated Biphenyls Remediation and Restitution Account and deposited in the Abandoned and Derelict Vessel Fund established by HB 2914 (2023). This fund was created to address the growing number of vessels that are left without authorization on public or private land, or in state or other waters, often sinking, actively polluting or obstructing a waterway, and possibly endangering life or property.

The Department of State Lands was provided with an increase in expenditure limitation of $500,000 Federal Funds to expend earmarked grant funding from the U.S. Department of Housing and Urban Development for the planning and initial project costs for redevelopment of Shutters Landing (aka Shutter Creek site) in association with the creation of the Elliott State Research Forest and its related research infrastructure. The total funding earmarked was $4 million; however, the requested expenditure limitation increase is limited to anticipated expenditures in the upcoming biennium, with expenditure limitation for the remaining amount to be requested in future biennia.

Oregon Watershed Enhancement Board

Increased expenditure limitation of $4.1 million Other Funds was approved for the Oregon Watershed Enhancement Board for the expenditure of net lottery revenue bond proceeds deposited in the Community Drinking Water Enhancement and Protection Fund, and bond issuance costs. The fund and associated program provide grants to water suppliers and serve rural communities, communities experiencing lower incomes, or in low population areas to protect, restore, or enhance sources of drinking water as established by HB 2010 (2023) as a part of the water and drought package.

Parks and Recreation Department

Increased expenditure limitation of $10.2 million Other Funds was approved for the Parks and Recreation Department, Community Support and Grants program, for the expenditure of $10 million in net proceeds from issuance of lottery revenue bonds for the Oregon Main Street program and $155,705 for costs associated with the issuance of the bonds.

Water Resources Department

A one-time General Fund appropriation of $100,000 to the Water Resources Department (WRD) was approved for the pass through of funding to Portland State University, Oregon Consensus, to continue current facilitation of the Tribal Water Task Force. This supports engagement between Oregon's nine

federally recognized Tribes and the Water Resources Department on issues related to water supply, watershed management, and water distribution, including matters related to water rights held or claimed by Tribes.

The Subcommittee approved an increase of $10 million Other Funds expenditure limitation for making grants and loans from lottery bond proceeds deposited into the Water Supply Development Fund established under section 3, chapter 784, Oregon Laws 2013. Water Supply Development grants and loans are made to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water.

Increased expenditure limitation of $50 million Other Funds was approved for the purpose of making grants and loans for irrigation modernization projects from lottery bond proceeds deposited into the Water Supply Development Fund. The funding is intended to leverage federal funding associated with Natural Resource Conservation Service authorized watershed plans, U.S. Bureau of Reclamation WaterSmart grant recipients, or U.S. Environmental Protection Agency grant recipients that are eligible to be on the Oregon Department of Environmental Quality's Intended Use Plan; and to provide public benefits in each category of benefits described in ORS 541.673. For projects involving surface water rights where the project conserves water, the intent is for priority to be given to projects that legally protect a portion of the conserved water instream commensurate with the amount required under the approach described in ORS 537.470.

The Water Resources Department expenditure limitation is increased by $5 million Other Funds to allow the agency to distribute a grant to the City of West Linn for replacement of a water line crossing the Interstate 205 bridge (Abernathy Bridge). The grant funding is from the net proceeds of lottery revenue bonds authorized to be issued for the project.

An increase of $700,425 Other Funds expenditure limitation supports the payment of bond issuance costs related to lottery revenue bonds authorized to be issued in the upcoming biennium for Water Supply Development, Irrigation Modernization, and the West Linn Abernathy Bridge waterline replacement projects. Lottery Funds debt service expenditure limitation is increased by $2.6 million for the payment of debt service obligations related to Lottery revenue bonds authorized to be issued in the upcoming biennium.

One-time General Fund appropriations totaling $11.2 million were provided to the Water Resources Department for the purpose of funding grants to entities for water supply projects. The individual recipients, projects, and amount of funding provided are: City of Beaverton, South Cooper Mountain Non-Potable (Purple Pipe) Project, $2.5 million; North Unit Irrigation District, Infrastructure Modernization Project, $2 million; Deschutes River Conservancy, Conserving Water Through Piping and Improved Monitoring and Measurement, $1.5 million; Rogue River Irrigation District, Fourmile Creek Project, $1.53 million; City of Monroe Water, Pre-filter and Automated Controls Infrastructure, $1.5 million; City of St. Paul, Water Reservoir Improvement Project, $636,000; City of Bay City, Earthquake Isolation Valves for Water Reservoirs, $225,000; City of Halsey, New Well, $300,000; City of Sodaville, Jackson Well Conversion to Municipal Use, $370,000; and City of Falls City, Water Main Line Replacement Project, $591,750.

PUBLIC SAFETY

Board of Parole and Post Supervision

To pay for legal representation for juvenile commutations and adults in custody, the budget increases the Board of Parole and Post Supervision's General Fund appropriation by $322,600.

Criminal Justice Commission

SB 973 (2019) created the Improving Peoples' Access to Community-based Treatment, Supports and Services (IMPACTS) Account for making grants to counties and federally recognized Indian tribes for community supports and services for individuals with mental health or substance use disorders leading to their involvement with the criminal justice system. The Subcommittee approved $10 million General Fund on a one-time basis to recapitalize the account and provided the Criminal Justice Commission with $10 million of Other Funds expenditure limitation for making grant awards.

A one-time increase of $650,000 General Fund supports the Family Preservation Project operating at the Coffee Creek Correctional Facility. The Criminal Justice Commission will administer payments for this program, which is provided by the YWCA of Greater Portland.

A one-time General Fund appropriation of $5 million is included for deposit into the Illegal Marijuana Market Enforcement Grant Program Fund established in SB 1544 (2018). Monies in this fund are for providing grants to local governments to assist with the costs incurred by local law enforcement agencies in addressing unlawful marijuana cultivation or distribution operations. A corresponding $5 million Other Funds expenditure limitation is provided for the Commission to distribute the grants out of the fund.

An additional one-time General Fund appropriation of $100,000 is approved for the Criminal Justice Commission to conduct a study on the advantages and disadvantages of decriminalizing prostitution. The Subcommittee approved the following related instruction:

> **BUDGET NOTE**
> The Criminal Justice Commission is directed to study the advantages and disadvantages of decriminalizing the crime of prostitution and provide a report on the study to the Emergency Board and relevant interim committees related to judiciary, no later than September 2024.

Department of Corrections

The measure includes a budget-neutral reduction of approximately $6.1 million General Fund and an increase in Other Funds expenditure limitation in the same amount to utilize remaining American Rescue Plan Act State Fiscal Recovery Funds received by the Department of Administrative Services and transferred to the Department of Corrections for maintaining public safety services.

The Subcommittee approved an increase in Other Funds expenditure limitation of $855,000 for the cost of issuance on $71.4 million in Article XI-Q bonds for the Department of Corrections' deferred maintenance program, and camera and radio system upgrades. Bonds will be issued in October 2023 and in March 2025. New debt service totaling approximately $4.1 million General Fund and $1.2 million Other Funds expenditure limitation was approved for the Department's planned 2023-25 bond issues.

Department of Emergency Management

An Other Funds debt service expenditure limitation was established for $190,000 to use Other Funds savings to offset the need for General Fund to pay for debt service on outstanding General Obligation bonds.

Department of Justice

The measure includes a one-time General Fund appropriation of $10 million and increase of $10 million Other Funds for the Crime Victims and Survivor Services Division to assist victims of domestic violence and sexual assault with emergency shelter and safety planning.

A one-time increase of $6 million General Fund is included for the Crime Victims and Survivor Services Division to assist victims of domestic violence and sexual assault with housing assistance. The funding, to be distributed to tribal governments and community-based programs, is for homelessness prevention, housing search assistance, tenant education and funding for rent, utilities, moving costs, deposits, application fees or safe emergency housing.

The Subcommittee approved, on a one-time basis, a General Fund appropriation of $10 million, for the Crime Victims and Survivor Services Division, for community-based violence prevention grants. This amount is in addition to $15 million Other Funds expenditure limitation supported with American Rescue Plan Act State Fiscal Recovery funds received by the Department of Administrative Services as Federal Funds and transferred to the Department of Justice Other Funds (SB 5514) in the prior biennium.

The measure includes a supplemental increase to Other Funds expenditure limitation of $6.6 million and authorizes the establishment of 18 permanent full-time positions (15.75 FTE) for organizational changes to the Child Advocacy Division. The request includes $1.2 million in services and supplies. The revenue source will be hourly legal billings to the Oregon Department of Human Services.

The Subcommittee approved a General Fund appropriation of $821,346 and authorized the establishment of three permanent full-time positions (2.63 FTE) for organized retail theft investigations. The Department will hire one Research Analyst 3 and two Criminal Investigators who will work with local law enforcement investigators, prosecutors, and private sector loss prevention personal on organized retail theft cases. The request includes $204,395 in services and supplies.

The Subcommittee approved a General Fund appropriation of $457,758 and the establishment of one permanent full-time Senior Assistant Attorney General position (0.88 FTE) for an Animal Cruelty Resource Prosecutor. The adjustment includes $82,510 in services and supplies.

A one-time General Fund appropriation of $3.9 million, Other Funds expenditure limitation increase of $21.2 million, and the establishment of 22 limited duration positions (22.00 FTE) are approved for the Legal Tools Replacement Project 3.0. The revenue source of the Other Funds is Article XI-Q general obligation bonds. This increase is approved with the understanding the Department of Administrative Services will unschedule $7.2 million Other Funds for Article XI-Q general obligation bond proceeds that will not be expended until the 2025-27 biennium (March 2025 bond sale).

The Subcommittee also approved, on a one-time basis, an Other Funds expenditure limitation of $2.5 million for debt service payments for the Legal Tools Replacement Project 3.0. Debt service will be paid as a part of hourly legal billings to state agencies. In addition, the measure includes a one-time Other Funds expenditure limitation of $320,000 for the cost of the bond issuance for the Legal Tools Replacement Project 3.0 and which is to be budgeted under Debt Service and Related Costs program. The Subcommittee adopted the following budget note related to the Legal Tools Replacement Project 3.0 technology project:

BUDGET NOTE

The Department of Justice is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means prior to the 2024 legislative session on the status of the Legal Tools Replacement Project 3.0. The agency's reports to the Legislature shall include: (a) updates on project scope, schedule, budget, and total cost of ownership; (b) current project risks, likely impacts, and mitigation strategies; (c) independent quality assurance reporting; (d) Department of Administrative Services project reporting and direction; (e) client agency involvement in the planning and governance of the project; and (d) other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

The Department of Justice generates the majority the agency's Other Funds revenue from charges to state agencies for legal services. The legal services rate (also known as the Attorney General rate) is established as part of the legislative budget process. The Attorney General rate for the 2023-25 biennium legislative adopted budget is estimated to generate $322.9 million and includes $26.6 million, or two months, of operating capital reserve for the Legal Services Fund. The legislatively approved rates are detailed in the following table:

2023-25 Biennium	Hourly Rate
Senior Attorney General	$275
Assistant Attorney General	$275
Investigator	$144
Paralegal	$121
Law Clerk	$65
Legal Secretary/Clerical	$56

Department of the State Fire Marshal

The Subcommittee approved a one-time General Fund appropriation of $12 million and one-time Other Funds expenditure limitation of $2 million for four investments in wildfire mitigation and response activities throughout the state. These include:

- $2 million General Fund for deposit into the State Fire Marshal Mobilization Fund for firefighting costs associated with mobilizing local fire service personnel and equipment to respond to governor-declared conflagrations.
- $2 million Other Funds expenditure limitation to spend funds deposited into the State Fire Marshal Mobilization Fund.
- $6 million General Fund to continue the Wildfire Season Staffing grants.
- $2 million General Fund for wildfire readiness and response, including pre-position resources ahead of anticipated wildfire conditions, such as high winds, lightning, or hot weather; and immediate response to an active incident, which is not yet a conflagration, for short-term capacity.

- $2 million General Fund for fire apparatus maintenance, firefighting equipment refurbishment, and operations and maintenance of engines for statewide wildfire response.

Additionally, the measure increases Other Funds expenditure limitation by $545,174 to convert three existing full-time limited duration positions to permanent positions for ongoing operational support as the Department transitions to an independent agency. Positions include a Principal Executive Manager D (1.00 FTE), Accounting Technician (1.00 FTE), and Operations and Policy Analyst 2 (1.00 FTE). These positions are all supported with revenue from the Fire Insurance Premium Tax.

Department of State Police

Based on the May 2023 state economic and revenue forecast, the measure includes a one-time General Fund appropriation of approximately $2.2 million to backfill an expected Measure 76 Lottery Funds revenue shortfall for the Department of State Police Fish and Wildlife Division.

The Subcommittee also approved Other Funds expenditure limitation of $676,814 for the cost of issuance on $55.1 million in Article XI-Q bonds for three major Oregon State Police construction projects: expansion of the Central Point Office, construction of a new forensic laboratory and medical examiner's office, and a patrol area command office in Springfield. Bonds will be issued in October 2023. New debt service totaling $5.7 million General Fund was approved for the Department's planned 2023-25 bond issues.

Oregon Military Department

The Subcommittee approved an increase in Other Funds expenditure limitation of $140,030 for the cost of issuance on $8.4 million in Article XI-Q bonds for the Oregon Military Department. Two projects at the Owen Summers building in Salem will utilize these bond proceeds. The amount of $2.9 million will fund the armory service life extension project, and $5.5 million is to address seismic-related issues. Bonds will be issued in May 2024. New debt service totaling $982,730 General Fund was approved for the Department's planned 2023-25 bond issues. An Other Funds debt service expenditure limitation was established for $721,000 to use Other Funds savings to offset the need for General Fund to pay for debt service on outstanding general obligation bonds.

Oregon Youth Authority

The Subcommittee approved $12.6 million General Fund, $201,478 Other Funds expenditure limitation, and $8.3 million Federal Funds expenditure limitation to make permanent a 5% occupancy rate enhancement, first approved in 2021-23 due to the COVID-19 pandemic, and to reflect a new methodology for calculating the rates paid to behavior rehabilitation service (BRS) providers. This new methodology will connect provider payment rates to data from the U.S. Bureau of Labor Statistics and the Consumer Price Index to account for inflation. The funding provided is in addition to the $4.5 million of General Fund included in the Authority's budget bill (SB 5541) and is based on an estimated capacity of 249 behavior rehabilitation service beds in the community. A corresponding rate adjustment is supported for behavior rehabilitation services funded in the Department of Human Services' budget.

An increase in Other Funds expenditure limitation of $694,516 supports the cost of issuance on $46.1 million in Article XI-Q bonds for the Oregon Youth Authority. Bond proceeds will support continued renovation of living spaces and other facilities at MacLaren, Rogue Valley, Tillamook, Camp Riverbend, and other capital improvements, and will fund the Juvenile Justice Information System modernization project. Bonds will be issued in October 2023, May 2024, and March 2025. New debt service totaling $4.3 million General Fund was approved for the Department's planned 2023-25 bond issues.

To support the Juvenile Justice Information System (JJIS) modernization project, the Subcommittee approved $7.7 million Other Funds expenditure limitation. The Other Funds revenue for this expenditure is from the proceeds of Article XI-Q bonds issued for the project. Also approved for JJIS is a one-time General Fund appropriation of $3.4 million for the non-bondable costs of the project. Finally, an Other Funds debt service expenditure limitation was established for $56,000 to use Other Funds savings to offset the need for General Fund to pay for debt service on outstanding General Obligation bonds.

TRANSPORTATION

Department of Aviation

The budget reclassifies a Construction Project Manager 3 to a Policy Planning and Development Manager 3 in the Department of Aviation to properly reflect the position's responsibilities within the agency's System Action Program. To fund the cost of this reclassification, a Grounds Maintenance Worker 1 position is reduced from 14.23 months to 7.98 months.

Department of Transportation

The measure increases the Oregon Department of Transportation (ODOT) budget by $1 million General Fund on a one-time basis to augment the Great Streets program, which is primarily funded with $50 million of transportation funds received through the federal Infrastructure Investment and Jobs Act. The program funds different types of projects, including intersection improvements, bicycle facilities, sidewalks, corridor refinement and planning, street trees and furnishings, lighting, lane reductions and reconfigurations, and traffic calming and speed reduction features.

Additional General Fund is appropriated one-time to ODOT in the following amounts:

- $2 million to the City of Independence for the Chestnut Street Bridge in the City of Independence
- $2 million to the City of Independence for Western Interlock off-site transportation improvements in the City of Independence
- $1.5 million to the Klamath County Economic Development Association for the Klamath Northern Railroad
- $3 million for pedestrian access improvements along SW Hall Boulevard
- $5 million to the Malheur County Development Corporation for the Treasure Valley Intermodal Facility project, also known as the Treasure Valley Reload Center

The Subcommittee also approved increases to Other Funds expenditure limitation to support projects funded by lottery revenue bonds. These increases include:

- $20 million for the Port of Hood River for the Hood River - White Salmon Interstate Bridge
- $20 million for Multnomah County for the Earthquake Ready Burnside Bridge project
- $5 million for the City of Bend for the Hawthorne Avenue Pedestrian and Bicycle Overcrossing

Cost of issuance associated with these bonds collectively totals $514,349 Other Funds, and no debt service for these projects is anticipated in the 2023-25 biennium.

The Legislature authorized a total of $1 billion in general obligations bonds to support a portion of Oregon's costs related to the Interstate 5 Bridge Replacement project, a shared venture with the State of Washington. Other Funds expenditure limitation totaling $250 million is associated with the first issuance of bonds in the 2023-25 biennium, with $250 million in each of the successive three biennia, which matches the State of Washington's $1 billion commitment and will help leverage federal funding for a portion of construction and design costs. Other Funds expenditure limitation for cost of issuance of the 2023-25 bonds totals $1.8 million.