

2015-17

BUDGET HIGHLIGHTS UPDATE



Legislative Fiscal Office
March 2016

**State of Oregon
Legislative Fiscal Office**

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To the Members of the Seventy-Eighth Oregon Legislative Assembly:

Following is the *2015-17 Budget Highlights Update*, which incorporates legislative changes made to the budget during the 2016 session plus any other approved administrative changes since the adoption of the 2015-17 budget.

We hope you find this resource useful and invite you to call the Legislative Fiscal Office if you have any questions.

Ken Rocco
Legislative Fiscal Officer

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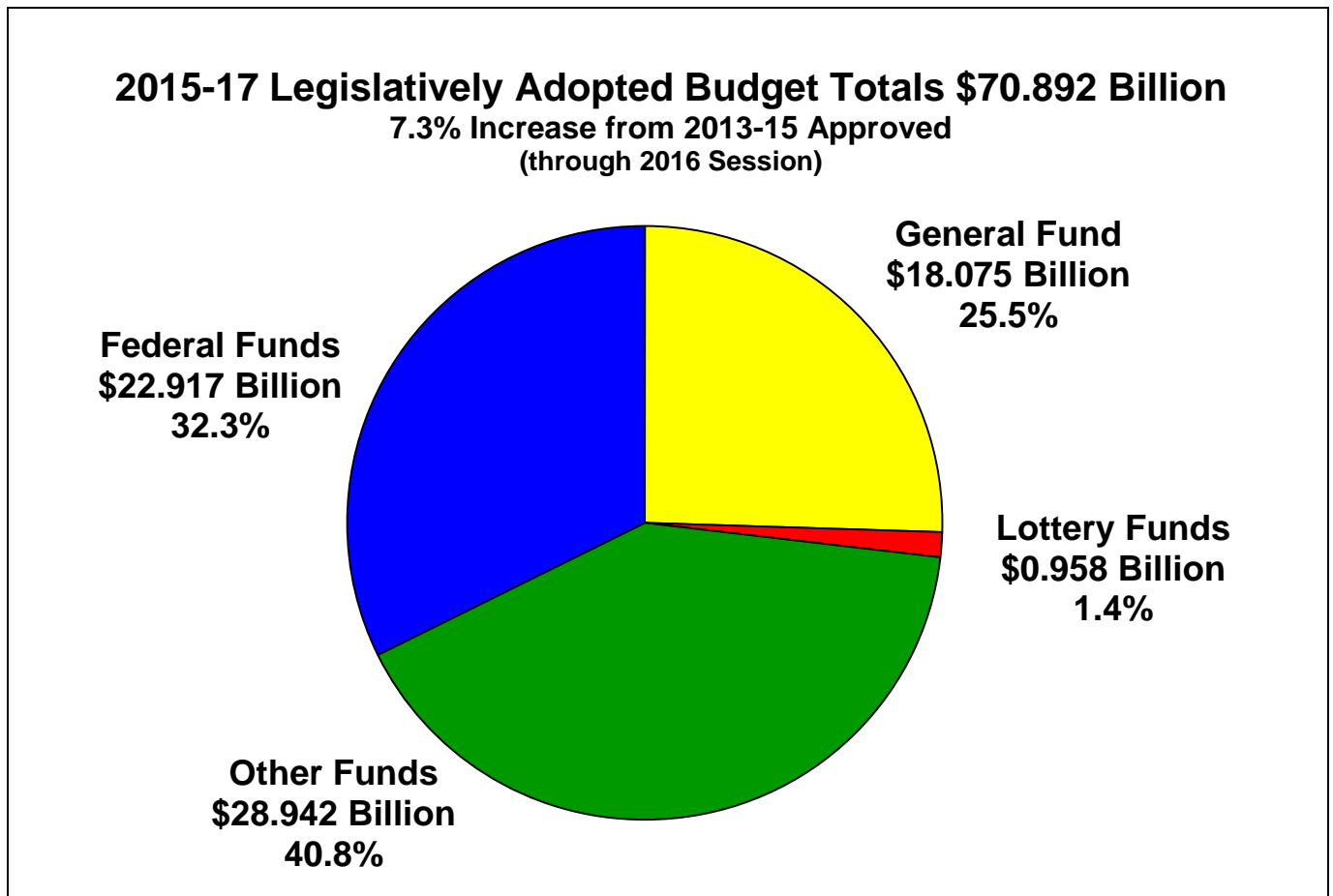
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Summary of the 2015-17 Legislatively Adopted Budget / 2016 Session Actions

Overview

The legislatively approved budget (LAB) for the 2015-17 biennium, as adjusted during the 2016 regular session, and including authorized executive branch administrative actions, is \$70.892 billion total funds, an increase of \$1.9 billion from the 2015-17 budget adopted at the end of the 2015 session. The budget increase since the 2015 session was comprised of about \$1.36 billion Federal Funds, mostly in human services programs, \$419.1 million Other Funds, and \$133.7 million in combined General Fund and Lottery Funds.

The total approved budget for 2015-17 includes \$19 billion in combined General Fund and Lottery Funds, \$28.9 billion Other Funds, and \$22.9 billion Federal Funds. The 2015-17 total budget represents a 7.3% increase over the 2013-15 biennium's legislatively approved total budget of \$66.1 billion, and is a 2.8% increase from the budget adopted during the 2015 session. Lottery Funds, while up almost \$120 million since 2013-15, continue to be less than in 2011-13, primarily due to the use of \$182 million of Education Stability Fund resources in the 2011-13 budget. Combined General Fund and Lottery Funds are up by \$2.3 billion over the 2013-15 budget, an increase of 13.8%. Federal Funds also increased substantially, up by \$3.5 billion, or an increase of 18.1%. The other component of the state budget, Other Funds, recorded a decrease of \$972 million between 2015-17 and 2013-15, a loss of 3.2%.



Between July 2015 and February 2016, the Joint Interim Committee on Ways and Means met three times (September, November, and January). At these meetings, the Committee heard reports from state agencies, approved grant applications, and adjusted Other Funds and Federal Funds expenditure limitations. During the regular 2016 session, the work of the interim committee was considered by the Co-Chairs of the Joint Committee on Ways and Means as they prepared the budget rebalance plan for the 2015-17 biennium.

The 2016 session was the third regular session of the Legislature occurring in an even-numbered year under the constitutional change authorizing annual sessions approved by the voters in November 2010. Ballot Measure 71 changed the requirement for the Legislature to meet from once every two years to once each year and limited the session length to 160 calendar days in the odd-numbered year and to 35 calendar days in the even-numbered year. The Legislature had experimented with the shorter even-numbered year session in 2008 and 2010 by calling itself into special sessions. For this third regular even-numbered year session, the Legislature convened on February 1, 2016, and completed business on March 3, 2016, within the constitutional 35 day limit.

As part of the 2016 session plan, the quarterly economic and revenue forecast was released on February 10th in order to provide the Legislature time to respond to any changes in the state's revenue situation. The forecast (still referred to as the March 2016 forecast) showed a slight increase over the previous forecast of \$20 million General Fund and \$16.7 million Lottery Funds. The net of these forecast changes left the state with projected ending balances of \$319 million General Fund and \$56.3 million Lottery Funds, prior to 2016 session actions.

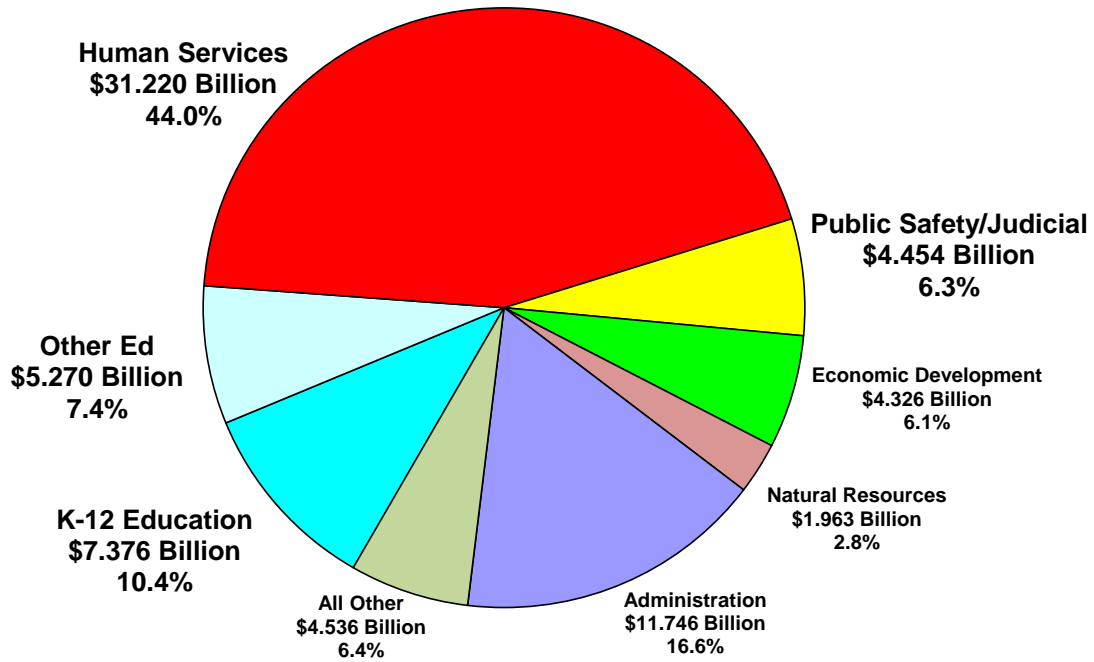
The 2016 session budget rebalance plan was characterized by reviewing and making disbursements and adjustments to special purpose appropriations to the Emergency Fund, updating revenue projections, taking steps to rebalance the budgets for the Department of Human Services and the Oregon Health Authority, and providing funding for new and continuing programs. In addition, concerns about the remaining revenue forecasts for the current biennium, as well as for the 2017-19 biennium, were discussed. To address concerns about future forecasts, the Committee retained a General Fund ending balance of \$228.5 million and \$15 million Lottery Funds, after all 2016 session actions were taken into account.

To implement the budget actions taken during the 2016 session, the Joint Committee on Ways and Means produced six main budget bills:

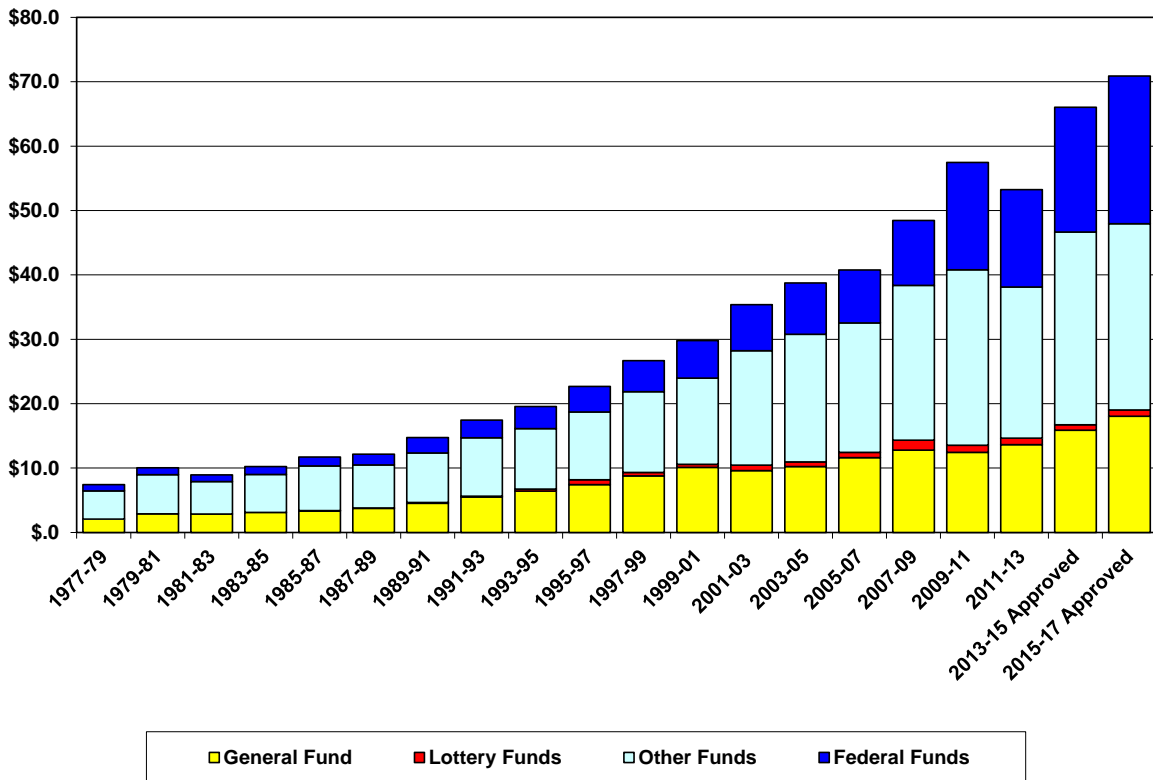
- SB 5701 – omnibus budget reconciliation
- SB 1597 – non-appropriation program changes to implement budget decisions
- SB 5702 – fee ratification
- HB 5201 – lottery funds and other allocation changes
- HB 5203 – bonding authorization changes
- HB 5202 – capital construction adjustments

Details of the content of these bills and the 2016 budget rebalance plan are described in the following sections of this document.

2015-17 Legislatively Adopted Budget - Total Funds \$70.892 Billion
 7.3% Increase from 2013-15 Approved
 (through 2016 Session)



Oregon Budget History -- All Funds
 (Billions \$)



General Fund and Lottery Expenditures

Combined General Fund and Lottery Funds expenditures for the 2015-17 biennium, as a result of 2016 regular session actions, total \$19.022 billion, up \$2.3 billion from the legislatively approved budget for the 2013-15 biennium, an increase of 13.7%. This total is also up \$123.1 million from the legislatively adopted budget for the 2015-17 biennium, an increase of 0.65%. Of the total increase, \$79.3 million was due to additional General Fund appropriations, which grew from \$17.985 billion in the 2015-17 adopted budget to \$18.075 billion in the 2015-17 approved budget. Lottery Funds expenditures increased by \$43.7 million from the adopted budget, from \$914.4 million to \$958.1 million. The 13.7% growth in combined General Fund and Lottery Funds is almost equal to the growth in expenditures for the 2013-15 biennium as compared to the 2011-13 biennium, which was the highest percentage change over a prior biennium since 2007-09.

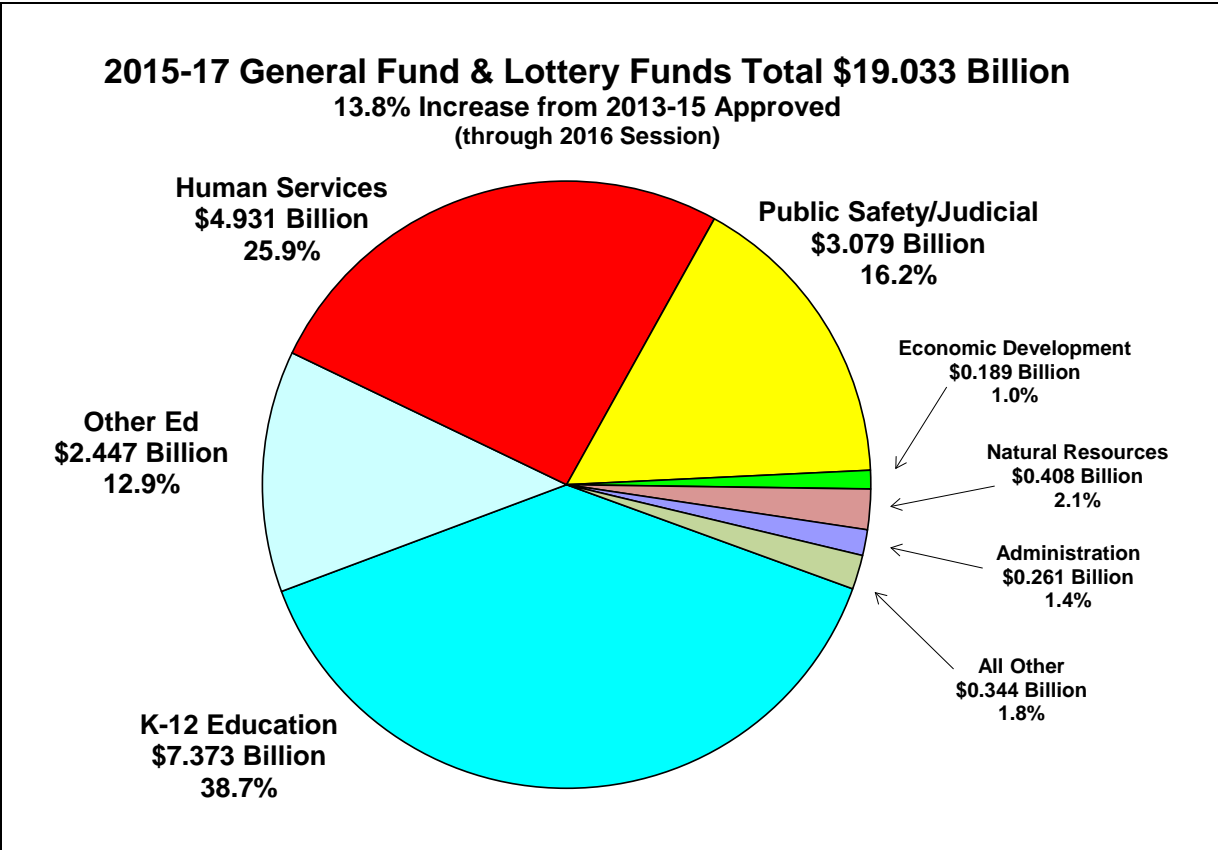
The economic situation heading into the 2016 session continued to be fairly stable, with a slight increase in forecasted revenues as compared to the 2015 close-of-session forecast. However, a decrease in revenues was forecasted for the 2017-19 biennium. After release of the March 2016 forecast (in mid-February), the Co-Chairs of the Joint Committee on Ways and Means faced a situation where the state's projected General Fund ending balance was \$319 million, up slightly from the close-of-session estimate of \$310.3 million. Again, this ending balance is very important as the forecast indicates some decrease in anticipated growth for 2017-19, which, along with other known and potential budget issues, will put pressure on the ability to continue to provide adequate funding for currently approved programs in the future. As stated earlier, the Co-Chairs developed a budget rebalance plan for the 2016 session that resulted in an estimated ending balance of \$228.5 million General Fund and \$243.5 million of combined General Fund and Lottery Funds resources.

Details of the 2015-17 biennium rebalance plan as enacted during the 2016 session can be found in the following table and in the following sections of this document.

As mentioned above, the March 2016 forecast projected a decrease of \$189.4 million in General Fund revenue for the 2017-19 biennium as compared to the previous forecast. The 2015-17 budget rebalance left estimated budget needs of \$16.7 million in the Department of Corrections and \$10.5 million in the Department of Human Services (beyond the amount set aside as a special purpose appropriation in the Emergency Fund for human service caseload issues). These unresolved budget problems will need to be monitored over the remaining 16 months of the 2015-17 biennium. The magnitude of the budget problems could increase or decrease based on the remaining prison inmate and human services caseload forecasts that will be received during the remainder of the biennium. If the problems in these agencies increase, additional funds will be needed in the current biennium, and further pressure will be put on the ability to fund currently approved programs in the 2017-19 biennium.

2016 Rebalance Plan for the 2015-17 Biennium		
	General Fund	Lottery Funds (Discretionary)
Projected Ending Balance for 2015-17 Biennium (Dec. 2015)	298,973,529	39,663,787
March 2016 Forecast Change	19,999,466	16,669,153
Projected Ending Balance - March 2016	318,972,995	56,332,940
Resource Adjustments/Expenditure Reductions		
State Agency SPA for Compensation Costs - Diasppropriate	120,000,000	
ODF SPA for Fire Costs - Disappropriate part of SPA	2,054,823	
DHS/OHA SPA for Non-State Employees - Disappropriate SPA	9,999,853	
DOR - Disappropriate GF from Senior Citizens' Property Tax Prg	373,841	
DOR - Property Tax SPA - Disappropriate/Use \$1.32 million	1,836,836	
ODE - SPA for Mixed Delivery Preschool - Disappropriate	17,540,357	
HECC - SPA for Education Issues - Disappropriate part of SPA	1,900,000	
HECC - SPA for Accelerated Learning - Disappropriate/Use	6,865,921	
DOC - Unused OMR Re-Entry Pilot Funds - Disappropriate	1,009,135	
OBDD - Seismic Rehabilitation Grant debt service fund shift	1,328,407	
ODOT - Debt Service Savings from State Radio Project bond delay	5,194,781	
ODOT - Savings from DMV Veteran Information Sharing	47,835	
ODF - Debt Service Savings from Delayed Bond Sale	238,581	
BOLI - Technical Correction to 2015 Budget Bill	113,604	
DOR - Revenue Impact on SB 1532 - Minimum Wage	2,800,000	
DAS - Residual Savings from Compensation SPA and POBs	243,349	
DOR - University Venture Fund Tax Credit (HB 4072)	(500,000)	
DOR - Biomass and Film & Video Tax Credits (SB 1507)	(200,000)	
CFA Reduction to General Fund - DPSST Training Classes	(2,790,195)	
CFA Forecast Assumption on Receipts from Photo Radar	(13,850,000)	
CFA - Other Reduced Transfers to General Fund from Sal Adjusts	(1,063,680)	
Projected Additional Expenditures		
State Agencies - Compensation Adjustments from SPA	(120,000,000)	(819,035)
ODF - 2015 Fire Season Costs	(21,060,299)	
ODF - 2015 Fire Severity Costs (from SPA)	(2,054,823)	
ODF - Purchase Order System	(704,286)	
HCSD - Mortgage Foreclosure Counseling	(2,727,660)	
HCSD - Staffing to Administer XI-Q Bond Program (SB 1582)	(169,350)	
OBDD - Port Orford Cannery Building		(400,000)
DOC - Male Prison Population - Prepare Deer Ridge	(2,558,694)	
E-Board - DOC Male Prison Population - Deer Ridge Operations SPA	(3,000,000)	
DOC - Behavioral Health Unit at OSP - Initial Costs	(3,139,557)	
E-Board - Behavioral Health Unit at OSP - SPA	(2,000,000)	
DHS/OHA - Rebalance Plan Salary Changes - Non-State Employees	(9,999,853)	
DHS - Rebalance Plan - Partial Coverage of Rebalance Need	(23,000,000)	
ODA - Gypsy Moth Eradication Program	(539,338)	
DEQ - Algal Bloom Sampling	(100,000)	
CJFD - Prosecution Extraordinary Expenses	(172,000)	
PDSC - State Government Service Charge Adjustment	(18,834)	
DOJ - Elder Abuse Investigation and Prosecution	(676,971)	
DOJ - Child Support System Debt Service for Early/New Bond Sales	(1,195,877)	
CRGC - Audit Costs and Matching Washington Budget	(11,308)	
OSP - 2015 Fire Season Costs	(1,320,216)	
OCB - Vending Machine Program Match for Federal Funds	(680,109)	
WRD - Greater Harney Valley Groundwater Study	(705,288)	
DOR - Property Tax Division	(1,360,125)	
OBDD - Seismic Rehabilitation Grant Administrative Support		(260,514)
ODE - Oregon Pre-K	(5,300,000)	
ODE - Early Intervention/Early Childhood Special Education	(5,393,340)	
ODE - Student Assessments	(2,200,000)	
HECC - Umpqua Community College Emergency Assistance	(1,800,000)	
HECC - Umpqua Community College Capital Project	(4,250,000)	
HECC - New Labor Contract for TRUs from SPA	(1,900,000)	

EDUCATION AGENCIES - Various Programs from SPA		
HB 4076 Funding for 3 Years	(1,659,800)	
ODE - World of Speed CTE Program	(95,000)	
ODE - Relief Nurseries	(300,000)	
SB 418 Student Transitional Services and Supports	(4,025,000)	
ODE - Burnt River School District Ag/Science Ranch	(260,000)	
E-Board Education Related SPA	(526,121)	
E-Board - Harney County Public Safety Reimbursement SPA	(2,000,000)	
DEQ - SB 1563 Septic Loan Program	(250,000)	
DCBS - HB 4071 COFA Premiun Assistance Program	(1,823,000)	
OSP - HB 4075 School Safety Tip Line	(1,000,000)	
ODE - Mixed Delivery Preschool Program	(17,540,357)	
ODE - Longitudinal Data Base Project	(5,505,280)	
E-Board - General Purpose	(2,000,000)	
OHA - Planning for Extending Medical Assistance to Children	(900,000)	
DHS - General Assistance (HB 4042)	(1,624,636)	
OSP - Forensic Evidence Kits (SB 1571)	(1,500,000)	
OSP - Firearms Background Checks	(1,000,000)	
HCSO - EHA and SHAP	(10,000,000)	
OJD - Legal Aid for Housing Issues	(200,000)	
OBDD - Wave Energy Trust (OWET)		(200,000)
HECC - NW National Marine Renewable Energy Center	(800,000)	
DAS - Willamette Falls Locks	(500,000)	
DAS - Cully Park Project	(300,000)	
DAS - Portland Playhouse Facility	(200,000)	
DAS - State Worker Bus Pass Program	(650,000)	
DAS - City of Cornelius Library and Affordable Housing Project	(500,000)	
DAS - Holly Theater Project in Medford	(1,000,000)	
DAS - CDL Revolving Loan Fund	(250,000)	
DAS - Douglas County UCC Incident Costs	(200,000)	
OJD - Judicial Salaries	(630,000)	
DHS - Food Bank Truck	(130,000)	
ODE - Cultural Response Programs	(400,000)	
OBDD - Willamette Valley Intermodal Feasibility Study		(100,000)
OBDD - Solar Energy Incentivization (HB 4037)	(951,561)	
HECC - OSU Endophyte Research	(100,000)	
DLCD - Affordable Housing Siting (HB 4079)	(100,000)	
DHS - Child Welfare (SB 1515)	(369,031)	
DEQ - Market-based Carbon Reduction Study	(230,000)	
WRD - Drought Emergency Response Task Force (HB 4113)	(25,000)	
ODE - School Absenteeism Task Force (HB 4002)	(25,000)	
CEdO - School Absenteeism Pilot (HB 4002)	(500,000)	
ODE - 5th Year School Funding (SB 1537)	(82,102)	
OHA - Medicaid Loan Repayment Program	(2,000,000)	
SOS - ORESTAR	(347,900)	
HECC - Scholarship in honor of Vic Gilliam at OSU	(100,000)	
DEQ - Air Toxics Program Enhancement	(2,500,000)	
SSF - General Fund - Lottery Funds Fund Shift	39,553,391	(39,553,391)
Net Ending Balance Position	228,531,618	15,000,000
General Purpose Emergency Fund Balance	32,000,000	
Remaining Special Purpose Appropriations (after 2016 action):		
OHA/DHS Special Purpose Appropriation for Issues	40,000,000	
DAS Rates and Assessments (ETS and HRIS)	6,500,000	
ODF Fire Protection Expenses	3,945,177	
Non-State Employee Compensation	700,147	
DOJ Defense of Criminal Convictions	2,000,000	
State Agencies for Education Issues	1,626,121	
OJD Multnomah County Circuit Court Violations Bureau	1,000,000	
SOS County Voter Registration Records	384,000	
DHS Provider Compliance	100,000	
DOC - Deer Ridge Operations	3,000,000	
DOC - Behavioral Health Unit for Severely Mentally Ill	2,000,000	
State and Local Entities for Malheur Nat'l Wildlife Refuge Expenses	2,000,000	

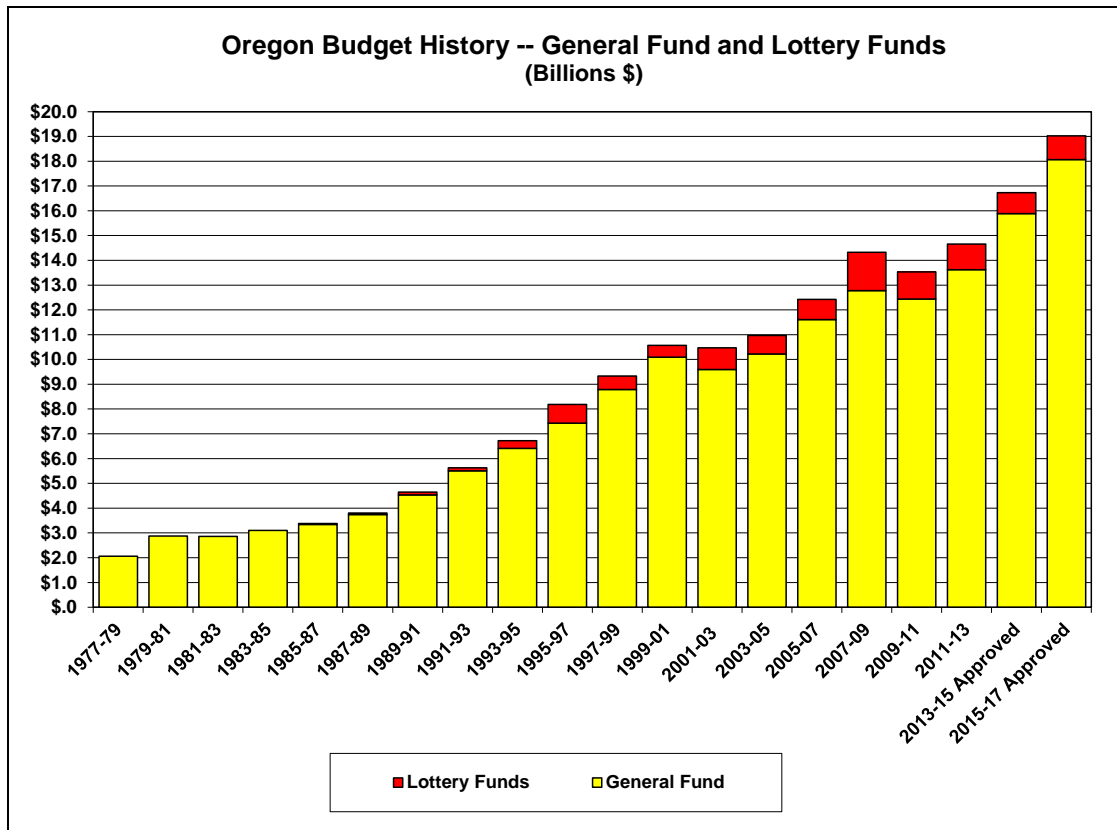
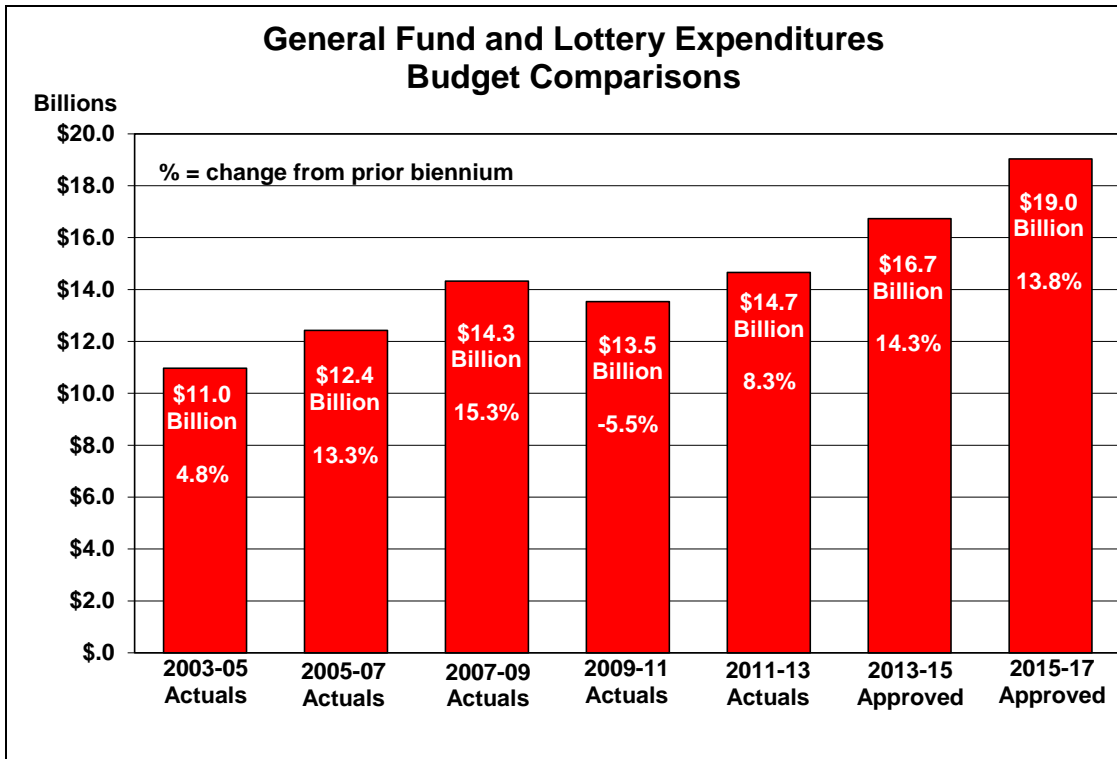


Other actions taken by the Legislature during the 2016 session towards rebalancing the 2015-17 budget included the following:

- Disappropriated special purpose appropriations made to the Emergency Board for state employee (\$120 million) and partially disappropriated for non-state employee (\$10.7 million) compensation changes (these amounts were then distributed to state agencies in SB 5701).
- Disappropriated several other special purpose appropriations to the Emergency Board established in the adopted budget totaling approximately \$29.3 million (most of which were then appropriated to the intended agency for the intended purpose).
- Addressed a portion of the Department of Human Services’ budget rebalance issues in the amount of \$23 million.
- Provided \$22.4 million General Fund for 2015 fire season costs primarily to the Department of Forestry, in addition to \$2.1 million from a special purpose appropriation for that same purpose.
- Established \$7 million in new special purpose appropriations for specified purposes for the Department of Corrections and for possible reimbursement of costs related to the armed occupation of the Malheur National Wildlife Refuge.

Details of the majority of these actions can be found in the program area descriptions included later in this document.

The following charts show the combined General Fund and Lottery Funds budget for 2017-19 in comparison to prior biennia budgets:



As a result of the March 2016 revenue forecast and the actions taken during the 2016 session, the 2015-17 budget rebalance plan assumed the following amounts as potential revenues or reserves for the remainder of the biennium:

- General Fund projected 2015-17 ending balance of \$228.5 million
- Emergency Fund balance of \$95.3 million (\$32 million general purpose and \$63.3 million special purpose appropriations, including one in the amount of \$40 million for Oregon Health Authority and Department of Human Services caseload costs or other budget needs)
- Lottery Funds projected 2015-17 ending balance of \$15 million
- Rainy Day Fund projected 2015-17 ending balance of \$386.7 million
- Education Stability Fund projected 2015-17 ending balance of \$375.5 million

The combined reserve funds (Rainy Day Fund and Education Stability Fund) equal a projected 4.2% of General Fund revenues.

Lottery Resources and Expenditures

The March 2016 revenue forecast from the Office of Economic Analysis projected total 2015-17 biennium lottery resources of \$1.215 billion, a \$58.6 million (or 5.1%) increase over the May 2015 forecast level used during the 2015 session to develop the legislatively adopted budget. With this revised lottery resource forecast, current biennium lottery resources are now projected to total \$147.3 million (or 13.8%) above the prior biennium level.

Lottery Resources and Allocations				
(\$ in millions)				
	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved	2016 Session Changes
Net Lottery Proceeds	\$1,062.3	\$1,129.3	\$1,184.6	\$55.3
Beginning Balance	3.5	19.3	20.5	1.2
Reversions	0.0	5.3	7.4	2.1
Interest Earnings	1.4	2.0	2.0	0.0
Total Lottery Resources	\$1,067.2	\$1,155.9	\$1,214.5	\$58.6
Constitutional Allocations: Educational Stability Fund & Parks and Natural Resources Fund				
	\$350.2	\$372.7	\$390.9	\$18.3
Statutory Allocations				
	696.5	767.3	808.6	41.3
Total Lottery Allocations	\$1,046.7	\$1,139.9	\$1,199.5	\$59.6
Lottery Funds Ending Balance	\$20.5	\$16.0	\$15.0	(\$1.0)

During the 2015 session, the Legislature anticipated \$1.156 billion of total lottery resources, and adopted a budget that authorized \$1.14 billion of these resources for transfer and allocation, thereby retaining a \$16 million ending balance in the Administrative Services Economic Development Fund (EDF).

During the 2016 session, the Legislature approved eight statutory lottery allocation adjustments in HB 5201 that together increased allocations of Lottery Funds from the EDF by \$41.3 million. This increase, combined with an \$18.3 million increase in lottery allocations to the Education Stability Fund and the

Parks and Natural Resources Fund required by the state constitution, results in an EDF ending balance forecast of \$15 million – a \$1 million (or 6.3%) reduction from the level forecast in the 2015 session legislatively adopted budget. The remaining ending balance is equal to 1.25% of total lottery allocations.

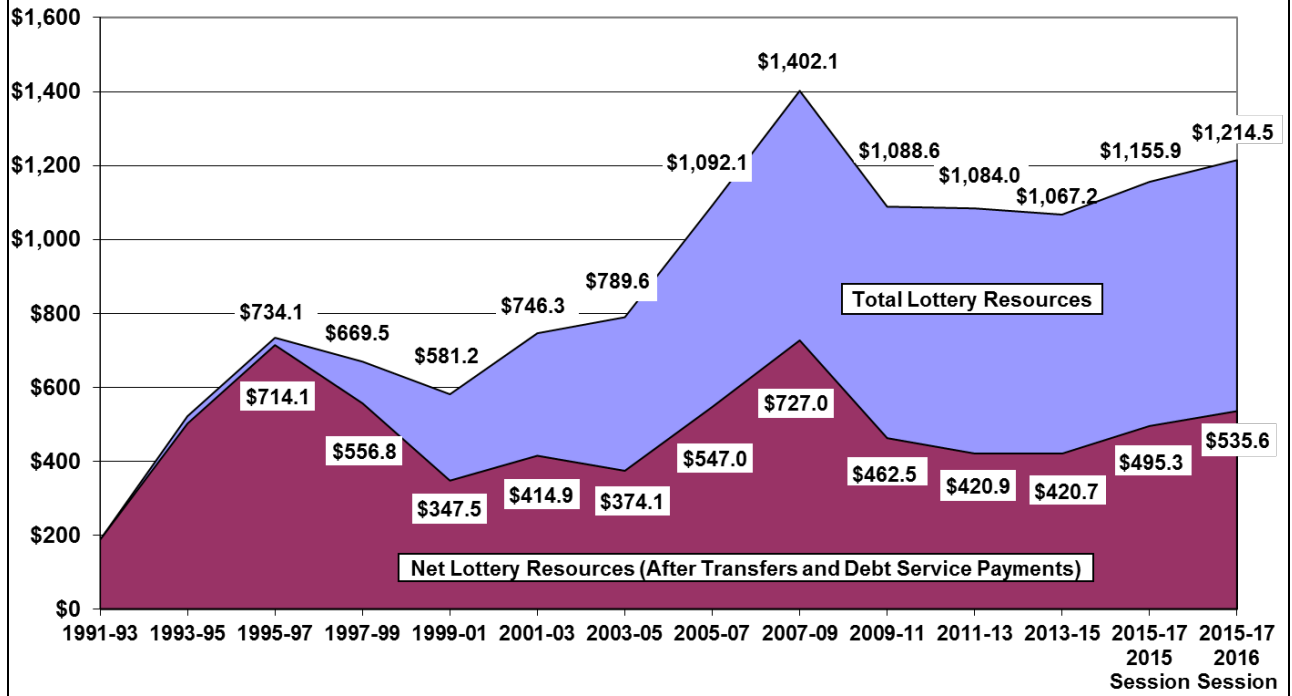
The statutory EDF allocation increases in HB 5201 include the following components:

- Employee Compensation – Allocations were increased by a total of \$819,035 to finance the costs of compensation increases for state employees paid with Lottery Funds. Allocation increases for this purpose were provided to the following state agencies in the following amounts:
 - Oregon Business Development Department: \$540,057 for employees in the Shared Services; the Business, Innovation and Trade; and the Infrastructure Finance Authority divisions.
 - Office of the Governor: \$150,633 for employees in the Regional Solutions Program.
 - Department of Forestry: \$72,136 for employees dedicated to federal forest restoration.
 - Oregon Health Authority: \$56,209 for employees in the Problem Gambling Service Program in the Addiction and Mental Health Division.
- Oregon Business Development Department – Program allocations to the Oregon Business Development Department were increased by a total of \$960,514, including:
 - The allocation to the Business, Innovation and Trade Division was increased by \$200,000 for the Oregon Wave Energy program.
 - The allocation to the Infrastructure Finance Authority Division was increased by \$360,514. This total includes a \$260,514 increase to expand administrative support for the Seismic Rehabilitation Grant Program and a \$100,000 increase to conduct a Willamette Valley Intermodal Hub Feasibility Study.
 - A new \$400,000 allocation was established for support of redevelopment of the Port of Port Orford Cannery Building. SB 5701 establishes a Lottery Funds expenditure limitation for the Department of the same amount for expenditure of the allocated funds. This allocation was included in the 2013-15 biennium budget, but the funds were not distributed and reverted back to the EDF. The new allocation extends support for this project by one biennium.
- State School Fund – The allocation for the State School Fund was increased by \$39,553,391. This increase reduced the forecasted EDF ending balance to \$15 million, \$1 million less than the 2015 close of session forecasted ending balance. SB 5701 increased State School Fund Lottery Funds expenditures, and reduced the State School Fund General Fund appropriation, by \$39,553,391. This resulted in no net change in total State School Fund support, but allowed the General Fund savings to be used to address other budget needs.

With these actions, the Administrative Services Economic Development Fund ending balance is projected to total \$15 million. If lottery resources ultimately decline by more than \$15 million, the Department of Administrative Services will make equal-proportionate reductions to all non-debt service statutory allocations, as needed, to rebalance the lottery allocations to available resources. Otherwise, any remaining ending balance is retained and is then available for the 2017-19 biennium budget.

The chart and table below summarize lottery resource levels and trends since the 1991-93 biennium, and provide details of the impact of 2016 session actions on lottery allocations and balances.

Lottery Funds Resources (in millions of dollars)



LOTTERY FUNDS CASH FLOW SUMMARY

	2015-17 Legislatively Adopted Budget ¹	2015-17 Legislatively Approved Budget ²	2016 Session Changes	Percent Change
ECONOMIC DEVELOPMENT FUND				
RESOURCES				
Beginning Balance	\$19,318,494	\$20,499,857	\$1,181,363	6.1%
Lottery Funds Reversions under ORS 461.559	5,339,361	7,424,627	2,085,266	39.1%
REVENUES				
Transfers from Lottery				
Net Proceeds	1,129,256,402	1,184,579,256	55,322,854	4.9%
Administrative Savings	0	0	0	0.0%
Other Revenues				
Interest Earnings	2,000,000	2,000,000	0	0.0%
Total Revenues	1,131,256,402	1,186,579,256	55,322,854	4.9%
TOTAL RESOURCES	1,155,914,257	1,214,503,739	58,589,482	5.1%
DISTRIBUTIONS / ALLOCATIONS				
Distribution of Video Revenues to Counties	(39,083,827)	(39,083,827)	0	0.0%
Distribution to the Education Stability Fund	(203,266,152)	(213,224,266)	(9,958,114)	4.9%
Distribution to the Parks and Natural Resources Fund	(169,388,460)	(177,686,888)	(8,298,428)	4.9%
Distribution to HECC for Collegiate Athletics and Scholarships	(8,240,000)	(8,240,000)	0	0.0%
Distribution to OHA for Gambling Addiction Treatment Programs	(11,292,544)	(11,348,753)	(56,209)	0.5%
Distribution for County Fairs	(3,864,000)	(3,864,000)	0	0.0%
Allocation to the State School Fund	(408,150,516)	(447,703,907)	(39,553,391)	9.7%
Debt Service Allocations	(225,477,038)	(225,477,038)	0	0.0%
Other Agency Allocations	(71,151,720)	(72,875,060)	(1,723,340)	2.4%
TOTAL DISTRIBUTIONS / ALLOCATIONS	(1,139,914,257)	(1,199,503,739)	(59,589,482)	5.2%
ENDING BALANCE	\$16,000,000	\$15,000,000	(\$1,000,000)	-6.3%
EDUCATION STABILITY FUND				
(not including OGA or ORTDF)				
RESOURCES				
Beginning Balance	\$179,301,809	\$179,379,997	\$78,188	0.0%
Revenues				
Transfer from the Economic Development Fund 4	182,939,537	191,901,839	8,962,302	4.9%
Transfer from the Oregon Growth Account	0	4,330,740	4,330,740	N/A
Interest Earnings	10,289,094	5,556,265	(4,732,829)	-46.0%
Total Revenue	193,228,631	201,788,844	8,560,213	4.4%
TOTAL RESOURCES	372,530,440	381,168,841	8,638,401	2.3%
DISTRIBUTIONS				
Interest Distributions	(10,289,094)	(5,556,265)	4,732,829	-46.0%
TOTAL DISTRIBUTIONS	(10,289,094)	(5,556,265)	4,732,829	-46.0%
ENDING BALANCE	\$362,241,346	\$375,612,576	\$13,371,230	3.7%

1. The 2015-17 Legislatively Adopted Budget is based on the May 2015 forecast of 2015-17 resources, adjusted to include Lottery Funds reversions under ORS 461.559.

2. The 2015-17 Legislatively Approved Budget is based on the March 2016 forecast of 2015-17 resources.

Other Funds Expenditures

The 2015-17 legislatively approved Other Funds budget totals \$28.942 billion, which is a 1.5% increase from the 2015-17 legislatively adopted budget, and a 3.3% decrease from the 2013-15 legislatively approved budget. Notable changes in Other Funds expenditures since the end of the 2015 session included the following:

Education

- The Department of Education's Other Funds expenditure limitation was increased by \$3.2 million, resulting from greater than anticipated growth in the number of students participating in the Hospital program (\$515,200), deferred maintenance costs at the Oregon School for the Deaf (\$2 million), and employee compensation increases (\$689,056).
- Almost \$10.2 million Other Funds expenditure limitation was added for capital construction projects for the Higher Education Coordination Commission (HECC) which are described in more detail in the Capital Construction section of this report.

Human Services

- An increase of \$199,049 Other Funds expenditure limitation was approved for the Commission for the Blind to purchase vending machine equipment for the agency's Business Enterprise Program.
- Other Funds expenditure limitation increased by \$32.5 million for the Department of Human Services. The most significant component of this net increase is \$19.1 million to separately track program expenditures for waived case management services in the Aging and People with Disabilities program. Also included is \$7.6 million Other Funds expenditure limitation to spend proceeds from Article XI-Q Bonds to cover the state's cost share for the next phase of the agency's Integrated Eligibility information technology project.
- The additional \$98.9 million Other Funds expenditure limitation in the Oregon Health Authority resulted from the increase or addition of a number of revenues that were used in place of General Fund. These include tobacco tax, Other Funds revenues carried over from the previous biennium, additional settlements and drug rebate revenues, and additional hospital assessment revenues from the program that ended in September 2015.

Public Safety and Judicial Branch

- The Other Funds expenditure limitation for the State Court Technology Fund in the Judicial Department budget was increased by \$5.33 million to support state court electronic systems and to provide electronic filing services.
- An increase of \$2.8 million was added to the Other Funds expenditure limitation for the Oregon Courthouse Capital Construction and Improvement Fund in the Judicial Department budget, for planning and design of a new Lane County Courthouse. Expenditures include \$1.4 million of Article XI-Q bond proceeds and \$1.4 million of county matching funds.
- The Department of Justice's Child Support Enforcement Automated System was increased by \$3.2 million Other Funds (Article XI-Q bond proceeds). The limitation reflects a rebaseline of the project's schedule and budget.
- The Department of Justice's budget for various divisions was increased by \$744,360 Other Funds. The expenditure limitation reflects funding for Titan Fusion Center staffing, a traffic safety resource prosecutor for marijuana, a marijuana civil legal services attorney, and a child advocacy services attorney related to child abuse investigations and foster home certifications required by SB 1515.

- The Legislature approved redirecting \$2.1 million of unused Department of Corrections Junction City prison bond proceeds to Other Funds debt service.
- The Military Department's capital construction budget was increased \$11.5 million for a new regional training center at Camp Umatilla, and by \$726,963 for Heritage Outreach Foundation's donation support of the military museum at Camp Withycombe, as detailed in the Capital Construction portion of this report.
- The Military Department's Other Funds expenditure limitation was increased by \$2.4 million to cover reimbursed 2015 firefighting expenditures. Other Funds were also increased by \$80,000 for issuance expense associated with \$5 million in Article XI-Q bonds for the training institute.
- The Legislature approved an increase in Other Funds expenditure limitation for the Department of Public Safety Standards and Training in the amount of \$959,000 and the addition of three limited duration positions (1.74 FTE) to support programs and activities in the Center for Policing Excellence, funded by an Edward Byrne Memorial Justice Assistance Grant through the Criminal Justice Commission.
- The Department of Public Safety Standards and Training budget was further increased by \$2,790,195 Other Funds and twelve permanent positions (8.00 FTE) to add four basic police and two basic corrections classes to the agency's training calendar to meet demand during the 2015-17 biennium.
- The Department of State Police received an increase in Other Funds expenditure limitation of \$6,911,613 for Federal Emergency Management Agency reimbursable expenses during numerous mobilizations coordinated by the State Fire Marshal during the 2015 fire season in Oregon (along with a General Fund appropriation of \$1.3 million for this purpose).

Economic Development

- Other Funds expenditure limitation was increased by \$1.33 million in the Oregon Business Development Department budget to allow unused Seismic Rehabilitation Grant Program bond proceeds to be used to pay debt service costs in lieu of General Fund. Nonlimited Other Funds were increased by \$5.82 million to reflect increases in loan payments in the Infrastructure Finance Authority revolving loan fund programs.
- An additional \$8 million in Other Funds expenditure limitation to the Housing and Community Services Department is the result of a corresponding General Fund appropriation to the Emergency Housing Assistance Program for homelessness prevention services. While the source of support for this program is General Fund, the agency spends the funds as Other Funds.
- An increase of \$2.6 million in Other Funds expenditure limitation for the Housing and Community Services Department is associated with the issuance of additional lottery bonds for affordable housing preservation.

Consumer and Business Services

- The Other Funds budget for the Department of Consumer and Business Services (DCBS) was reduced by \$6.4 million to remove excess expenditure limitation resulting from the pre-payment of information technology services contracts by Cover Oregon prior to the transfer of the Health Insurance Marketplace to DCBS. This reduction is offset by a \$1.7 million Other Funds expenditure limitation increase for marketing and outreach functions of the Marketplace, for a net decrease of \$4.7 million Other Funds.
- The Department of Consumer and Business Services' Other Funds budget was increased by \$1.8 million to support a financial assistance program to pay the premium costs and out of pocket

expenses of health insurance plans for certain individuals residing in Oregon under a Compact of Free Association (COFA).

- The Legislature increased the Public Utility Commission's Other Funds expenditure limitation by \$170,226 and authorized one permanent position (0.63 FTE) for increased analytic capacity to address additional agency responsibilities resulting from legislative changes to the Renewable Portfolio Standard made during the 2016 legislative session. Other Funds expenditure limitation was further increased by \$1,179,945 to fund employee compensation increases resulting from collective bargaining agreements and other compensation plan adjustments.

Natural Resources

- An increase of \$180,000 in Other Funds expenditure limitation was included for the Department of Fish and Wildlife to continue two limited-duration Natural Resource Specialist 2 positions through the remainder of the biennium. These two positions work with landowners to improve and protect sage grouse habitat, and had initially been authorized for one year in SB 5544 (2015).
- A \$56.3 million Other Funds expenditure limitation increase for the Department of Forestry was approved by the Legislature for the payment of emergency firefighting costs, including the expenditure of reimbursed funds from the Federal Emergency Management Agency and the U.S. Forest Service.
- The Legislature approved an \$85,919 Other Funds capital construction expenditure limitation increase for the Department of State Lands for equipment repairs at the State Lands Building.

Transportation

- For the Department of Aviation, the Legislature approved an increase of \$265,000 in Other Funds expenditure limitation for the Operations Division to purchase grant management software to implement and manage the agency's grant-making program established by HB 2075 (2015).
- Other Funds expenditure limitation for the Department of Transportation was increased by the following amounts: \$6,231,467 to fund road repairs and clean-up expenses at seventeen sites across the state where wildfires damaged and forced the closure of roadways during the 2015 fire season; \$2,000,000 in the Local Government program for reconstruction of the Juntura Cut-Off Road in Harney County; and \$51,804 for the cost of issuing Lottery Bonds to finance the project.
- The Department of Transportation's employee compensation costs resulting from collective bargaining agreements and other compensation plan adjustments resulted in an increase in Other Funds expenditure limitation of \$29,250,291.

Administration

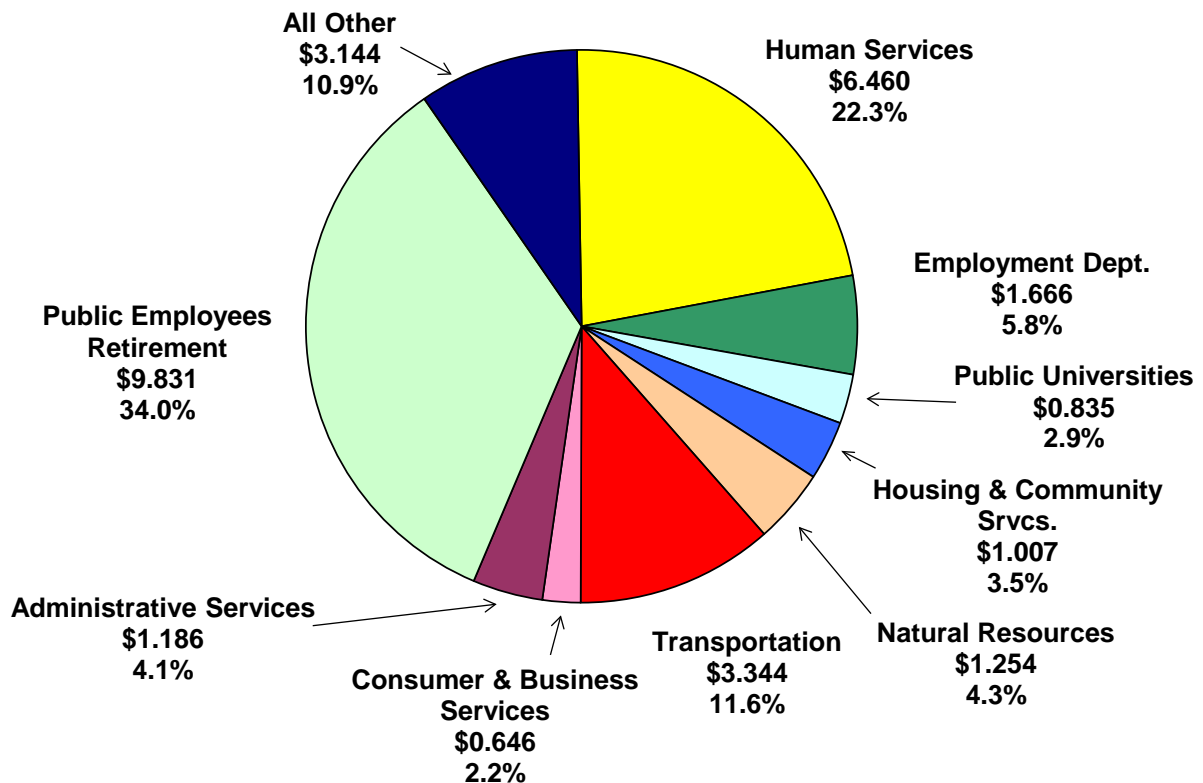
- Additional Other Funds expenditure limitation in the amount of \$1.1 million and 7 positions (4.17 FTE) was included for the Oregon Liquor Control Commission. Policy changes concerning access to and regulation of marijuana, pursuant to HB 4014, SB 1511, and SB 1598, are anticipated to increase the number of recreational marijuana licensees, driving additional agency costs associated with licensure and enforcement.
- The Department of Administrative Services (DAS) Other Funds expenditure limitation was increased by a total of \$3,268,432. A number of budget adjustments occurred due to a multi-part reorganization of DAS and the Oregon State Chief Information Officer (OSCIO) information technology (IT) related functions. The OSCIO has proposed that there will be five sections: Enterprise Technology Services (State Data Center); Enterprise Security Office; Office of Strategic IT

Governance; Enterprise Shared Services; and the DAS Chief Information Officer (CIO), which will be responsible for meeting the Department's IT needs, such as help desk support.

- The Department of Administrative Services budget was increased to allow for disbursement of proceeds from the sale of \$3,000,000 in lottery bonds for the City of Warrenton. The funds will be used to rebuild a dock used by Pacific Seafood at the site of a seafood processing facility that burned down in June 2013.
- The Department of Revenue's recreational marijuana tax program was increased by \$2.1 million Other Funds. The expenditure limitation reflects the establishment of a cash management program.
- The Department of Revenue's Core Systems Replacement project was increased by \$874,747 Other Funds. The expenditure limitation reflects an increase in the amount of bond proceed carryforward from the previous biennium, for a total of \$7.8 million.
- The Department of Revenue's Core Systems Replacement project was reduced by \$500,000 Other Funds as a result of contract savings for the recreation marijuana tax module.
- Other Funds expenditure limitation for the Department of Revenue's Property Tax Division was reduced by \$500,000 to align with program needs and available revenue.
- The State Treasurer's Debt Management Division budget was reduced by \$500,000 Other Funds. The expenditure limitation was for a one-time Rockefeller Foundation grant that the agency no longer receives.
- The budget for the Public Employees Retirement System was increased by \$9.6 million Other Funds for various information technology projects, and adjustments to the Secretary of State audit charge and State Government Service Charge.

Additional details on these projects and other changes to the Other Funds budget are discussed in the program area summaries of this document.

2015-17 Other Funds Total \$28.942 Billion
3.3% Decrease from 2013-15 Approved Expenditures
 (Billions of Dollars/Percent of Total; through 2016 Session)



Federal Funds Expenditures

The 2015-17 legislatively approved Federal Funds budget totals \$22.917 billion, which is a 6.1% increase from the legislatively adopted budget, and an 18.1% increase from the 2013-15 legislatively approved budget for Federal Funds. Notable Federal Funds changes for the 2015-17 budget since the end of the 2015 session include the following:

Education

The net Federal Funds expenditure limitation for the Department of Education was increased by \$11.9 million due mostly to the receipt of federal grants for Charter Schools (\$7.1 million) and Child Nutrition programs (\$1.2 million), and matching available federal funding with the expenditure limitation for the Assessment and Accountability unit (net \$1.9 million).

Human Services

- Federal Funds expenditure limitation for the Commission for the Blind was increased by \$3,248,343 for the purchase of vending machine equipment for the agency’s Business enterprise program.
- For the Department of Human Services, a total of \$314.4 million Federal Funds expenditure limitation was added. The most significant component of the net increase is \$114.7 million in federal match for caseload growth and cost per case increases; this is tied to the fall 2015 caseload forecasts for the Aging and People with Disabilities and Intellectual and Developmental Disability programs. Another \$82.2 million in Federal Funds expenditure limitation, between the same two programs, is associated with non-state worker compensation adjustments and other cost increases due to federal

regulations affecting how minimum wage and overtime are calculated for these workers. Federal Funds expenditure limitation in the amount of \$40.9 million reflects federal match for the agency's Integrated Eligibility information technology project. An increase of \$28.4 million Federal Funds expenditure limitation is due to adjustments for state employee compensation changes.

- A \$988 million increase in Federal Funds expenditure limitation in the Oregon Health Authority was primarily related to increased caseload as estimated in the fall 2015 caseload forecast.

Public Safety

- The Department of Justice's Crime Victims Services Division program budget was increased by \$12.6 million Federal Funds expenditure limitation. The limitation is for additional Victim of Crime Act assistance grant funding.
- For capital construction in the Military Department, the Legislature approved an increase in Federal Funds expenditure limitation totaling \$3.7 million for projects detailed in the Capital Construction section of this report.
- The Legislature increased Federal Funds expenditure limitation for the Department of Public Safety Standards and Training (DPSST) by \$2,497,563. This net-zero technical correction changed a revenue-only transfer between DPSST and the Department of Justice to a pass-through expenditure, a budgetary change required in order to ensure full reimbursement of costs related to the federal High Intensity Drug Trafficking Area program operated by the state Department of Justice.

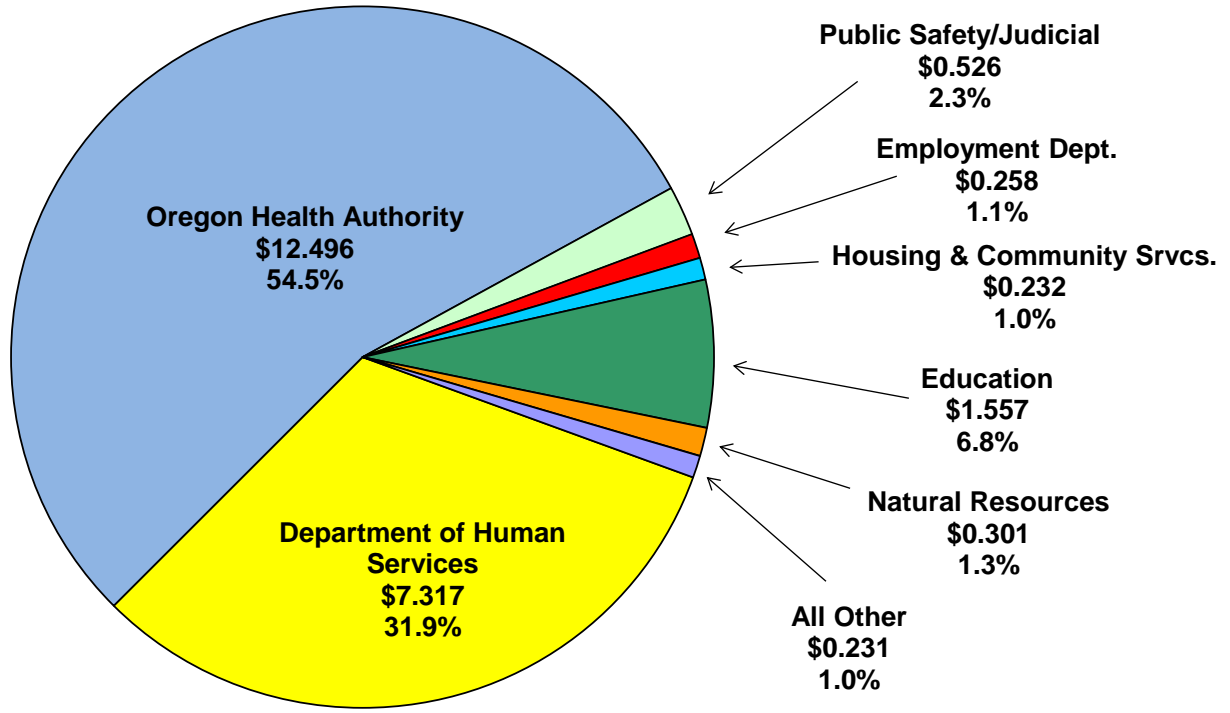
Economic Development

Additional Federal Funds expenditure limitation in the amount of \$499,999 for the Oregon Department of Veterans' Affairs was approved to reflect receipt of a federal grant related to transportation of veterans in highly rural areas to medical appointments.

Natural Resources

- The Legislature approved an increase in Federal Funds expenditure limitation of \$214,502 to accommodate an Environmental Protection Agency wetlands grant received by the Department of State Lands.
- Federal Funds expenditure limitation was increased by \$1.7 million for the Department of Agriculture to pay for eradication efforts related to the Asian Gypsy Moth, a non-native invasive species, which has been found in northwest Portland.

2015-17 Federal Funds Total \$22.917 Billion
18.1% Increase from 2013-15 Approved Expenditures
(Billions of Dollars/Percent of Total; through 2016 Session)



Program Area Summaries

During the 2016 session, state agency budgets were adjusted by SB 5701 (the omnibus budget reconciliation bill), SB 1597 (the non-appropriation bill implementing certain budgetary changes), HB 5202 (the capital construction bill), and by various other policy bills. Due to the distribution of resources for state employee costs resulting from bargaining agreements and other compensation plan adjustments included in SB 5701, nearly all state agency budgets received some amount of a budget adjustment in the 2016 session. In the following program area summaries, however, only agencies with material budget changes to the agency's 2015-17 legislatively adopted budget, in addition to the compensation changes, are discussed. Additional detail beyond the following highlights can also be found in the budget reports for bills that appropriate funding; along with information on budget adjustments, this includes discussion on caseload trends and other cost drivers, context for budget notes, and legislative direction or actions affecting agencies.

EDUCATION PROGRAM AREA

State School Fund

The funding mix for the State School Fund was changed to reflect the balance of available General Fund and Lottery Funds for the overall state budget. The General Fund was decreased by \$39.6 million with a corresponding increase in Lottery Funds of \$39.6 million. Total resources for the State School Fund for distribution to school districts and educational service districts remains at \$7.376 billion total funds for the 2015-17 biennium.

Department of Education

Overall, the Department of Education's (ODE) 2015-17 budget was increased by \$33 million General Fund (\$48.1 million total funds) during the 2016 session. General Fund increases for existing programs were made to the following programs:

- Funding for the Oregon Pre-Kindergarten program was increased by \$5.3 million, bringing the total General Fund resources for this program to \$145.3 million.
- Funding for the Early Intervention and Early Childhood Special Education programs was increased by \$5.4 General Fund. This increase reflects, in part, the growth in these two programs at a rate greater than estimated at the end of the 2015 session. Total General Fund resources for these programs, including this increase, is \$155.8 million.
- The Relief Nurseries program was increased by \$300,000 General Fund, bringing the total General Fund available for the 2015-17 biennium to \$8.6 million.
- Resources were increased for the Assessment and Accountability unit to fill a funding gap inadvertently left in the budget passed by the Legislature in 2015. General Fund resources of \$3.1 million were increased for the unit, but were partially offset by a \$930,000 General Fund decrease in the Grant-in-Aid budget. The agency still needs to identify over \$640,000 in General Fund reductions or savings to fully fill the gap. Federal Funds are also increased to match the amount of federal funding available for this function.

Funding of \$17.5 million General Fund was redirected from a special purpose appropriation to the Emergency Board to the ODE budget for the mixed delivery preschool program, or Preschool Promise program. Most of these funds will be distributed to four to six Early Learning Hubs that demonstrate

that the Hub and the providers in their service area are prepared to implement the program beginning in September 2016.

One-time General Fund appropriations were provided for new programs and grants as described below:

- \$260,000 General Fund for a grant for the Burnt River Integrated Agriculture/Science Research Ranch program.
- \$400,000 General Fund for grants to two organizations which provide training and assistance relating to culturally relevant educational practices.
- \$95,000 General Fund for a grant to the World of Speed organization for the High School Automotive Career Technical Education program. The organization partners with Clackamas Community College and area high schools to provide automotive related career technical education (CTE).
- \$1 million General Fund was added as a one-time investment in student transitional services and supports between secondary and post-secondary education, including funding for: (1) expansion of wrap-around services to assist in the transition to post-secondary education for high schools with higher percentages of students historically under-represented in higher education; and (2) costs for licenses for College and Career Readiness counselor training modules.
- \$25,500 General Fund for ODE's cost related to developing and implementing a statewide plan and pilot program to address chronic absences of students in collaboration with the Department of Human Services, the Oregon Health Authority, and community and education stakeholders.
- \$82,102 General Fund to ODE for the collection of data from school districts, reprogramming the school formula distribution model, and providing technical assistance to districts resulting from the implementation of the post-graduate scholar program established in SB 1537.

Other Funds and Federal Funds expenditure limitations were increased for federal grants relating to charter schools and child nutrition grants, growth in ODE's Hospital program due to the growing number of participating students, and for deferred maintenance projects at the Oregon School for the Deaf. Finally, a transfer of \$2 million General Fund from ODE to the Higher Education Coordinating Commission (HECC) was made for a program related to post-secondary success to provide start-up funding and support services for the recruitment, retention, and attainment of underserved students in post-secondary programs related to high-demand fields. This program is more appropriately administered by HECC.

Higher Education Coordinating Commission

A total of \$14.8 million General Fund (\$16 million total funds) was added to the budget of the Higher Education Coordinating Commission (HECC) including additional funding for community colleges and public universities.

A one-time \$1.8 million General Fund appropriation was made for a grant to Umpqua Community College (UCC) to address issues resulting from the shooting incident on the UCC campus in October 2015. The funding is for: (1) staff, including security staff; (2) upgrading security communications equipment, door locks, campus lighting, and the campus's network fiber system; and (3) other costs related to the October incident. Also approved was one-time funding of \$4.25 million General Fund for a grant to UCC for the renovation or construction of a replacement for Snyder Hall where the shooting incident took place.

The Legislature approved another one-time General Fund appropriation, in the amount of \$1.9 million, to help fund new compensation agreements for classified staff at the four Technical and Regional Universities and Portland State University (PSU). The first such appropriation of \$2 million was made in 2014. Of the \$1.9 million, Portland State University will receive \$400,000, Eastern Oregon University will receive \$251,559, Southern Oregon University will receive \$468,591, Western Oregon University will receive \$485,646, and the Oregon Institute of Technology will receive \$294,204.

The Legislature also approved three one-time General Fund appropriations for Oregon State University. The first appropriation is \$800,000 for the Northwest National Marine Renewable Energy Center to serve as match for a federal grant to develop the Pacific Marine Energy Center South Energy Test Site. The second appropriation is \$100,000 for endophyte research, which is to be matched by private dollars. These funds are to be used only for endophyte research in support of Oregon's fiber and straw export industry. The third is \$100,000 to establish an endowed scholarship fund through the Oregon State University Foundation. The scholarship must be used to support students engaged in research associated with Amyotrophic Lateral Sclerosis (ALS).

Almost \$3.2 million General Fund was appropriated as a one-time investment in student transitional services and supports between secondary and post-secondary education. This included \$1.2 million to be distributed to community colleges for improved developmental education models and for development and alignment of career pathways. An additional \$1.7 million General Fund was appropriated in HB 4076 to be distributed to community colleges for support services to Oregon Promise and other students, and for faculty and other staff development to implement proven strategies which lead to better academic success and completion rates. HECC's Office of Student Access and Completion (OSAC) received \$325,000 General Fund for eMentoring for Oregon Promise students, expansion of the FAFSA Plus program to generate greater federal financial aid for Oregon post-secondary students, and for a subscription to the Signal Vine program which will be used to reach out to high school and post-secondary students. Finally, \$50,000 General Fund is available to HECC to evaluate and track implementation of these transitional supports and services.

Oregon Education Investment Board / Chief Education Office

At the end of the 2015 session, the Legislature eliminated the Oregon Education Investment Board (OEIB) and established the Chief Education Office consisting of the staff of the former OEIB. The major change for this Office during the 2016 session was the addition of \$5.5 million General Fund for the development of the Statewide Longitudinal Data System (SLDS). The SLDS project staff have completed the steps necessary to receive Stage Gate 3 approval to move forward on the development of the project. The additional funding will be used in the development of the SLDS as well as for the project staff for the remainder of the biennium. Based on the project's schedule, this will leave one quarter's worth of development costs for 2017-19. Ongoing SLDS costs starting in 2017-19 are estimated to be roughly \$3 million per biennium, including the operation, data integration, maintenance, and network-related costs.

A total of \$1 million General Fund was added as a one-time investment in student transitional services and supports between secondary and post-secondary education. Funding of \$300,000 General Fund is for a summer summit to bring together counselors and financial aid staff to increase the coordination between the high school and post-secondary staff. The remaining \$700,000 is for collaboration between counselors and advisors at the local level with funding channeled through the Regional Area Collaboratives (RACs).

Teacher Standards and Practices Commission

SB 78 (2015) provided \$200,000 General Fund to the Teachers Standards and Practices Commission (TSPC) for the Teacher Education Program Accreditation Account for grants supporting teacher education programs that incur costs associated with national teacher accreditation. According to current accounting practices, TSPC needs to expend the \$200,000 as “Other Funds,” requiring an Other Funds expenditure limitation increase of \$200,000 so these grants may be awarded.

HUMAN SERVICES PROGRAM AREA

Oregon Health Authority

The 2015-17 legislatively adopted budget for the Oregon Health Authority (OHA) was increased by \$19.4 million General Fund, \$56,209 Lottery Funds, \$98.9 million Other Funds, and \$988.4 million Federal Funds. This results in a legislatively approved budget of \$2.14 billion General Fund and \$20.57 billion total funds. Excluding the distribution of funds from a special purpose appropriation for compensation costs of state employees, the overall General Fund for the agency is reduced by \$1.5 million.

The legislatively approved budget implements an agency rebalance including an increase in caseload costs of \$84.4 million General Fund as well as other program costs. These costs were mostly offset by additional revenues that were used in place of General Fund, including tobacco tax, Other Funds revenues carried over from the previous biennium, additional settlements and drug rebate revenues, and additional hospital assessment revenues from the program ending in September 2015. In addition, the agency will implement management actions to decrease costs by \$25 million General Fund, including an acceleration of the redetermination process next year, and a delay in fee-for-service rate adjustments. Rebalance actions increase Federal Funds expenditure limitation by almost \$1 billion.

As discussed during the 2015 legislative session, the agency has implemented an agency restructure as a part of the rebalance. The new structure is designed to promote health care transformation, including integration of physical, behavioral, and dental health. This structure better reflects the new work of coordinated care organizations, as well as public health programs aligned with system transformation. Most significantly, the old Medical Assistance Programs (MAP) and Addictions and Mental Health (AMH) are eliminated in the restructure, with MAP and community mental health and addictions programs moving to the new Health Systems Division (HSD). The Oregon State Hospital (OSH) will now be its own budget structure. As a part of the agency restructure, a review of positions was conducted. Overall, the changes are budget neutral and result in a reduction of two positions and an increase of 9.52 FTE.

The agency continues to face a number of budget risks that were not explicitly included in the approved budget. These include changes to caseloads, prescription drug costs, increased Aid and Assist population in OSH, and costs of pending litigation. The special purpose appropriation of \$40 million that was established during the 2015 legislative session for OHA or the Department of Human Services will remain in place to address caseload costs or other budget challenges that the agencies are unable to mitigate.

Budget adjustments for state employee compensation changes resulting from bargaining agreements and other compensation plan adjustments include \$20.8 million General Fund and \$37.8 million total funds. Distributions from the special purpose appropriation for compensation costs of non-state employees are \$0.5 million General Fund for OHA.

Other key budget adjustments are listed below.

- A total of \$10 million Other Funds expenditure limitation was included for one-time investments in rural hospital transformation and sustainability. The revenue comes from a portion of the additional hospital assessment revenues available from the program that ended in September 2015. Investments in rural health provider workforce capacity include at least \$1.5 million to support the work of Oregon's Graduate Medical Education Consortium. Investments in small and rural hospital transformation strategies include establishing transitional post-acute care programs, establishing virtual clinics in communities with acute primary care shortages, and providing education for rural providers on population health.
- An additional \$2 million General Fund was appropriated for the Medicaid Primary Care Loan Repayment Program. This program was funded in the 2013-15 biennium, but was not included in the current biennium's legislatively adopted budget.
- An additional \$900,000 one-time General Fund appropriation will pay for agency planning and start-up costs related to providing medical assistance for children in Oregon who are currently not eligible.
- Other Funds expenditure limitation of \$4 million and two permanent positions were added for a youth marijuana-use prevention pilot project as required in HB 4014. The one-time funding for this program will be transferred from the Oregon Liquor Control Commission Account, to be repaid out of marijuana tax revenues.
- The agency expects an additional fiscal impact from HB 4014 and SB 1511, which make changes to both the medical marijuana and recreational marijuana systems. Because significant uncertainty exists in regards to the numbers of growers, processors, and dispensaries that will shift to recreational marijuana, the agency expects to include the necessary adjustments in the rebalance it will submit during the fall of 2016. OHA estimates up to a \$5.6 million loss of revenue during the 2015-17 biennium as a result of these policy changes. A number of on-going core public health programs are funded with fee revenue generated through the medical marijuana program. If revenues are inadequate to fund these programs, General Fund could be required to continue these programs, or the programs would need to be reduced or discontinued.

Department of Human Services

The 2015-17 legislatively adopted budget for the Department of Human Services (DHS) was increased by \$66.1 million General Fund, \$32.5 million Other Funds, and \$314.4 million Federal Funds. In addition, the budget adjustments include a net increase of 22 positions (10.23 FTE). This results in a legislatively approved budget of \$2.8 billion General Fund and \$10.6 billion total funds. Most budget changes were captured in SB 5701, the omnibus budget adjustment bill. In addition, two 2016 policy bills also contained spending authority for child welfare (SB 1515) and general assistance (HB 4042) initiatives.

The legislatively approved budget directly addresses all but \$34.9 million of a projected \$71.7 million General Fund budget shortfall identified by DHS in January 2016. The unfunded costs, which are associated with caseload costs in the Aging and People with Disabilities (APD) and Intellectual and Developmental Disability (IDD) programs, are expected to be addressed by the Emergency Board closer to the end of the biennium. A \$40 million General Fund special purpose appropriation that was established during the 2015 legislative session for DHS or OHA has been left whole and continues to be available for the Emergency Board to allocate to help cover caseload costs or other budget challenges that the agencies are unable to mitigate. However, if demand ends up being greater than the amount of funding set aside, other legislative action may be required early in the 2017 session.

In addition to caseload cost underfunding and caseload forecast/cost volatility, there are other budget risks. These risks include costs associated with the approved settlement agreement for the Lane v. Brown lawsuit (reduce number of clients in sheltered workshops) and other legal expenses; federal changes to funding streams, program requirements, and possible sequestration; and impacts of economic changes, such as a recession.

Besides covering just over half of projected APD and IDD caseload-related costs, the \$66.1 million General Fund increase includes \$27.5 million General Fund for state worker compensation and \$9.5 million General Fund for non-state worker compensation. Many of these non-state workers are also affected by federal changes modifying how wages and overtime are calculated; another \$17 million General Fund was added to help mitigate associated costs. Embedded in the net General Fund increase are various budget rebalance actions and program enhancements; these include program funding gaps (non-caseload), technical adjustments, budget transfers, and funding for new efforts or programs. In addition to costs, the rebalance factors in savings for certain caseloads and from federal match rate changes; the largest of these is \$37 million General Fund in the Temporary Assistance for Needy Families program.

The most significant component of the net \$32.5 million Other Funds increase is \$19.1 million needed to separately track program expenditures for waived case management services associated with the Aging and People with Disabilities program. Also included is \$7.6 million Other Funds expenditure limitation to spend proceeds from Article XI-Q Bonds to cover the state's cost share for the next phase of the agency's Integrated Eligibility information technology project.

For Federal Funds, the \$314.4 million increase is primarily due to matching federal funds associated with General Fund expenditures for core programs. These include \$114.7 million Federal Funds expenditure limitation for caseload growth and cost per case increases tied to the fall 2015 caseload forecasts for the APD and IDD programs. Another \$82.2 million Federal Funds, for the same two programs, is associated with non-state worker compensation adjustments and other cost increases. An increase of \$28.4 million Federal Funds expenditure limitation is related to state employee compensation changes. And, Federal Funds expenditure limitation in the amount of \$40.9 million reflects federal match on the agency's Integrated Eligibility information technology project.

Other notable elements of the legislatively approved budget are listed below.

- In the Self Sufficiency program, a one-time investment of \$130,000 General Fund will allow the Oregon Food Bank to purchase a refrigerated truck and help expand the Fresh Alliance initiative. This food recovery program picks up donations of perishable food (nearing end of shelf life) from grocery stores and then makes that food available to hunger-relief agencies.
- The rebalance used \$8.5 million in one-time federal reallocation dollars to cover Vocational Rehabilitation program costs, which are being driven by an increase in the number of clients with cognitive and psychosocial disabilities who have complex needs that are more challenging to meet. Another \$1 million of the one-time monies was approved to cover costs associated with implementation of the federal Workforce Innovation and Opportunities Act. To maintain the program in 2017-19 without activating the Order of Selection (priority wait list), will likely require a General Fund infusion.
- The legislatively approved budget for Child Welfare includes \$0.7 million total funds and three positions (1.50 FTE) to improve the program's oversight of and accountability for child-caring agencies, as required by SB 1515 (2016). The bill sets out licensing criteria and other standards for

child-caring agencies; it also makes DHS' failure to investigate and hold these entities accountable as potential grounds for official misconduct charges.

- Just under \$48 million total funds was authorized for the next stage of the agency's Integrated Eligibility project, which will enhance OHA's newly implemented OregonONEligibility system to support eligibility determinations for several DHS programs. The staffing component of the project is 35 limited duration positions (15.83 FTE), primarily consisting of project managers and operations/policy analysts.
- A reduction taken during 2015-17 budget development was attributed to the wrong program; if left in place the cut eliminates staff supporting children's IDD programs. The approved budget adds \$3 million General Fund to reverse the cut and maintain the program.
- To support new work under HB 4042 (2016), which creates a capped general assistance project serving homeless and disabled individuals, the budget includes \$1.6 million General Fund and \$65,348 Other Funds expenditure limitation for program start up, administration, and benefit payments. Three staff will set up and coordinate payments, assist in obtaining housing, and perform tracking required to receive federal reimbursement.
- As mentioned previously, the biggest drivers of the budget deficit are caseload costs in APD and IDD programs. During the 2015 session the current structure of these programs and their costs were identified as issues jeopardizing the agency's future budget sustainability. A related budget note required DHS to report during the 2016 session on ways to ensure program sustainability. That report was met with frustration, as it had a limited amount of modeling, was unable to capture all potential budget drivers, and did not result in a list of succinct options for potential action. A new budget note was approved directing additional work, requiring more reporting, and providing guidance on more immediate actions for DHS to take toward cost containment.

Commission for the Blind

Budget adjustments for the Commission for the Blind included an additional appropriation of \$680,109 General Fund, and an increase of \$199,049 Other Funds and \$3,248,343 Federal Funds expenditure limitations to purchase vending machine equipment for the agency's Business Enterprise Program to be placed in public facilities throughout Oregon. Like other equipment in the Business Enterprise program, these vending machines will be owned by the Commission for the Blind and the work of filling the machines, managing the inventory and stock, and other related activities will be done directly by the licensed manager who is blind and/or an employee of their business. The investment is contingent on receiving federal reallocation funds from the U.S. Department of Education.

PUBLIC SAFETY AND JUDICIAL BRANCH PROGRAM AREA

Department of Corrections

The October 2015 male prison population forecast was up to 200 beds higher than the budgeted 2015-17 capacity. In response, the Legislature approved \$2.6 million General Fund, a \$3 million special purpose appropriation, and 6 new positions (4.46 FTE) to prepare Deer Ridge Correctional Institution to accommodate additional inmates. This leaves a potential unfunded amount of \$3.9 million, which can be considered by the Legislature in 2017.

The Department requested \$8.2 million General Fund to change architecture and staffing for seriously mentally ill inmates. The request responds to a Disability Rights Oregon investigation. The Legislature approved \$3.1 million General Fund and a \$2 million special purpose appropriation for construction and

5 positions (3.33 FTE) to provide more out-of-cell time and therapy for the identified inmates. The remaining \$3.1 million can be considered by the Legislature in 2017.

The Legislature approved redirecting \$2 million of unused Junction City prison bond proceeds to Other Funds debt service. Also, \$1 million General Fund for a completed pilot project was phased out from the Offender Management and Rehabilitation unit.

Finally, the agency also received \$32.5 million General Fund, and an Other Funds expenditure limitation increase of \$450,005 for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Department of Justice

The Department of Justice budget was increased by 5.5% during the 2016 session over the agency's legislatively adopted budget.

The Crime Victims Services Division was increased by \$12.6 million Federal Funds expenditure limitation for additional Victim of Crime Act assistance grant funding. This brings the total award to \$24 million. Two limited duration positions were established (1.42 FTE) to process grant applications.

The Child Support Enforcement Automated System information technology project schedule and budget were rebaselined, which increased costs for the current biennium. Article XI-Q bonding authority was increased by \$3.2 million with associated Other Funds expenditure limitation. General Fund debt service was increased by \$1.2 million, including the cost for a short-term Treasury loan. Ten permanent full-time positions were also added (1.31 FTE). The project has funding to continue work through June 30, 2016, at which point the agency may require additional expenditure limitation. A budget note directed the agency to report back throughout the interim on the status of the project. The project's total funds budget for the biennium equals \$52.2 million and 32 positions (22.44 FTE).

The Criminal Justice Division received a \$676,971 General Fund appropriation and three permanent full-time positions (1.88 FTE) to establish an elder abuse prosecution program. The Division also received a \$254,493 Other Funds expenditure limitation increase (federal grant funding passed through from the Military Department) for Titan Fusion Center staffing, including two limited duration positions (1.08 FTE), and an increase of \$129,405 Other Funds expenditure limitation (federal grant funding passed through from the Oregon Department of Transportation) for a traffic safety resource prosecutor, with a focus on marijuana, including one limited duration position (0.25 FTE).

The General Counsel Division received an increase of \$184,714 Other Funds expenditure limitation (legal services billing) for a marijuana civil legal services attorney, including one permanent full-time position (0.63 FTE).

The Civil Enforcement Division's Child Advocacy Section received a \$176,018 Other Funds expenditure limitation increase (legal services billing), including one permanent full-time position (0.50 FTE), for legal services provided to the Department of Human Services related to SB 1515 and the enhanced oversight of Child-Caring Agencies.

Finally, the agency also received increases of \$885,193 General Fund, \$6.8 million Other Funds expenditure limitation, and \$2.9 million Federal Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Military Department

The Department's Other Funds expenditure limitation was increased by \$2,442,000 to cover firefighting expenditures incurred during the 2015 fire season. The agency also received increases of \$330,545 General Fund, \$478,310 Other Funds, and \$2,426,261 Federal Funds for employee costs resulting from bargaining agreements and other compensation plan adjustments.

There were several changes made to capital construction projects:

- The Legislature approved establishing \$11.5 million of Other Funds capital construction expenditure limitation for a new regional training institute at Camp Umatilla. Funding is \$5 million from the sale of the current institute building on the Western Oregon University campus and \$6.5 million in bond proceeds. Associated Other Funds expenditure limitation for bond cost of issuance was also approved.
- The Legislature approved establishing an Other Funds capital expenditure limitation of \$725,963 to enable the Military Department to spend funds raised by the Heritage Outreach Foundation in support of the military museum. In addition, the Legislature approved increasing the Federal Funds capital expenditure limitation by \$622,748 to use National Guard Bureau funding for the museum.
- In response to the National Guard Bureau notifying the Military Department that funding had been approved to augment bonding already secured for Sharff Hall/Maison Armory, the Legislature approved \$2.1 million in Federal Funds capital spending. With this addition, the project total is now \$4.8 million.
- The National Guard Bureau also identified funding for the Medford Armory renovation. The Legislature approved increasing the Federal Funds capital expenditure limitation by \$940,800. The project now totals \$5.3 million.

Department of State Police

The Legislature increased the agency's General Fund appropriation by \$1,320,216 and increased its Other Funds expenditure limitation by \$6,911,613 for Federal Emergency Management Agency-reimbursable expenses incurred during numerous mobilizations coordinated by the State Fire Marshal during the 2015 fire season in Oregon. The agency's General Fund appropriation was further increased by \$1 million, and 12 positions (6.63 FTE) were authorized to increase staff capacity and to reduce wait times and backlogs in the Firearm Instant Check System program.

The Legislature allocated General Fund and increased Other Funds and Federal Funds expenditure limitations statewide to address compensation plan changes. This action increased the Oregon State Police's General Fund appropriation by \$5,884,663 and its Other Funds expenditure limitation by \$2,995,558 to fund employee compensation increases resulting from collective bargaining agreements and other compensation plan adjustments.

HB 4075 appropriated \$1 million General Fund and established two permanent positions and one limited-duration position (1.50 FTE) to implement and operate a student safety tip line.

HB 1571 appropriated \$1.5 million General Fund and established nine positions (4.50 FTE) to increase capacity to test sexual assault forensic evidence kits in the agency's Forensic Laboratories.

Department of Public Safety Standards and Training

The Legislature approved an increase in Other Funds expenditure limitation of \$959,000 and the addition of three limited-duration positions (1.74 FTE) to support programs and activities in the Department of Public Safety Standards and Training's (DPSST) Center for Policing Excellence, funded by an Edward Byrne Memorial Justice Assistance Grant through the Criminal Justice Commission.

The agency's Federal Funds expenditure limitation was increased by \$2,497,563. This net-zero technical correction changed a revenue-only transfer between DPSST and the Department of Justice to a pass-through expenditure, a budgetary change required to ensure full reimbursement of costs related to the federal High Intensity Drug Trafficking Area program operated by the Department of Justice.

The Legislature increased the agency's Other Funds expenditure limitation by \$2,790,195 and authorized twelve permanent positions (8.00 FTE) to add four basic police and two basic corrections classes to the agency's training calendar to meet demand during the 2015-17 biennium.

Judicial Department

General Fund support for the Judicial Department was increased by \$8.4 million (or 2%) over the legislatively adopted budget level approved in the 2015 session, as adjusted for the carryforward of prior-biennium General Fund ending balances, while total funds expenditures were increased by \$17.5 million (or 3.1%).

The Legislature increased the General Fund appropriation for judicial compensation by \$630,000 for the 2015-17 biennium to provide a \$5,000 annual salary increase to all statutory judges, effective January 1, 2017. The salary increase was enacted by SB 1597, the 2016 session program change bill. The fiscal impact of the salary increase will increase to \$2,520,000 General Fund in the 2017-19 biennium.

A \$200,000 General Fund increase was approved for the Oregon State Bar Legal Assistance Program (Legal Aid) for legal assistance in housing-related issues. As is the practice with unrestricted General Fund appropriations for Legal Aid, this supplemental funding was approved on a one-time basis and will be phased out in the development of the 2017-19 budget. With the General Fund appropriation increase, the combined total 2015-17 biennium state support for Legal Aid, from both Other Funds (court filing fees) and General Fund sources, is now \$12.7 million.

The Legislature increased the Other Funds expenditure limitation for the State Court Technology Fund (SCTF) by \$5,330,000, for costs of maintaining and supporting state court electronic systems and providing electronic and filing services. The increase largely reflects a higher rate of electronic filing of court documents than was anticipated when the Chief Justice's recommended budget was developed. The Department uses SCTF moneys to pay electronic filing charges, and does not charge participating parties who file the documents. The SCTF is projected, following the Other Funds expenditure limitation increase and the mid-biennium transfer of legacy technology fee revenues to the SCTF as required by SB 1597, to have a 2015-17 biennium ending balance exceeding \$860,000. SCTF resources are not, however, projected to cover costs in subsequent biennia without action to either increase SCTF revenues or to reduce ongoing operating costs.

The Legislature increased the Other Funds expenditure limitation for the Oregon Courthouse Capital Construction and Improvement Fund (OCCCF) by \$2.8 million, for the planning and design of a new Lane County Courthouse facility. This expenditure limitation accommodates expenditures of up to \$1.4 million of Article XI-Q bond proceeds and of up to \$1.4 million of required county matching funds for the Lane County Courthouse project. The approved bond authority is in addition to the bond proceeds that were previously authorized for the 2015-17 biennium in the 2015 session: \$17.4 million for the Multnomah County Central Courthouse project, \$2.5 million for the Jefferson County Courthouse project, and \$7,875,000 for the Tillamook County Courthouse project. The Legislature also increased the Judicial Department operations Other Funds expenditure limitation by \$45,000 for the cost of issuance of Article XI-Q bonds for planning and design of the Lane County Courthouse facility. Debt service costs for the Article XI-Q bonds authorized for the Lane County Courthouse project are projected to total approximately \$233,000 General Fund per biennium, beginning in 2017-19. Because the bonds will not be issued until the spring of 2017, there are no debt service payments due in the current biennium.

The approval of Article XI-Q bonds for planning and design of the Lane County Courthouse does not create or imply any commitment to provide state funds for the construction of the facility. The Joint Committee on Ways and Means approved a budget note relating to the OCCCF program, which asks the Chief Justice to present a twelve-year plan for future OCCCF project requests. The report is requested for the December 2016 Emergency Board meeting.

Finally, the Department's General Fund was increased by \$7.6 million to support compensation plan cost increases. Including Other Funds and Federal Funds expenditure limitation adjustments, agency expenditures were increased by a total of \$8.4 million for compensation plan cost increases. In contrast to most executive branch agency budgets, the budgets passed in the 2015 session for judicial branch agencies already included merit ("step") increases. The expenditures added in the 2016 session were for other compensation cost components, primarily cost-of-living adjustments and flexible benefits costs.

Public Defense Services Commission

The Legislature increased the General Fund appropriation to the Contract and Business Services Division by \$18,834, to correct the support level for state government service charges in the agency budget. An error in the 2015-17 agency request budget underfunded support for charges for payroll services.

The Commission's General Fund and Other Funds expenditure limitation were also increased to support compensation plan cost increases for agency employees. In contrast to most executive branch agency budgets, the budgets passed in the 2015 session for judicial branch agencies already included merit ("step") increases. The expenditures added in the 2016 session were for other compensation cost components, primarily cost-of-living adjustments and flexible benefits costs.

Commission on Judicial Fitness and Disability

The Legislature increased the General Fund for extraordinary expenses by \$172,000, equivalent to a 74.8% increase over the level of General Fund in the Commission's 2015-17 legislatively adopted budget. The funds were appropriated to pay the Commission's costs incurred from the investigation and prosecution of two charges of judicial misconduct. The action increases the General Fund appropriation for extraordinary expenses to \$189,753. The revised funding level covers the costs-to-date identified by the Commission, and provides an additional amount of approximately \$20,000 for projected Commission costs associated with the Supreme Court review of the cases.

The agency will need to request additional funding later in the biennium if the costs of completing the two current cases exceed projection, or if the Commission approves any additional cases for formal investigation. If the full appropriation is not needed, any remaining funds will be available to cover extraordinary expenses in the 2017-19 biennium. The General Fund increase was approved on a one-time basis and will be phased out in the development of the agency's 2017-19 budget.

ECONOMIC DEVELOPMENT PROGRAM AREA

Oregon Business Development Department

The Legislature appropriated \$951,561 General Fund and established one position in HB 4037, to create a new program to provide financial incentives for solar-powered electricity production. The program awards one-half cent per kilowatt hour for electricity produced by qualifying solar photovoltaic energy systems that connect to an investor-owned or publicly-owned utility. The funding total includes \$821,700 for per-kilowatt hour payments to systems owners, and \$129,861 for agency administrative costs. Per-kilowatt hour payment costs are projected to increase to \$3.3 million General Fund in 2017-19.

The Legislature reduced the General Fund appropriation for debt service by \$1,328,407, and established a \$1,330,500 Other Funds expenditure limitation for general obligation bond debt service. The Department will substitute \$1,330,500 of Article XI-M and Article XI-N bond proceeds, and interest earned on those proceeds, to pay debt service in lieu of General Fund. The proceeds are from bonds originally issued for the Seismic Rehabilitation Grant program in 2010, 2011, and 2012, but never used for seismic projects. The fund shift is one-time in nature, and the General Fund will need to be restored in the 2017-19 budget to pay ongoing debt service costs.

The Legislature approved \$700,000 of Lottery Funds, on a one-time basis, for new programs and for program expansions. This includes a \$200,000 increase for the Oregon Wave Energy Trust, bringing total current-biennium support to \$450,000. Lottery Funds were also increased by \$400,000 to reapprove funding for replacement of the Port of Port Orford Cannery Building for one additional biennium. Funding for this project was initially approved in the 2013-15 biennium, but the funds were not distributed because the project was not sufficiently developed. The Legislature also approved \$100,000 of Lottery Funds to conduct a Willamette Valley Intermodal Hub Feasibility Study, to evaluate the viability of a strategic intermodal hub to optimize container shipment of Oregon agricultural products.

Lottery Funds totaling \$260,514, and two positions (1.00 FTE), were approved to address administrative costs associated with the expansion of grant activity in the Seismic Rehabilitation Grant Program. The Department will need to fill the newly-established positions for three years beginning July 1, 2016, and will include a policy option package in its 2017-19 biennium budget request to convert the two approved positions from permanent to limited-duration status. The Department was also directed to report to the Legislative Fiscal Office, following each sale of Article XI-M or Article XI-N general obligation bonds, on the projects and dollar amounts of project grants financed by the bond sale, as well as on the amount of bond proceeds budgeted for agency administrative costs.

The Legislature established a \$1 Other Funds expenditure limitation for the American Manufacturing Innovation District, and increased Other Funds expenditures by \$54,868 for cost of issuance of lottery

revenue bonds for this project. The American Manufacturing Innovation District is a collaborative effort between government, industry, and academic institutions to invest in manufacturing infrastructure to promote advanced manufacturing. A total of \$2.5 million of lottery revenue bond proceeds were authorized for the Department in HB 5202. An additional \$5 million of Article XI-G bond proceeds were authorized for Portland Community College (PCC), for the same project. The Legislature limited expenditure of bond proceeds from the two bond sales to \$1 each, pending a joint presentation by the Department and PCC of a business plan for developing the District. Debt service costs for the lottery revenue bonds authorized for this project are projected to total approximately \$535,000 Lottery Funds per biennium, beginning in the 2017-19 biennium. Because the bonds will not be issued until spring 2017, there will be no debt service payments due in the current biennium.

Budget adjustments include a technical correction to the budget for the State Small Business Credit Initiative (SSBCI) program that shifted \$388,773 of expenses from Federal Funds to Other Funds. It was noted when the SSBCI grant was received that administrative costs for the program would transition to Other Funds over time, as the grant money was loaned out and the loan repayments were re-categorized as Other Funds. The Legislature added this anticipated fund shift, which had not been included in the agency's 2015 session budget bill. Separately, Federal Funds expenditure limitation was increased by \$450,000 for expenditure of funds received from the Year 4 State Trade and Export Promotion grant program.

Finally, the Legislature approved a budget adjustment to increase Nonlimited Other Funds expenditures by \$5,820,000. This adjustment reflects a greater level of loan repayments than originally anticipated in the budget. Loan repayments are not limited in the agency budget. The adjusted level of Nonlimited Other Funds in the Infrastructure Finance Authority will include approximately \$24.2 million of loan repayments.

Housing and Community Services Department

The Legislature approved \$2,727,660 in General Fund for the Oregon Foreclosure Avoidance Program, to be used for counseling services, legal aid services, and program administration. This support will fund the program through the remainder of the biennium. In the 2015 session, the program only received funding to support operations through February 2016.

An additional \$10 million in one-time General Fund was approved for homelessness prevention and assistance services associated with the Emergency Housing Assistance (EHA) program (\$8 million) and the State Housing Assistance Program (\$2 million). Funding for the EHA program is spent as Other Funds by the Department, and is reflected by an accompanying \$8 million increase in Other Funds expenditure limitation.

Other Funds expenditure limitation was increased by \$2,554,868 for expenditure of additional lottery bond proceeds and cost of issuance related to preservation of affordable housing with expiring federal subsidies; \$54,868 is attributable to bond-related costs. This brings the total amount of investment in affordable housing preservation to \$5 million for the 2015-17 biennium.

General Fund in the amount of \$169,350 and two positions (0.73 FTE) were approved in SB 1582 to support administration of the Local Innovation and Fast Track (LIFT) housing program. The LIFT program will develop affordable housing financed by \$40 million of Article XI-Q bonds approved during the 2015 session. The bill provides high level guidance to the Department on program execution, and includes

specifications for how the agency is to comply with the requirement to own or operate the properties financed with bond proceeds. The positions funded with this appropriation include a limited-duration position tasked with program development, project review, and underwriting, and a permanent part-time accounting position; these positions will support existing Department personnel associated with this project.

Department of Veterans' Affairs

Federal Funds expenditure limitation for the Oregon Department of Veterans' Affairs was increased by \$499,999 to accommodate the receipt of federal grants related to supporting local efforts to transport veterans residing in highly rural areas to medical appointments.

CONSUMER AND BUSINESS SERVICES PROGRAM AREA

Board of Accountancy

The Legislature ratified fees established in rule by the Oregon Board of Accountancy related to application for, renewal of, and permit to practice accountancy for individuals and firms. These changes were driven primarily by a no-growth licensee base against a backdrop of rising costs. These fee changes will help the Board maintain an adequate cash flow and ending fund balance, and addresses a looming shortfall in revenues to sustain Board operations. The Board is totally financed by Other Funds from fees paid by Board licensees. These fees are anticipated to generate approximately \$486,980 Other Funds revenue during the 2015-17 biennium, and approximately \$553,200 during the 2017-19 biennium.

Department of Consumer and Business Services

The Legislature approved a \$229,590 increase in the Other Funds expenditure limitation for the Department of Consumer and Business Services (DCBS) for position actions throughout the agency that included: 1) the reclassification of positions in three divisions impacting ten individual positions, allowing DCBS to make position adjustments without compromising the maintenance of the agency's ratio of supervisory to non-supervisory positions as required under HB 4131 (2012); 2) the establishment of four new positions in the Building Codes Division; and 3) the replacement of 13 limited-duration positions with six permanent positions; the conversion of a half-time limited-duration position to full-time, permanent; and the addition of one contract-specialist position related to the Oregon Health Insurance Marketplace.

The Legislature approved an Other Funds expenditure limitation reduction of \$6.4 million to reconcile the budget of the Health Insurance Marketplace with actual and anticipated expenditures of the program. This reduction removes excess expenditure limitation in the agency's budget resulting primarily from pre-payment of information technology contracts prior to the transfer of the insurance marketplace from Cover Oregon to DCBS. These contract payments were originally included in the agency's budget, but since they were paid by Cover Oregon prior to the transfer of the program to DCBS, the additional expenditure limitation was unnecessary.

The Legislature approved an increase in the Other Funds expenditure limitation for the Department of Consumer and Business Services of \$1,732,528 for additional marketing and outreach activities of the Oregon Health Insurance Marketplace.

The Legislature included an increase of \$1,823,000 Other Funds expenditure limitation for a financial assistance program to pay the insurance premium and out-of-pocket expenses of certain individuals

residing in Oregon under a Compact of Free Association (COFA) as directed by HB 4071. Other Funds expenditure limitation in the amount of \$415,000 was also provided for planning and actuarial work related to the creation of a Basic Health Plan blueprint and the supporting documentation for the application for a state innovation waiver to the U.S. Department of Health and Human Services as directed by HB 4017. The COFA program Other Funds expenditures are supported by a one-time General Fund appropriation to the agency in the same amount for deposit in the COFA premium assistance fund.

The Legislature ratified fees set in rule by DCBS for the imposition of an administrative charge against all insurers participating in the Oregon Health Insurance Exchange as directed by statute with the passage of SB 1 (2015). The rates set by DCBS for both the 2015 and 2016 plan years mirrored the rates of \$9.66 per-member, per-month for insurers offering qualified health plans and \$0.97 per-member, per-month, for insurers offering stand-alone dental plans that had been established by Cover Oregon. The fees are anticipated to produce \$21.2 million Other Funds revenue in the 2015-17 biennium.

Board of Medical Imaging

The Legislature ratified fees established in rule by the Board of Medical Imaging related to the permitting of physician assistants to perform fluoroscopy. The Board adopted rules to establish fees as directed in HB 2880 (2015) and administratively implemented the fees January 1, 2016. The fee changes are expected to generate approximately \$9,450 Other Funds revenue in 2015-17, with \$5,250 of that being passed through to the agency providing the national exam.

Bureau of Labor and Industries

Technical adjustments to the Bureau of Labor and Industries (BOLI) budget were included in SB 5701 to properly reflect the recommendation by the 2015 Joint Ways and Means Subcommittee on Transportation and Economic Development. The adjustments reduce the General Fund appropriation to the agency by \$113,604, increase Other Funds expenditure limitation by \$206,871, and increase Federal Funds expenditure limitation by \$2,696, for a total funds technical adjustment of \$95,963.

An increase of \$325,954 Other Funds expenditure limitation for BOLI was included by the Legislature from the Wage Security Fund to administer and enforce provisions of wage and hour and minimum wage laws as directed by SB 1587.

Public Utility Commission

The Legislature increased the agency's Other Funds expenditure limitation by \$170,226 and authorized one permanent position (0.63 FTE) for increased analytic capacity to address additional agency responsibilities resulting from legislative changes to the Renewable Portfolio Standard made during the 2016 session. Other Funds expenditure limitation was further increased by \$1,179,945 to fund employee compensation increases resulting from collective bargaining agreements and other compensation plan adjustments.

NATURAL RESOURCES PROGRAM AREA

Department of Agriculture

The Legislature increased Federal Funds expenditure limitation by \$1,700,000 and made a one-time \$539,338 General Fund appropriation as state match to pay for eradication efforts related to the Asian Gypsy Moth, a non-native invasive species, which was found in northwest Portland. The majority of the eradication project would occur during May and June of 2016. On January 14, 2016, the U.S. Department

of Agriculture (USDA) notified the Department that \$1.7 million in federal funds would be available for the eradication project. In the past, USDA has provided only 50% of eradication funding.

In addition, the Department received a Federal Funds expenditure limitation increase of \$175,000 to accommodate the award of a federal grant to be used for wolf depredation compensation claims, and for nonlethal prevention techniques.

Columbia River Gorge Commission

The Legislature increased the General Fund appropriation made to the Columbia River Gorge Commission by \$11,308 to match the amount provided to the Commission by the State of Washington for the 2015-17 biennium for operational costs. Included in the \$11,308 increase is \$6,000 for costs related to a once every five year audit; this amount is considered to be one-time and is not to be included in the base budget for 2017-19 budget development. The Assembly also eliminated the Commission's \$5,000 Other Funds expenditure limitation provided in the adopted Oregon budget since any non-General Fund revenues received by the Commission are expended through the Washington budget.

Department of Environmental Quality

The Department received a \$2,500,000 General Fund appropriation to expand the Department of Environmental Quality's (DEQ) current Oregon Air Toxics Program. This funding will allow the immediate focus of increased air toxics monitoring efforts on cadmium, arsenic, and chromium hotspots in Portland, as well as expand air toxics monitoring across the state. In addition, the increased funding will allow DEQ to develop a risk-based approach to air permitting for industrial sources through rulemaking. Over time, this will allow DEQ to modify existing air permits to be risk-based. The air toxics monitoring funded through this appropriation uses moss collection and analysis to map pollution levels in Portland communities and develop maps of hot spots. The Department will purchase and set up two additional full air toxics monitoring stations that can be directed at areas where high levels of air toxics are identified or suspected.

The Department also received \$230,000 General Fund, on a one-time basis, to provide information for the 2017 legislative session on how a market-based carbon reduction system would work in Oregon. The Legislature also approved a one-time \$100,000 General Fund appropriation for sampling, testing, and monitoring Harmful Algae Blooms. Of the total, \$30,000 will be used to purchase testing equipment so that samples do not need to be sent out of state for processing.

Department of Fish and Wildlife

The Legislature approved a one-time increase of \$180,000 Other Funds expenditure limitation to continue two limited-duration Natural Resource Specialist 2 positions authorized for one year in SB 5544 (2015). These two positions work with landowners to improve and protect sage grouse habitat.

Department of Forestry

The Legislature approved an increase of \$23,115,122 in the General Fund appropriation made to the Department of Forestry for the payment of emergency firefighting costs associated with the 2015 forest fire season. This amount included \$2,054,823 for severity resources. That amount is offset by a reduction of the same amount in the special purpose appropriation made to the Emergency Board that had been established for this purpose. In addition, the Other Funds expenditure limitation for the Department was increased by \$56,334,408 for emergency firefighting costs.

The Legislature approved a General Fund appropriation of \$704,286 and an increase in the Other Funds expenditure limitation of \$813,594 for the implementation of a new procurement and payment system. The new system is to replace a number of antiquated, disconnected systems and manual processes.

Budget adjustments also included a decrease in General Fund of \$238,581 and a decrease in the Other Funds expenditure limitation of \$726,392 for the payment of debt service. These amounts were originally included in the agency's budget for the payment of debt service obligations on bonds that were anticipated to be issued at the end of the 2013-15 biennium, but were not. An increase of \$45,000 Other Funds expenditure limitation was approved for the payment of bond issuance costs related to the replacement of an equipment warehouse for the East Lane Fire Protection District.

Department of Land Conservation and Development

The Legislature approved an increase in the Other Funds expenditure limitation for the Department of Land Conservation and Development of \$216,000 to allow the agency to expend sub-grant funding received from the Oregon Office of Emergency Management made available through the Federal Emergency Management Agency for development of local pre-disaster mitigation plans.

Department of State Lands

The Legislature approved an \$85,919 increase to the agency's Other Funds expenditure limitation for repairs to equipment at the State Lands Building and a \$214,502 Federal Funds expenditure limitation increase to accommodate an Environmental Protection Agency (EPA) grant. The grant is the latest in a series of wetland program development partnership grants from the EPA that began in 1991.

A \$176,890 reduction in Attorney General charges to reflect reduced rates in the 2015-17 legislatively adopted budget was moved from Capital Improvement to the Common School Fund Other Funds limitation to correct an error in the adopted budget.

Water Resources Department

The Legislature approved a General Fund appropriation of \$705,288 to facilitate a groundwater study for the greater Harney Valley in coordination with the U.S. Geological Survey.

Oregon Watershed Enhancement Board

The Legislature increased the Measure 76 Lottery Funds expenditure limitation for operations by \$40,123 to pay the costs of reclassifying two positions. The reclassifications are due to increased duties that resulted from an agency reorganization. In addition, Measure 76 Lottery Funds expenditure limitation was increased by \$17,329 to correct an error that omitted the Oregon Watershed Enhancement Board's (OWEB) share of capital mall security assessments in the legislatively adopted budget for 2015-17.

Constitutionally dedicated Lottery Fund allocations from the Watershed Conservation Operating Fund were increased to fund state employee compensation changes for the Department of State Police (\$169,055), the Department of Agriculture (\$201,633), the Department of Fish and Wildlife (\$164,835), and the Department of Environmental Quality (\$139,017).

TRANSPORTATION PROGRAM AREA

Department of Aviation

The Legislature approved an increase of \$265,000 in Other Funds expenditure limitation for the Operations Division to purchase grant management software to implement and manage the agency's grant-making program established by HB 2075 (2015). Also approved were fee increases for tie-down privileges at state-owned airports, and fees for registering Unmanned Aerial Systems owned by public entities.

Department of Transportation

The Legislature increased the agency's Other Funds expenditure limitation by \$6,231,467 to fund road repairs and clean-up expenses at 17 sites across the state where wildfires damaged and forced the closure of roadways during the 2015 fire season. Other Funds expenditure limitation was increased in the Local Government program by \$2,000,000 toward reconstruction of the Juntura Cut-Off Road in Harney County, and by \$51,804 for the cost of issuing Lottery Bonds to finance the project.

A net-zero technical adjustment of \$1,354,734 was approved to move cost of issuance expenditure limitation for debt associated with highway safety improvements, the Coos Bay Rail Link, and ConnectOregon VI into the correct program budgets. A second net-zero technical adjustment of \$138,433 was approved to move legislatively-approved state government service charge reductions into the correct program budgets for the 2015-17 biennium.

The Legislature reduced the General Fund appropriation for debt service to the Department by \$5,194,781. A bond sale anticipated for May 2015 was postponed until May 2016, reducing the debt service required in the 2015-17 biennium. General Fund was also reduced by \$47,835 to reflect the completion of the Driver and Motor Vehicles' veteran information sharing project with the Department of Veterans' Affairs.

The Legislature allocated General Fund and increased Other and Federal Funds expenditure limitations statewide to address compensation plan changes. This action increased the Oregon Department of Transportation's Other Funds expenditure limitation by \$29,250,291 to fund employee compensation increases resulting from collective bargaining agreements and other compensation plan adjustments.

ADMINISTRATION PROGRAM AREA

Department of Administrative Services

The budget for the Department of Administrative Services (DAS) increased by \$19.3 million total funds, or 1.6%, during the 2016 session over the 2015-17 legislatively adopted budget.

The Legislature approved a number of budget adjustments related to a multi-part reorganization of DAS and the Oregon State Chief Information Officer (OSCIO) information technology (IT) related functions. The budget adjustments required to implement the IT reorganization and new OSCIO responsibilities, affected a number of DAS program areas. These net adjustments by program include: Enterprise Technology Services decreased Other Funds expenditure limitation by \$39.9 million and 70 positions (64.00 FTE); CIO increased Other Funds by \$29.8 million and 37 positions (34.06 FTE); Chief Operating Office increased Other Funds by \$12.2 million and 38 positions (37.58 FTE); DAS Business Services

increased Other Funds by \$644,351 and 3 positions (3.00 FTE); and Enterprise Goods and Services increased Other Funds by \$474,682 and 4 positions (2.32 FTE).

As part of the IT reorganization, a new structure was proposed for IT procurement and vendor management with dual responsibility between Enterprise Goods and Services and OSCIO. This new structure was reviewed by the Joint Committee on Ways and Means, as well as the Joint Legislative Committee on Information Management and Technology (JLCIMT). The JLCIMT recommended conditional, temporary approval of the request for the remainder of the biennium, with reporting requirements.

The Assembly also approved eight one-time General Fund appropriations to DAS for the following purposes:

- \$1 million for disbursement to the Holly Theater in Medford for the Holly Theater Restoration Project.
- \$650,000 for disbursement to the Salem Area Mass Transit District to provide free bus passes to state employees working in the Capitol Mall area and to operate an Airport Road Express Shuttle between the State Motor Pool and the Capitol Mall.
- \$500,000 for disbursement to Clackamas County for repairs at the Willamette Falls Locks and Canal.
- \$500,000 for disbursement to the City of Cornelius to help build the multi-use Cornelius Place project which includes a library, low income senior housing, and a YMCA.
- \$300,000 for disbursement to Verde for the Cully Park project in Northeast Portland's Cully neighborhood.
- \$250,000 for disbursement to Worksystems Inc. to recapitalize a tuition loan program first funded in 2011 for students participating in commercial driver license training. These loans are not part of a state program and funding is provided only to establish the private program. This is the second one-time General Fund appropriation made for this purpose; the same entity received a one-time grant of \$400,000 for this purpose in 2011.
- \$200,000 for disbursement to Douglas County to partially reimburse public safety costs associated with the October 1, 2015 incident at Umpqua Community College.
- \$200,000 for disbursement to the Portland Playhouse for renovation and restoration of Portland Playhouse's theater in Portland's King neighborhood.

The Legislature added \$3.1 million Other Funds expenditure limitation for one-time costs of issuance and special payments associated with the disbursement of proceeds from the sale of \$3 million in lottery bonds for the City of Warrenton to rebuild a dock used by Pacific Seafood at the site of a seafood processing facility that burned down in June 2013. The processing facility was built in 1941 and was acquired, along with the dock, by Pacific Seafood in 1983. There is no debt service allocated in the 2015-17 biennium, as the bonds will not be sold until the spring of 2017. Debt service for 2017-19 is estimated at \$675,152 Lottery Funds.

The Other Funds expenditure limitation for DAS was also increased by \$55,000 to pay the cost of issuing \$2.5 million Article XI-Q bonds for repairs and improvements at the Oregon State Fair.

Other Funds expenditure limitation was increased by \$453,681 to allow planning for the Human Resources Information System replacement project to continue through May 2016. DAS is to bring a

request for additional funding needed to complete stage gate 3 planning through the end of the current biennium to the May 2016 meeting of the Emergency Board.

Finally, the agency also received increases of \$5,540 General Fund and \$6.5 million Other Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Oregon Liquor Control Commission

The budget for the Oregon Liquor Control Commission (OLCC) increased by \$3 million, or 1.7%, from the 2015-17 legislatively adopted budget.

Other Funds expenditure limitation for OLCC was increased by \$1.1 million to accommodate policy changes in the regulation of recreational marijuana. HB 4014, SB 1511, and SB 1598 are anticipated to result in increasing the number of licensees subject to OLCC oversight, which will, in turn, drive agency costs associated with licensure and enforcement. Seven additional positions (4.17 FTE) were approved in conjunction with the expenditure limitation.

In addition, the Legislature authorized a loan of \$3.9 million from the liquor fund to the Oregon Health Authority to fund a youth marijuana prevention pilot program; SB 1597 specifies that the loan will be repaid with 2% interest from marijuana tax proceeds by September 30, 2017.

Finally, the agency also received an increase of \$1.9 million Other Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Public Employees Retirement System

The budget for the Public Employees Retirement System is \$9.8 billion Other Funds, of which \$9.7 billion is related to benefit payments. The remaining \$107.8 million budget is related to agency operations. This portion of the budget increased by \$12.6 million, or 13%, from the 2015-17 legislatively adopted budget.

The Information Services Division budget was increased by \$1.3 million of Other Funds expenditure limitation for an ongoing Individual Account Program information technology project and \$1.7 million for information technology enhancements to the jClarety retirement system.

The Financial and Administrative Services Division budget was increased by \$100,000 Other Funds expenditure limitation for an adjustment to the Secretary of State audit charge and the expenditure limitation for the State Government Service Charge was increased by \$6.6 million Other Funds.

Finally, the agency also received an increase of \$3 million Other Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Department of Revenue

The budget for the Department of Revenue increased by \$10 million, or 3.2%, during the 2016 session over the 2015-17 legislatively adopted budget.

The Business and Administrative Services Divisions were increased by a combined total of \$2.1 million Other Funds expenditure limitation for the recreational marijuana tax program, including five positions (3.67 FTE). The limitation reflects the establishment of a cash management program.

The General Fund appropriation for the Property Tax Division was increased by \$1.4 million to backfill Other Funds revenue shortfalls in the County Assessment Function Funding Assistance Account and in county contract mapping services. A \$1.8 million special purpose appropriation set aside for the Division's revenue shortfall was disappropriated. The Division's Other Funds expenditure limitation was also reduced by \$500,000 that was in excess of program needs and available revenue.

The General Fund appropriation for the Senior Citizens' and Disabled Citizens' Property Tax Deferral program was reduced by \$373,841 (2.60 FTE). The program's funding now comes entirely from the Senior and Disabled Property Tax Deferral account, an Other Funds account.

The Core Systems Replacement project's Other Funds expenditure limitation was increased by \$874,747 due to an increase in bond proceed carryforward from the previous biennium; the total carryforward now equals \$7.8 million. The project's Other Funds expenditure limitation was reduced by \$500,000 to reflect contract savings related to the implementation of a recreational marijuana tax module.

Finally, the agency received increases of \$5.5 million General Fund and \$1.6 million Other Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Secretary of State

The budget for the Secretary of State increased by \$2.2 million, or 3.2%, during the 2016 session from the 2015-17 legislatively adopted budget.

The Legislature established a \$347,900 General Fund appropriation and one limited-duration position (0.25 FTE) to replace the Oregon Elections System for Tracking and Reporting (ORESTAR) Election Night Reporting module. The agency will use the funds to acquire a commercially-available off-the-shelf product to replace an existing ORESTAR Election Night Reporting module that was developed in-house. The replacement system will offer expanded capabilities, including tabulation of local election vote counts and graphical and map-based display capabilities. A temporary project manager position was approved. The new system is expected to be fully operational in time for the 2016 General Election. The appropriation is approved on a one-time basis and will be phased out in the agency's 2017-19 biennium budget.

The agency also received increases of \$178,831 General Fund, \$1.7 million Other Funds expenditure limitation, and \$34,987 Federal Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

Oregon State Treasury

The budget for the State Treasurer received a \$1.1 million increase, or 1.7%, over the 2015-17 legislatively adopted budget during the 2016 session.

The Debt Management Division was reduced by \$500,000 Other Funds expenditure limitation for a Rockefeller Foundation grant that the agency no longer receives.

The agency also received increases of \$29,704 General Fund and \$1.6 million Other Funds expenditure limitation for employee costs resulting from bargaining agreements and other compensation plan adjustments.

LEGISLATIVE BRANCH

The Legislative Branch retains its General Fund reversions from the previous biennium. The legislatively adopted budget included anticipated reversions, but adjustments were needed in the 2016 session after the actual amounts were known. The actual amounts were \$4.6 million higher than the anticipated amounts. Those adjustments were included as part of a net-zero General Fund rebalance.

The rebalance includes a \$180,000 increase for chamber improvements and the use of \$2.4 million of unused bond proceeds to pay debt service in lieu of General Fund.

There is also an increase of \$6.7 million General Fund in Legislative Administration for facilities projects. The projects will be the beginning of a \$50 million Capitol project that will make improvements to the mechanical, electrical, and plumbing systems; address security and life safety issues; and increase accessibility for people with disabilities. It is expected to take three years for all of the improvements to be completed. HB 5202 includes \$30 million in Article XI-Q bonds to continue the project into the 2017-19 biennium. The expenditure limitation for those bond proceeds are included in HB 5203, which is the bill for all capital construction limitations. The budget also includes an Other Funds expenditure limitation of \$460,000 for the cost of issuance for the bonds. There is no debt service in the current biennium.

Finally, the budget includes two new Other Funds expenditure limitations related to the Oregon Capitol Foundation. The Foundation is now a separate entity from the Legislative Administration Committee. The limitations include \$300,000 for the History Gateway and \$25,000 for expenses related to operations for the Foundation.

EMERGENCY FUND

The Oregon Constitution authorizes the Legislature to establish a joint committee, known as the Emergency Board, to exercise certain powers during the interim between sessions of the Legislative Assembly. These powers include allocating funds appropriated by the Legislature for emergencies, increasing expenditure limitations on continuously appropriated agency funds, establishing or revising budgets for new activities, and authorizing transfers within agency budgets. The Emergency Fund consists of monies appropriated to the Emergency Board for general purposes and special purpose appropriations made to the Emergency Board for specified uses in specified agencies.

During the 2016 session, several changes affecting the Emergency Fund and Emergency Board were made:

General Purpose Adjustments

The general purpose Emergency Fund was increased by \$2 million, bringing the total amount available to the Emergency Board for the remainder of the 2015-17 interim to \$32 million.

Special Purpose Disappropriations

The following amounts were disappropriated from special purpose appropriations to the Emergency Board and appropriated to the General Fund (and generally used toward General Fund appropriation increases for the original purposes):

- \$120 million for various state agencies for employee compensation changes.
- \$10 million for various state agencies for non-state employee compensation changes. This action leaves \$700,000 in the special purpose appropriation for this purpose.
- \$1.9 million for the Higher Education Coordinating Commission for compensation agreements at Portland State University, Eastern Oregon University, Southern Oregon University, Western Oregon University, and the Oregon Institute of Technology. This action leaves \$1.6 million in the special purpose appropriation for other education needs.
- \$17.5 million for the Department of Education for the mixed delivery preschool program.
- \$6.9 million for the Department of Education, the Chief Education Office, and the Higher Education Coordinating Commission for transitional services and supports for secondary and post-secondary education.
- \$2.1 million for the Department of Forestry for fire costs. This action leaves \$3.9 million in the special purpose appropriation for this purpose.
- \$1.4 million for the Property Tax Division of the Department of Revenue to cover a revenue shortfall in the County Assessment Function Funding Assistance Account. The remaining \$400,000 in the special purpose appropriation was disappropriated and became part of the General Fund ending balance.

Special Purpose Appropriation Establishment

- \$3 million for the Department of Corrections for continued activation of minimum security beds at the Deer Ridge Correctional Institution.
- \$2 million for the Department of Corrections for activities and positions associated with improvements to housing and treatment for the seriously mentally ill.
- \$2 million for state agencies and local governments that incurred costs, not reimbursed by the federal government, related to the armed occupation of the Malheur National Wildlife Refuge.

With these changes, the Emergency Fund consists of \$32 million for general purposes and \$63.3 million for specified purposes. Any special purpose appropriation not used by December 1, 2016 is available to the Emergency Board for any lawful use (including the original purpose). Unused Emergency Fund resources will become available to the Legislature in the 2017 session or revert to the General Fund ending balance if not accessed during the next session.

Additional Session Actions

Program Change Measure

SB 1597 is a substantive, non-appropriation measure that makes statutory changes to support the legislatively approved budget, clarify the application of statutes, and modify provisions relating to the use of public funds. A measure similar to SB 1597 is generally enacted each legislative session. Such bills are commonly referred to as “Program Change” bills. The budgetary effect of any program change is included in either SB 5701, the omnibus budget bill, or HB 5201, the Lottery Fund allocation bill.

Changes that are part of SB 1597 include:

- Corrects Oregon Courthouse Capital Construction and Improvement Fund program statutes to apply to projects funded in 2015-17.
- Modifies statutory documentation and reporting of the State Debt Policy Advisory Commission.
- Removes statutory provisions that require the Department of Administrative Services (DAS) to treat any General Fund appropriation made to DAS for the benefit of the Oregon State Fair as a loan to be repaid by the Oregon State Fair Council. The 2015-17 legislatively adopted budget included \$1,015,299 General Fund for the Oregon State Fair.
- Combines Judicial Department technology fee revenues received prior to July 1, 2013 with revenues received and deposited into the State Court Technology Fund and transfers legacy fee revenues to the fund on June 30, 2016. The total transfer is \$1,045,987 Other Funds.
- Transfers authority for an Article XI-G bond project for Clackamas Community College from the Department of Community Colleges and Workforce Development to the Higher Education Coordinating Commission, which was inadvertently excluded in the initial transfer of projects in HB 2408 during the 2015 legislative session.
- Increases judges’ annual salaries by \$5,000 on January 1, 2017. The fiscal impact will be \$630,000 General Fund in 2015-17 and \$2,520,000 General Fund in 2017-19.
- Creates two new Treasury Funds for the Legislative Administration Committee to receive funds from the Oregon State Capitol Foundation dedicated to the History Gateway and for operating expenses.
- Transfers Liquor Fund revenue to the Oregon Health Authority to fund a youth marijuana-use prevention pilot program. Specifies that the money is to be repaid with 2% interest by September 30, 2017. Total transfer amount is \$3,974,842 Other Funds.
- Directs declared earnings from the Oregon Growth Account investments to be distributed by the same formula applied to earnings on other moneys in the Education Stability Fund.

Revenue Policy Legislation

Significant state revenue policy changes for the 2016 session include a modification of three major state tax credits and an increase in the statewide transient lodging tax. In addition to a series of technical changes to existing tax credits, SB 1507 modified the credits for film and video and biomass manure. The annual cap for the film and video credit is increased from \$10 million to \$12 million for the 2016-17 fiscal year and to \$14 million for each year afterward until the credit is scheduled to sunset on January 1, 2024. SB 1507 also extends the sunset for the biomass manure credit from January 1, 2018 to January 1, 2022 and reduces the credit rate from \$5 per wet ton to \$3.50 per wet ton. The net General Fund revenue impact of SB 1507 is -\$0.2 million in the 2015-17 biennium and -\$10.3 million in the 2017-19 biennium. HB 4110 increases the state’s earned income tax credit from 8% of the federal credit to 11% for those taxpayers who have one or more dependents who are less than 3 years old starting with the

2017 tax year. The measure is expected to have no revenue impact in the current biennium and reduce General Fund revenue by \$10 million in the 2017-19 biennium. The Legislature increased the statewide lodging tax with the passage of HB 4146. This measure increases the current 1% rate to 1.8% for the July 2016 to July 2020 period. Starting on July 1, 2020, the rate goes to 1.5%. The bill also modifies the distribution of lodging tax revenue among the tourism commission and local governments. The new rates are expected to increase net lodging tax revenue (after collection costs) by \$12.7 million in the 2015-17 biennium and \$27.4 million in the 2017-19 biennium.

State Employee Compensation

The 2015-17 legislatively adopted budget included a special purpose appropriation of \$120 million General Fund to be allocated to affected agencies once final collective bargaining decisions were made. During the 2016 legislative session, that special purpose appropriation was allocated in SB 5701 and is expected to cover about 93% of the statewide General Fund estimate of costs for compensation and benefit changes agreed to through collective bargaining or other salary agreements.

Total compensation adjustments include \$120 million General Fund, \$3.2 million Lottery Funds, \$111.7 million Other Funds, and \$55.9 million Federal Funds. The Lottery Funds, Other Funds, and Federal Funds expenditure limitations are calculated at fully funded amounts.

The following table shows the state agencies with the largest General Fund appropriations dedicated for employee compensation. These agencies account for 85% of the total General Fund impact.

Agency	2015-17 General Fund
Department of Corrections	\$33,932,364
Department of Human Services	\$26,928,523
Oregon Health Authority	\$20,064,112
Judicial Department	\$7,974,225
Oregon Youth Authority	\$6,728,384
Oregon State Police	\$6,006,166

For state employees, collective bargaining resulted in new two-year contracts that generally included the following: merit increases, annual cost of living adjustments of 2.25% and 2.75%, insurance costs, selective salary increases, and the inclusion of the Friday after Thanksgiving as a state holiday.

The provision requiring that employees pay 5% of their health insurance costs is still included in the agreements, however, employees will be required to pay only 1% if they choose a plan that is at least 10% cheaper than the most expensive plan. Plans are generally 2.7% higher than previous years and are expected to increase 3.4% in 2017.

The agreement for the Service Employees International Union has a provision that eliminates the 6% PERS “pick up” beginning November 1, 2016. There is an associated 6.95% salary increase at that time for members of the bargaining unit, with the additional 0.95% expected to cover other payroll expenses that are affected by the increase in salary.

Other statewide adjustments include adjustments for Pension Obligation Bond (POB) payments and fully funding the General Fund need of employee compensation for small agencies. POB adjustments generated a net savings of \$4.3 million total funds, including General Fund savings of \$487,281. A portion of the savings was used to fully fund the General Fund collective bargaining agreement costs (\$243,932) of small agencies.

Roll-up costs for the agreements are expected to be \$246.6 million General Fund and \$622.8 million total funds in 2017-19.

See the Legislative Fiscal Office budget information brief on compensation plan funding, <https://www.oregonlegislature.gov/lfo/Documents/2016-1%20Compensation%20Plan%20Funding.pdf>

Oregon's Minimum Wage

SB 1532 increases Oregon's base minimum wage to \$13.50 per hour by July 1, 2022. Currently, the minimum wage in Oregon, which is the lowest hourly wage a non-exempt employee may be paid, is \$9.25 per hour. The measure also establishes a higher minimum wage of \$14.75 by 2022, for employees working within the urban growth boundary of the Portland metropolitan area and a lower minimum wage of \$12.50 by 2022, for those working in 18 nonurban counties. Beyond 2022, the base minimum wage is adjusted annually for inflation with the caveat that the Portland metropolitan area must be no less than \$1.25 more than the base minimum, and the nonurban area must be no less than \$1.00 under the base minimum. The nonurban counties are Baker, Coos, Crook, Curry, Douglas, Gilliam, Grant, Harney, Jefferson, Klamath, Lake, Malheur, Morrow, Sherman, Umatilla, Union, Wallowa, and Wheeler.

The fiscal impact to state agencies as a result of the increased minimum wage is expected to be \$33,000 to \$99,000 total funds in the 2015-17 biennium and an estimated \$48,000 to \$340,000 total funds in the 2017-19 biennium. The wide range of costs is due to the methodology used to estimate employee costs associated with the differential between the Portland metropolitan area and the nonurban counties.

The fiscal impact to school districts and Education Service Districts is anticipated to be \$679,000 to \$735,000 in 2015-17 and \$2.6 million to \$2.8 million in 2017-19.

Public universities estimate costs of \$1,315,003 total funds in 2015-17, while Community Colleges estimate costs of \$1,230,668 in 2015-17. A large number of employees impacted are student workers and it is likely those students would experience a reduction in other financial aid that would offset the benefit of the increased minimum wage. The Legislative Fiscal Office notes that the multiple tier minimum wage system may require a change in the formula used to calculate Oregon Opportunity Grant awards. The 2017-19 biennium costs are anticipated to be \$10,220,858 for public universities and \$3,591,156 for Community Colleges.

See the Legislative Fiscal Office budget information report on Oregon's minimum wage, <https://www.oregonlegislature.gov/lfo/Documents/BudgetInformationReportOnMinimumWage.pdf>

The budget information report discusses the fiscal effects of an increase in the minimum wage, however, it did not take into account potential phase-in dates or regional differentiations that were ultimately included in SB 1532.

Other Revenue Sources

Criminal Fine Account

The Criminal Fine Account (CFA) includes criminal fines and other financial penalties imposed on persons convicted of felonies, misdemeanors, and violations other than parking infractions which are collected through the courts and remitted to the Department of Revenue. During the 2016 session, the Legislature allocated resources from the CFA in HB 5201.

ORS 137.300 establishes the CFA and identifies program priorities, but does not specify a funding level for the programs. Once the specific program allocations have been made, the balance of revenues in the CFA is deposited into the General Fund. The increases in the allocations in HB 5201 result in a decrease of the 2015-17 General Fund revenue by the same amount.

The Legislature approved the following allocation increases in HB 5201:

- Increased the allocation to the Department of Public Safety Standards and Training for operations by \$3,830,195. This includes a one-time increase of \$2,790,195 to increase the number of training classes, and \$1,040,000 to address the costs of compensation plan changes for employees.
- Increased the allocation to the State Court Facilities and Security Account in the Oregon Judicial Department for state court security and emergency preparedness by \$23,680 to address the costs of compensation plan changes for employees.

Fees

SB 5702 provides the enabling legislation necessary to approve fees adopted by state agencies through administrative rule, and approved by the Department of Administrative Services, during the period between the end of the 2015 session and the beginning of the 2016 session. ORS 291.055(1)(e) mandates that all new state agency fees or fee increases adopted between regular sessions of the Legislative Assembly are rescinded upon adjournment of the next regular session unless authorized by enabling legislation setting forth the approved fees.

The following agency fee changes were ratified in SB 5702:

- Board of Accountancy – Increased fees for the application, permitting, and renewal to practice accountancy for both individuals and firms. The fees are anticipated to generate approximately \$486,980 Other Funds revenue during the 2015-17 biennium.
- Board of Medical Imaging – Established fees for the application, examination, and permitting of physician assistants to perform fluoroscopy. The fee changes are expected to generate approximately \$9,450 Other Funds revenue during the 2015-17 biennium, with \$5,250 of that being passed through to the agency providing the national exam.
- Department of Aviation – Changed tie-down fees from airport tenants at state-owned airports. Previously the fee was a percentage calculation which was based on fair market value and was variable from airport to airport. The new simplified fee structure is a flat \$10 per month fee. The fee changes are expected to generate approximately \$7,560 Other Funds revenue in 2015-17 biennium. The bill also established annual registration fees for Unmanned Aerial Systems (UAS) based on weight; for a UAS that weighs below 55 pounds, the annual fee is \$25, and for a UAS that weighs above 55 pounds the annual fee is \$50. The fees are expected to generate approximately \$9,000 Other Funds revenue in 2015-17.

- Department of Consumer and Business Services – Established an administrative fee for all insurers participating in the Oregon Health Insurance Marketplace. The fees for 2015 and 2016 plan years mirror the rates of \$9.66 per member, per month for insurers offering qualified health plans; and \$0.97 per member, per month for insurers offering stand-alone dental plans previously established by Cover Oregon.
- Oregon Liquor Control Commission – Established nineteen fees associated with the regulation of marijuana. Fees are assessed for the following: application for licensure; issuance of producer, processor, wholesaler, and retailer licenses; change requests; required background checks; and late fees. Fees are also assessed for regulated laboratories, researchers, and marijuana handlers. The fees are expected to generate \$5.9 million in the 2015-17 biennium.
- Real Estate Agency – Increased the fee for a condominium filing review from \$46 to \$200 per hour. This fee is paid primarily by developers looking to develop condominium projects. The fee increase is expected to generate approximately \$169,708 Other Funds revenue per biennium.

State Bonding and Capital Construction

State Bonding

In January 2016, the State Debt Policy Advisory Commission updated its recommended capacity limits for General Fund and Lottery Funds debt based upon the December 2015 revenue forecast, new estimated interest rates, and the amount of bonds that were approved during the 2015 session. The new recommended remaining capacity was \$167 million for General Fund bonds and \$13 million for Lottery revenue bonds.

The Legislature increased the Higher Education Coordinating Commission Article XI-G general obligation bond authorization for community colleges by \$5,070,000. The increase provides funding for Portland Community College to finance the acquisition of, and improvements to, land and the acquisition, construction, or alteration of the American Manufacturing Innovation District Building, including furnishing and equipping of the building. The authorized amount includes \$5,000,000 of funding for the project and \$70,000 for bond issuance costs.

The Legislature increased the Department of Administrative Services' Article XI-Q general obligation bond authority by \$91,095,000 for projects owned or operated by the state. The approved projects are:

- \$2,555,000 for the Department of Administrative Services for repairs and improvements to the Oregon State Fair facilities.
- \$7,590,000 for the Department of Human Services to implement a multi-program integrated eligibility determination system.
- \$1,795,000 for the Department of Forestry East Lane Warehouse, a project that was budgeted in 2015-17 but inadvertently excluded in the 2015 bond bill.
- \$3,210,000 to continue implementation of the Department of Justice Child Support Enforcement Automated System.
- \$2,050,000 for the McNeal Hall project at Southern Oregon University for the Higher Education Coordinating Commission.
- \$5,070,000 for the repairs of a utility corridor and storm drainage at Oregon Institute of Technology for the Higher Education Coordinating Commission.
- \$30,460,000 for repairs and improvements to the Oregon Capitol building.
- \$20,340,000 to complete implementation of the Department of Transportation State Radio Project.
- \$1,445,000 for planning and design of a new Lane County Courthouse through the Oregon Judicial Department Oregon Courthouse Capital Construction and Improvement Fund program.
- \$6,580,000 for the Oregon Military Department to refurbish existing buildings in Umatilla to serve as the new Regional Training Institute.

The Legislature increased the Department of Administrative Services' lottery revenue bond limit by \$11,330,000. The increased lottery revenue bond authorization provides funding for the following projects:

- Housing Preservation – \$2,825,000 of lottery revenue bonds were approved to provide an additional \$2.5 million of proceeds to the Housing and Community Services Department for grants to preserve existing affordable housing with expiring federal subsidies. The bonds increase the total amount of proceeds available for this purpose from the \$2.5 million previously authorized in the 2015 session to a total of \$5 million for the biennium.

- Warrenton Dock – \$3,400,000 of lottery revenue bonds were approved to provide \$3 million of proceeds to the Department of Administrative Services for distribution to the City of Warrenton to finance the rebuilding of a dock in Warrenton, Oregon, which was destroyed by a fire.
- Juntura Road – \$2,280,000 of lottery revenue bonds were authorized to provide \$2 million of proceeds to the Oregon Department of Transportation for distribution to Harney County to improve Juntura Road in Harney and Malheur counties.
- American Manufacturing Innovation District – \$2,825,000 of lottery revenue bonds were approved to provide \$2.5 million of proceeds to the Oregon Business Development Department to support a collaborative effort between government, industry, and academic organizations to invest in manufacturing infrastructure to promote advanced manufacturing.

Authority for Certificates of Participation and Other Financing Agreements was increased by \$6,500,000 based on projected use of capital leases.

The direct revenue bond authority for the Department of Energy was reduced by \$20,000,000 to \$0, as the Department has no plans to issue revenue bonds during the 2015-17 biennium.

There will be \$2.5 million in General Fund debt service in the 2015-17 biennium for the new projects listed above. Because the lottery revenue bonds will not be issued until the spring of 2017, there are no debt service payments due in the 2015-17 biennium. Estimated debt service will total \$20.8 million General Fund and \$2.2 million Lottery Funds during the 2017-19 biennium for the new projects.

With the approvals during the 2016 session, General Fund bonding totals \$1,153.3 million and Lottery revenue bonding totals \$213.1 million for the 2015-17 biennium. Total General Fund debt service for approved bonding in the legislatively approved budget will be \$25.7 million in the current biennium and \$195.1 million in 2017-19. There are no debt service payments due on total legislatively approved lottery revenue bonds in the 2015-17 biennium and \$38.1 million in 2017-19

Capital Construction

During the 2016 session, the Legislature approved an increase of \$60,545,066 for 2015-17 capital construction projects. The amount includes a net increase of \$57,103,233 Other Funds and an increase of \$3,441,833 Federal Funds. There are several previously approved projects that had the funding or project description modified.

Legislative Administration Committee

State Capitol Capital Repairs and Improvements – The Legislature approved a \$30,000,000 Other Funds (Article XI-Q bond proceeds) expenditure limitation to finance needed repairs and improvements to the State Capitol building.

Higher Education Coordinating Commission

- Public Universities – The Legislature approved a \$10,150,000 increase in the Other Funds Capital Construction six-year expenditure limitation for the Higher Education Coordinating Commission (HECC) for distribution of general obligation bond proceeds to public universities. This amount corresponds to the total project amounts for five university projects authorized in HB 5202, net of one project that was reduced. Projects are funded with proceeds from the issuance of Article XI-Q bonds and Article XI-F (1) bonds and will be disbursed as grants or loans, as applicable, pursuant to

grant contracts and loan agreements between HECC and each university. The expenditure limitation expires June 30, 2021.

- Portland Community College – The Legislature approved establishing a \$1 Other Funds (Article XI-G bond proceeds) expenditure limitation for the Higher Education Coordinating Commission for distribution to Portland Community College to finance the acquisition of, and improvements to, land and the acquisition, construction, or alteration of the American Manufacturing Innovation District Building, including furnishing and equipping of the building. HB 5202 authorizes \$5 million of Article XI-G bonds proceeds for this project while another \$2.5 million of lottery revenue bond proceeds are also authorized for the project in the same bill. The American Manufacturing Innovation District is a collaborative effort between governments, industry, and academic institutions to invest in manufacturing infrastructure to promote advanced manufacturing. Portland Community College and its partners in the project must return to the Emergency Board or the Legislature in 2017 with a presentation of a business plan for developing the District prior to receiving further expenditure limitation.

Military Department

- Oregon Military Museum – The Legislature approved establishing an Other Funds (Capital Projects Fund) expenditure limitation of \$725,963 to enable the Military Department to spend funds raised by the Heritage Outreach Foundation in support of completing the museum’s repository, vestibule, and rain skin projects for the main building.
- Sharff Hall/Maison Armory – In 2013, the Legislature authorized capital construction expenditure limitation to acquire and remodel Sharff Hall, in Portland, to convert it into an armory. The name was later changed to Maison Armory. In late September 2015, the National Guard Bureau notified the Military Department that federal funding had been approved to augment bonding proceeds already secured. The Legislature approved establishing a Federal Funds capital construction expenditure limitation of \$2,051,033. The funding will be used to enhance window replacements, energy and water saving measures, and kitchen and utility upgrades. With federal support, the project total is now \$4,832,033.
- Medford Armory – Adding to existing resources to renovate the Medford Armory, the National Guard Bureau made additional funding available above the \$1.9 million provided earlier. The Legislature approved increasing the Federal Funds capital construction expenditure limitation by \$940,800. The project is now \$5,276,108 total funds to provide additions and alterations to the armory, HVAC replacement, upgrades to windows, restrooms, kitchen, administrative, and storage areas, and information technology systems, as well as implementing feasible energy and water savings measures.
- Regional Training Institute – The Legislature approved establishing an \$11,500,000 Other Funds capital construction expenditure limitation to enable the Military Department to construct and expand a new Regional Training Institute at Camp Umatilla. The funding consists of \$5 million from the sale of the current Regional Training Institute building on the Western Oregon University campus in Monmouth and \$6.5 million in Article XI-Q bond proceeds.

Department of Fish and Wildlife

- Cedar Creek Hatchery and Fish Passage Improvements – The Legislature approved an Other Funds capital construction expenditure limitation of \$2,000,000 (from the Oregon Department of Transportation) for the removal of a dam on the East Fork South Fork Trask River and the expansion of facilities at Cedar Creek Hatchery.

- Lower Deschutes River Ranch Acquisition – The Legislature approved an Other Funds capital construction expenditure limitation of \$227,269 to complete acquisition of over 10,000 acres of property that will be incorporated into the current Lower Deschutes Wildlife Area. Funding comes from the Oregon Parks and Recreation Department (\$135,000) and ODFW’s Criterion Fund (\$92,269).
- Clackamas Hatchery Intake System – The Legislature approved establishing a \$450,000 Federal Funds (Mitchell Act revenues) expenditure limitation to provide additional funding for the replacement of the Clackamas Hatchery intake and pipeline. In addition, the Legislature approved an increase of \$1,845,000 Other Funds (Carcass and Egg Fund) expenditure limitation to the previously approved project to complete construction of the intake system at the Clackamas Hatchery.

Department of Administrative Services

Oregon State Fair Capital Repairs and Deferred Maintenance – The Legislature approved establishing a \$2,500,000 Other Funds (Article XI-Q bond proceeds) expenditure limitation to finance needed repairs and improvements to the Oregon State Fair facilities.

Budget Notes

A budget note is a non-binding directive to a state agency on the legislative intent of a particular budget measure, directing administrative and managerial actions relating to the agency's execution of its biennial budget. A budget note originates from one legislative committee, the Joint Committee on Ways and Means, and is found exclusively in a budget report, which is the measure summary that accompanies most measures passed by Ways and Means. The only exception is when separate Senate and House budget committees are appointed.

The Legislature approved a total of seven budget notes during the 2016 session, all of which are contained in the budget report for HB 5701:

EDUCATION PROGRAM AREA

Higher Education Coordinating Commission

BUDGET NOTE: The Subcommittee recognizes that the Current Service Level (CSL) is intended to estimate the cost of legislatively approved programs in the upcoming biennium. In 2009, the Joint Committee on Way and Means approved the adoption of a CSL model for the Community College Support Fund (CCSF) to reflect health benefit and retirement costs expected to exceed the Department of Administrative Services standard inflation rate. To ensure consistency in post-secondary state support CSL calculations, the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) are directed to develop, in consultation with the Higher Education Coordinating Commission and the seven public universities, an estimated cost of applying the Community College Support Fund model to the Public University Support Fund, the Agricultural Experiment Station, the Extension Service, the Forest Research Laboratory, and Public University State Programs. The estimate will include data elements that the public universities will be required to submit to HECC in order to implement the model. DAS and LFO will provide the estimated cost to implement the Community College Support Fund CSL model for Public University state support to the Emergency Board, through the Legislative Fiscal Office, by July 1, 2016.

HUMAN SERVICES PROGRAM AREA

Department of Human Services

BUDGET NOTE: The Department of Human Services is directed to take steps to provide policy and budget options for decision making that will be required during the 2017 legislative session to ensure future sustainability of the APD and IDD programs. Steps include further refinement, analysis, and pricing of viable options or ideas brought forth by the agency, stakeholders, and other interested parties; the focus should be on ways to control caseload growth and utilization. The agency will reach out to legislators, stakeholders, and partners to assist in this effort. In developing sustainability proposals, the Department shall prioritize options that minimize impacts on consumers and providers. The Department will also formally report, at a minimum, to the Emergency Board during Legislative Days in May and December 2016 on progress made under both parts of this budget note. The agency may also be requested to report to interim legislative policy committees on human

services. In addition to the work described above, the Department is also directed to take immediate actions that may help contain costs without changing the current service system structure and that do not require statutory changes. The agency's action plan includes: review and correct, if needed, the relationship between assessment tools and program eligibility criteria; take action to more efficiently align service authorization with people's needs, also consider appropriate limits; work to limit use of overtime in service plans; but the agency should take into account workforce shortage areas, the needs of consumers, and changes to current consumer provider relationships; continue discussions with CMS to prevent the conversion of natural support to paid support, with consideration for parental responsibility; and further restrict the live-in program to prohibit live-in service plans when the individual lives in their family's home or the family lives with the individual and is served by that relative (they would still be served in the hourly program).

Oregon Health Authority

BUDGET NOTE: The Oregon Health Authority shall identify and track related outcomes on each project that is implemented as a result of the \$10 million investment in rural hospital transformation and sustainability, shall provide regular updates to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office, and shall report back to the Joint Committee on Ways and Means during the 2017 legislative session on the implementation and status of the projects, outcomes to date, costs to date, as well as recommended policies which will improve population health outcomes in rural Oregon.

BUDGET NOTE: The Oregon Health Authority is directed to develop a plan and recommendations for extending medical assistance to children not eligible under ORS 414.231(3) including: eligibility criteria, coverage options, enrollment estimates, issues of equity and inclusion, integration with other programs, outreach, administrative and staffing changes, phasing options, and cost estimates. In developing the recommendations, the agency is expected to engage stakeholders and legislators, and utilize information on experiences in other states. The agency will report back to the appropriate committees during the 2017 legislative session on their plan and recommendations.

PUBLIC SAFETY AND JUDICIAL BRANCH PROGRAM AREA

Judicial Department

BUDGET NOTE: The Chief Justice or his designee is requested to present a report to the Emergency Board, no later than December 2016, with a priority ranking and the projected costs of courthouse capital construction projects for which he may, within the next twelve years, request state funding support from the Oregon Courthouse Capital Construction and Improvement Fund. The report shall include recommendations for stabilizing biennial funding request amounts over the ten-year period beginning with the 2019-21 biennium.

Department of Justice

BUDGET NOTE: The Department of Justice is to report at each meeting of the Emergency Board and the Interim Joint Committee on Information Management and Technology at each interim meeting with detailed project status reports (performance against plan) on the Child Support Enforcement Automated System (CSEAS). As part of the agency's report for the Emergency Board meeting in May

of 2016, the agency is to: (a) justify why an advisory steering committee is an appropriate form of governance; (b) provide a detailed cost-benefit analysis of the decision to use a private vendor vs. Department of Administrative Services State Data Center; (c) provide a justification for the indirect agency administrative charges to the CSEAS project, which may need to be repurposed and used for a general project contingency fund; and (d) report on improvements to quality assurance and agency status reporting.

CONSUMER AND BUSINESS SERVICES PROGRAM AREA

Department of Consumer and Business Services

BUDGET NOTE: The purpose of this budget note is to clarify the Department of Consumer and Business Services' (DCBS) authority to regulate pharmacy benefit managers (PBMs). DCBS is directed to convene a workgroup to develop recommendations for rulemaking regarding PBM compliance. Based on those recommendations, the agency will draft rules regarding PBM compliance and report to the appropriate legislative policy committees by November 1, 2016. The report should include the draft rules, as well as any statutory changes or clarifications necessary to fully implement the draft rules, including fee recommendations for administration of the program. Draft rules must include, but are not limited to: 1) Notification system that includes a method for informing PBMs of new regulations, and for informing PBMs of complaints, investigations, and possible sanctions; 2) investigation procedures; and 3) fees, fines, and resolution process that includes overall schedule of fees and fines; provisions for warnings before fines, based on circumstances; possible escalation of fine for multiple occurrences including combining multiple occurrences into a single complaint or enforcement action, or multiple claims related to a single reason or cause; setting a maximum annual per PBM fine; exceptions based on type of violation or other criteria; a reasonable time to re-enter compliance; and other provisions consistent with DCBS' existing enforcement authority and procedures.

Information Technology

During the 2016 session, the Joint Legislative Committee on Information Management and Technology (JLCIMT), staffed by the Legislative Fiscal Office (LFO), focused its activities on:

- Reviewing proposed Information Technology (IT) related law and policy changes.
- Reviewing and providing recommendations on agency IT budget requests.
- Reviewing and providing oversight for previously approved IT policy option packages.
- Evaluating business cases, foundational project management work, risk assessments, and quality assurance reports for new or ongoing major IT projects exceeding \$1 million.
- Identifying IT projects requiring budget notes or other legislative directives.
- Assuring JLCIMT and Joint Committee on Ways and Means review of major IT project status, budget notes, and issues.

The committee was referred three bills that it introduced for the 2016 session (SB 1538, SB 1539, and HB 4056) and reviewed over 20 other key IT projects and initiatives that were of special interest. A majority of these projects and initiatives had an associated budget note or other legislative direction adopted to make sure that agencies proceeded consistent with the Legislature's direction during the 2015-17 biennium. More information can be found within the *2015-17 Legislatively Adopted Budget Information Technology Summary*, published by LFO.

Two of the bills introduced by JLCIMT were passed by the Legislature:

- SB 1538 requires state agencies to notify LFO promptly concerning information security incidents and to describe the actions the agency has taken to mitigate or recover from any damage the incident caused. Agencies are also required to provide LFO with copies of information security assessments and reports regarding the results of those assessments. In addition, certain state agencies are required to provide annual reports concerning information security to the JLCIMT. The bill also prohibits LFO from disclosing information it receives regarding security incidents or assessments.
- SB 1539 requires state contracting agencies to provide the State Chief Information Officer and LFO with copies of the final feasibility determinations or the final cost analyses that the agencies use when determining whether to conduct a procurement for IT related services.

The third bill introduced by JLCIMT (HB 4056) was not heard during the 2016 session, but a multi-jurisdictional work group on geospatial data sharing was authorized to be formed. As introduced, the measure would have required public bodies to share geospatial framework data that the public body is the custodian of with other public bodies. Direction was provided to the State Chief Information Officer to work with the JLCIMT during the 2016 interim on a work group to comprehensively study the current practices, issues, barriers, and concerns regarding geospatial data sharing and to also identify possible solutions to the barriers that prevent data sharing among Oregon public bodies. The goal of the work group is to draft suggested language to revise or replace HB 4056 with a legislative concept for JLCIMT introduction in the 2017 session.

Of the major IT projects or initiatives included in the 2015-17 legislatively approved budget, several were of particular interest to the Legislature due to their overall cost, complexity and risk, cross-biennium implementation timeframes, and/or their importance to state government. Informational meetings and

work sessions were held, or written status reports were provided to the JLCIMT and various subcommittees of the Joint Committee on Ways and Means, on the following projects:

Education

- Umpqua Community College – Technology requests

Human Services

- OHA – MAGI Medicaid System Transfer Project
- DHS – Integrated Eligibility Project
- DHS – Centralized Abuse Management System
- DHS/OHA – Race, Ethnicity, Language and Disability (REAL+D) Report
- OHA – Update on Health IT Projects

Public Safety

- DOJ – Child Support Enforcement Automated System (CSEAS) Project

Economic and Community Development

- OED – Modernize Business Systems and Technology Infrastructure Project
- DCBS – Health Insurance Market Place Report
- DCBS – SHOP Implementation/RFP Report

Natural Resources

- ODF – Forestry Activity Electronic Reporting and Notification System (FERNS) Enhancement Project
- ODF – e-Procurement Project
- DOGAMI – IT Assessment Report

Transportation

- ODOT/DMV – Service Transformation Program Report

Administration

- DAS – Human Resource Information System
- DAS/OSCIO – IT Reorganization
- DOR – Property Valuation System Project
- Secretary of State – Election Night Reporting
- PERS – Individual Account Program (IAP) Administration Project
- PERS – Technology Maintenance and Enhancements Project
- PERS – Disaster Recovery Infrastructure Upgrades

A compilation of IT related budget notes and legislative direction to agencies from the 2016 session is provided in other sections of this Budget Highlights Update document.

Fiscal Impact Statements

A fiscal impact statement is an independent, objective analysis of the expenditure, revenue, staffing, and organizational effects of a substantive legislative measure on state and local government. A fiscal impact means an increase or decrease in program expenditures, revenues (non-tax), positions, or full-time equivalent (FTE) compared to the amounts in the current biennium's approved budget. There are four general types of fiscal impact statements:

- **No fiscal impact:** A statement issued on an original measure that has no expenditure impact, or on a measure that was originally "fiscal" but has been amended so that the fiscal impact is eliminated.
- **Minimal fiscal impact:** A statement issued when a measure has a fiscal impact, but the impact can be absorbed or accommodated within an agency's existing legislatively approved budget without additional appropriation or expenditure limitation.
- **Written fiscal analysis:** A statement issued on a measure determined to have a fiscal impact beyond a "minimal" fiscal impact. When a fiscal impact cannot be determined, an "indeterminate" fiscal impact statement may be issued with an explanation of why an exact amount cannot be determined. An "explanatory" fiscal analysis may be used to describe a measure's mechanical defects or ambiguity.
- **May have Fiscal Impact (Fiscal Lite):** A generic statement to categorize an introduced measure for which a Legislative Fiscal Office fiscal impact analysis has yet to be completed based on a formal request from a substantive committee.

Process

Oregon Revised Statute Chapter 173 states that fiscal impact statements are required on measures that are reported out of committee. During the 2016 session, House and Senate substantive committees, by model committee rules, were required to receive and review a fiscal impact statement prior to a measure being reported out of committee. This rule applied to most substantive measures, including those with subsequent referrals to the Committees on Finance and Revenue and/or the Joint Committee on Ways and Means. The purpose of the rule is to inform substantive committee decision-making on the fiscal implications of a particular measure.

Fiscal Impact Statistics

The fiscal impact process is affected by a number of factors including: the volume of measures introduced, the number of substantive committees, committee model rules, committee scheduling of a measure, whether the measure is amended, the number of amendments, the fiscal nature and complexity of the measure and/or amendment, the duration of the session, and state agency and local government staffing levels and the experience of this staff with the legislative and fiscal impact processes.

There were 283 measures introduced during the 2016 session, a 6.4% increase from the number of measures introduced in the 2014 session. There were a total of 143 measures that passed the Legislature and were enrolled, basically no change from the number of enrolled measures from the 2014 session (144). In total, LFO produced 498 fiscal impacts on introduced, amended, and engrossed measures and minority reports: 169 (34%) were written Fiscal Impact statements; 152 (31%) were Minimal Fiscals; 116 (23%) were No Fiscals; and 61 (12%) were Fiscal Lites.

Substantive Bills Enacted into Law with a Budget Effect

In addition to appropriation bills, the Legislature approved a number of substantive bills that had a budgetary or fiscal impact. The following is a brief summary, by program area, of noteworthy substantive bills reported out of the Joint Committee on Ways and Means and which became law or were referred to voters.

Of the 283 measures introduced during the 2016 session, 60 (21%) were referred to the Joint Committee on Ways and Means (JWM). Of the bills referred to the Joint Committee on Ways and Means, seven (12%) were introduced by the Committee and were directly referred to JWM; 53 (88%) were subsequent referrals. Of the 60 referred measures, five (8%) were budget measures and 55 (92%) were substantive or non-budget bills (including SB 1597, Program Changes). A total of 33 bills (55%) were reported out of the Committee and passed both floors.

The following substantive measures were not referred to JWM; however, the budget impact of their implementation may need to be addressed in a future legislative session or by the Emergency Board:

- [HJR 202](#) refers for voters' approval of a Constitutional amendment that requires 1.5% of net proceeds from the State Lottery to be dedicated for the benefit of veterans.
- [HB 4016](#) allows certain health boards to administer their own impaired health professional programs.
- [SB 1532](#) increases the state minimum wage.
- [HB 4014 / SB 1511 / SB 1598 / SB 1601](#) change certain laws regarding marijuana.

EDUCATION PROGRAM AREA

[HB 4002](#) appropriates \$25,500 General Fund to the Oregon Department of Education (ODE) for the development of a plan to reduce school absenteeism, and \$500,000 to the Chief Education Office (CEdO) for a pilot program to reduce absenteeism. The plan will be developed in collaboration with the Department of Human Services (DHS), the Oregon Health Authority (OHA), and community and education stakeholders. The pilot program will last three years with grant funding allocated in three different allotments; the Legislative Fiscal Office recommends that the CEdO include a policy option package in the Agency Request Budget for the 2017-19 biennium for the remainder of the pilot program funding.

[HB 4076](#) requires community colleges to provide support services for students receiving Oregon Promise grants that implement proven multiyear strategies to improve academic success or completion rates and provides \$1,659,800 General Fund for distribution as grants to the community colleges for a three year period. Each community college will get one share of the funds, except Portland Community College will receive three additional shares given its size and operation of four major campuses.

[SB 1537](#) establishes criteria by which school districts may establish post-graduate scholar (5th year) programs to receive and expend State School Fund moneys for certain students who have satisfied requirements for a high school diploma. The bill includes an appropriation of \$82,102 General Fund for one-time temporary staffing resources for the Department of Education for the work of compiling and reporting information from existing data bases for districts, legislative reporting, drafting any rules

required resulting from the bill, providing technical assistance to districts, and modifying the distribution models for the State School Fund. There is no impact on the total amount in the State School Fund from this bill, but the distribution between districts may change as a result of this bill.

HUMAN SERVICES PROGRAM AREA

HB 4030 mandates that the Oregon Health Authority (OHA) develop and implement two programs (a fee-for service program and a Coordinated Care Organization program) to better reimburse providers of emergency medical services and transportation for the costs of administering these programs. The bill stipulates that General Fund moneys cannot be used for these two programs. It is assumed that the revenue for these programs will come from fees on providers, although it is not certain whether enough revenue will be available to cover costs. A workgroup will address implementation details.

HB 4042 requires the Department of Human Services (DHS) to establish a General Assistance (GA) project, beginning July 1, 2016, to serve a maximum of 200 people per month who are enrolled in the medical assistance program, have disabilities that meet Presumptive Medicaid disability criteria, and are experiencing homelessness. The bill appropriates \$1,624,636 General Fund and provides \$65,348 Other Funds expenditure limitation; along with benefit payments, this funding will support three positions (1.50 FTE) to set up and coordinate benefits, assist in obtaining housing, and perform tracking required to receive federal reimbursement. In future biennia, there will be Other Funds revenue from indirect federal cost recoveries to help fund the program.

SB 1515 tightens mandatory licensing, certification, authorization, regulation, and enforcement standards and criteria for child-caring agencies to make explicit and strengthen the Department of Human Services' (DHS) oversight of these facilities. DHS is also required to report on substantiated findings, as well as on the feasibility of national accreditation and a Center for Continuous Improvement for providers. The bill appropriates \$369,031 General Fund to DHS to implement and administer the bill. Federal Medicaid match will cover \$253,564 in DHS expenditures; the overall budget for DHS supports an investigator and 2 licensing staff (1.50 FTE). Some of the DHS funding will pay for legal work; the bill also includes a \$176,018 Other Funds expenditure limitation increase and the establishment of one permanent full-time Senior Assistant Attorney General position (0.50 FTE) within the Civil Enforcement Division of the Department of Justice (DOJ). Additional resources may need to be requested from either the Emergency Board or the Legislature, if actual cases, or other workload issues, exceed the initial estimate of DHS and/or DOJ.

SB 1585 makes the \$9 surcharge on nursing license fees authorized in the 2015 session for the Oregon Nursing Advancement Fund also applicable to nurses who are licensed by indorsement, in addition to those licensed by exam and renewal. About \$32,000 per year would potentially be collected in additional revenue for the fund. The bill also permits the Department of Human Services (DHS) to make augmented payments to long term care facilities that submit acquisition plans to purchase long term care bed capacity by June 30, 2016. Lastly, the measure allows DHS to establish a separate pediatric subacute reimbursement rate for certain pediatric nursing services; currently, there is authority for only one rate. While the bill does not include any budget adjustment, its provisions may drive future budget changes for the Board of Nursing and/or DHS.

PUBLIC SAFETY AND JUDICIAL BRANCH PROGRAM AREA

HB 4075 directs the Oregon State Police (OSP) to establish a statewide tip line for reports of threats to student safety. The bill establishes a \$1,000,000 General Fund appropriation to OSP for the 2015-17 biennium to establish and operate the tip line. This General Fund appropriation will be used by OSP to contract with a third party vendor to operate the tip line, and to establish three new positions to oversee the implementation and administration of the tip line. These new positions include one permanent fulltime Project Manager 3 (0.58 FTE), one permanent full-time Program Analyst 2 position (0.58 FTE), and one full-time limited duration Administrative Specialist 1 position (0.34 FTE).

SB 1571 directs the Oregon State Police (OSP) to adopt rules for processing all non-anonymous untested sexual assault forensic evidence kits and to test these kits. As soon as practicable, OSP is required to enter the results from testing into the Combined DNA Index System. The bill includes a \$1,500,000 General Fund appropriation to OSP for the 2015-17 biennium. Funding will increase capacity in the Forensic Services Division to process Sexual Assault Forensic Evidence Kits and will allow the hiring of nine positions in the DNA and Biology sections. The new positions include seven permanent full-time Forensic Scientist 1 positions (3.50 FTE), one permanent full-time Administrative Specialist 2 position (0.50 FTE), and one permanent full-time PEM E position (0.50 FTE).

ECONOMIC DEVELOPMENT PROGRAM AREA

HB 4037 establishes a program within the Oregon Business Development Department (OBDD) for incentives to owners of photovoltaic energy systems that collect and distribute solar electricity. The bill includes a General Fund appropriation of \$951,561, with \$821,700 to pay for program awards for qualifying solar power generation, \$111,578 to fund personal services costs, and \$18,283 for services and supplies associated with one limited duration Operations and Policy Analyst 4 to manage the program.

HJR 202 refers, for voters' approval, a Constitutional amendment that requires one and one-half percent of the net proceeds from the State Lottery to be dedicated to a veterans' services fund. Currently, 67% of Lottery funds are unrestricted by constitutional dedications. The two existing constitutional dedications are: 18% for the Education Stability Fund and 15% for the Parks and Natural Resources Fund. If this joint resolution is adopted by a vote of the people, the percentage of Lottery funds that are unrestricted will be reduced by an additional 1.5% starting July 1, 2017.

SB 1582 appropriates \$169,350 General Fund to the Housing and Community Services Department (HCSD) during the 2015-17 biennium for the development and implementation of the Local Innovation and Fast Track (LIFT) housing program. A total of \$40 million in Article XI-Q bonds was authorized through HB 5006 (2015). These bonds are scheduled to be issued in the spring of 2017 and proceeds will be used to fund affordable housing projects selected by the Housing Stability Council, pursuant to criteria outlined in SB 1582. Through the LIFT program, HCSD is authorized to acquire, construct, remodel, repair, equip, or furnish real property that is or will be owned by the state. The bill authorizes HCSD to pay development costs, and limits the type of interest in real property that may be owned by the state. HCSD intends to open a solicitation process in the spring of 2016, select projects by fall 2016, and bond proceeds are anticipated to be expended in the spring of 2017. Once affordable housing projects associated with these funds are selected, administration costs that are associated with the management of specific projects will be capitalized in accordance with generally accepted accounting

principles and can be expended as Other Funds from the proceeds of the bond sale. Position costs prior to project selection or which cannot be attributed to a specific project, such as general program design costs, are funded by a General Fund appropriation. General Fund expenses include legal charges associated with the development of pro forma operating agreements and templates; one limited duration Program Analyst 4 position (0.67 FTE) to review projects and underwriting, develop financing packages, and provide program guidelines and develop the competitive application process; and one permanent Accountant 3 position (0.06 FTE). Because the LIFT program is expected to continue through the 2017-19 biennium, HCSD anticipates requesting a continuation of these positions in its 2017-19 budget, and may request a permanent, part time compliance specialist position as projects are built and come on-line.

CONSUMER AND BUSINESS SERVICES PROGRAM AREA

HB 4016 modifies statutes relating to the Oregon Health Professional Services Program (a program that offers an alternative to formal discipline for licensees who have had significant workplace impairment as a result of behavioral health-related conditions). The bill removes the Oregon Health Authority as the entity required to establish and administer this program, and permits health licensing boards to work together to coordinate the continuing administration of the program beginning in the 2017- 19 biennium. In addition, the bill establishes the Impaired Health Professional Program Work Group to facilitate this change, and to continue the administration of the program. The Oregon Medical Board is required to provide staffing and member reimbursement to the work group. By sharing existing board staff and resources to administer the program, the Oregon Medical Board, the Oregon Board of Pharmacy, the Oregon State Board of Nursing, and the Oregon Board of Dentistry anticipate a savings of \$311,985 Other Funds.

HB 4017 directs the Department of Consumer and Business Services (DCBS), in collaboration with the Oregon Health Authority (OHA) and in consultation with a stakeholder advisory group, to develop, and present to the interim committees of the Legislature, a blueprint for a Basic Health Program (BHP) as defined in the Code of Federal Regulations (CFR). The bill includes Other Funds expenditure limitation of \$415,000 to pay for the actuarial work related to establishing the Basic Health Plan waiver under the federal Affordable Care Act. The funding will come from the per-member per-month fees on health plans established by DCBS to operate the Oregon Health Insurance Marketplace, and also from DCBS' charge on insurers.

HB 4071 establishes the Compact of Free Association (COFA) Premium Assistance Program administered by the Department of Consumer and Business Services (DCBS) to help COFA Pacific Islanders to acquire health insurance on the Oregon Health Marketplace and to pay premiums and out-of-pocket costs associated with those plans. The bill includes a General Fund appropriation of \$1,823,000 to be deposited into the COFA Premium Assistance Program Fund for the payment of premium and out-of-pocket costs for the program, as well as for the Department's administrative costs. The \$1,823,000 will then be spent as Other Funds out of the COFA Premium Assistance Program Fund.

SB 1587 authorizes the Commissioner of the Bureau of Labor and Industries to use the Wage Security Fund to administer and enforce provisions of wage and hour and minimum wage laws. Employers are required to include specific itemized information on payroll statements to employees, and to maintain records pursuant to Fair Labor Standards Act regulations. Contractors or subcontractors are prohibited from intentionally failing to pay the prevailing wage, and prohibited from taking specified actions to

avoid the cost of prevailing wage on qualifying projects; penalties are specified for violation of this provision. The bill increases Other Funds expenditure limitation from the Wage Security Fund by \$325,954 to support three permanent full-time positions (1.89 FTE) within the Wage and Hour Division to investigate and enforce claims of underpaid and unpaid wages.

NATURAL RESOURCES PROGRAM AREA

HB 4079 requires the Land Conservation and Development Commission to establish and implement an affordable housing pilot program and to adopt rules to implement that program by July 1, 2017. The bill includes a General Fund appropriation of \$100,000 to the Department of Land Conservation and Development for the purpose of carrying out the applicable provisions of the bill.

HB 4113 establishes an 11 to 15 member Task Force on Drought Emergency Response charged with researching and evaluating potential tools and data to prepare for and respond to drought emergencies. The bill directs the task force to submit a report to a legislative interim committee related to natural resources no later than November 1, 2016, and provide a copy to the Water Resources Commission. The bill appropriates \$25,000 General Fund to the Water Resources Department to cover staffing and reimbursement expenses.

SB 1563 authorizes the Department of Environmental Quality (DEQ) to award grants for the purpose of developing and implementing a low interest loan program for repairing, replacing, and upgrading onsite septic systems and connecting to sewer systems. The bill requires at least \$200,000 be distributed as a grant(s) no later than September 1, 2016 to the entity administering the low interest loan program. These loans are not part of a state program and funding is provided only to establish the private program. DEQ is allowed to use up to \$50,000 of the total funding for administrative costs associated with implementing the bill. The bill appropriates \$250,000 General Fund to DEQ and provides for one limited duration position (0.16 FTE).

ADMINISTRATION PROGRAM AREA

SB 1532 increases the state minimum wage over a seven year period to \$13.50 an hour. Additionally, the minimum wage within the Portland metropolitan area will increase to \$14.75 by 2022, and, thereafter, the wages must be at least \$1.25 per hour more than the statewide minimum wage. The measure also provides for a third schedule of increases for specified nonurban counties which increases the minimum wage to \$12.50 by 2022, and, thereafter, the minimum wage must be no less than \$1 per hour less than the statewide minimum wage. Direct costs related to this minimum wage increase for state employees are approximately \$33,000 to \$99,000 total funds in 2015-17 and \$48,000 to \$340,000 total funds in 2017-19. Estimated direct fiscal impacts to school districts and Education Service Districts range from \$679,000 to \$735,000 in 2015-17 and \$2.6 million to \$2.8 million in 2017-19. Public Universities and Community Colleges also expect to incur costs related to an increase in the minimum wage. Public universities estimate costs of \$1,315,003 total funds in 2015-17 and \$10,220,858 in 2017-19. Counties and cities will incur costs as a result of the measure and at least one county believes that passage of the measure will violate Article XI, Section 15 of the Constitution regarding unfunded mandates. Indirect costs that may be incurred could be attributable to the following: salary compression; the potential for increased contractor costs; increased prices for services and supplies; pressure in the collective bargaining process; and changes in eligibility for government benefits or assistance. For a more detailed overview of the potential impacts related to an increase in the minimum wage, see the Legislative Fiscal

Office budget information report on Oregon's minimum wage,
<https://www.oregonlegislature.gov/lfo/Documents/BudgetInformationReportOnMinimumWage.pdf>

LEGISLATIVE BRANCH

SB 1569 establishes the Legislative Policy and Research Committee (LPRC) as a joint committee of the Legislative Assembly. LPRC is charged with preparing and assisting in the preparation of legislative research, facilitating the development of legislative policy, and providing advice and assistance to legislative committees. The bill effectually expands the duties of Committee Services, moving the office out of the Legislative Administration Committee (LAC), and transferring certain existing duties from LAC to LPRC by the 2017-19 biennium. The fiscal impact of this bill on the Legislative Branch is \$1,733,132 General Fund and 4 positions (11.83 FTE) for the 2017-19 biennium.

OTHER

Bills Establishing Task Forces, Work Groups, and Advisory Councils

Of the 55 referred substantive or non-budget bills, 5 (9.1%) established a task force, work group, or advisory council. Of these 5 bills, 2 (40%) received a public hearing and were reported out by the Joint Committee on Ways and Means. Unless otherwise noted, agencies are expected to reprioritize the duties of existing staff and resources to absorb the cost of staffing and serving on each task force.

HB 4113 establishes an 11 to 15 member Task Force on Drought Emergency Response charged with researching and evaluating potential tools and data to prepare for and respond to drought emergencies. The bill directs the task force to submit a report to a legislative interim committee related to natural resources no later than November 1, 2016, and provide a copy to the Water Resources Commission. The bill appropriates \$25,000 General Fund to the Water Resources Department to cover staffing and reimbursement expenses.

SB 1571 directs the Oregon State Police (OSP) to adopt rules for processing all non-anonymous untested sexual assault forensic evidence kits and to test these kits. The bill also creates a task force on the testing of Sexual Assault Forensic Evidence Kits to examine the process for gathering and testing sexual assault forensic evidence kits and to pursue grants and funding to help offset the costs associated with this process. By December 1, 2018, the task force must submit a report with recommendations for legislation to an interim legislative committee related to judiciary.

Bills Affecting Medical and Recreational Marijuana Programs

HB 4014, SB 1511, SB 1598, and SB 1601 make a number of changes to the laws regarding both the Oregon Medical Marijuana Program regulated by the Oregon Health Authority (OHA), and adult recreational use regulated by the Oregon Liquor Control Commission (OLCC). These include changes to regulations pertaining to producers, penalties, taxation and other provisions. Major objectives of the changes include enabling medical marijuana producers to transfer product for sale to the recreational market provided they become licensees of the Oregon Liquor Control Commission (OLCC), allowing medical cardholders to purchase marijuana at a recreational marijuana dispensary, training for all OLCC licensed producers, and establishment of a youth marijuana-use prevention pilot program funded with a loan from the Liquor Fund. These changes are expected to increase the number of OLCC licensees to further drive workload and regulatory expenses, while decreasing the number of Oregon Health Authority (OHA) medical marijuana cardholders and licensees, which is anticipated to have a revenue

impact to that agency. These bills did not go through the Joint Committee on Ways and Means, but some of the fiscal impacts were addressed in SB 5701, the budget reconciliation bill, and others may be addressed later in the interim. More details are included below.

HB 4014 removes a two-year residency requirement for recreational marijuana producers, processors, and retailers; allows OHA medical marijuana registrants to transfer their inventory into the OLCC system if they become OLCC licensees; requires OHA to issue a receipt to medical marijuana registry applicants on the same day that an application is received and to approve or deny an applicant within 30 days; amends criminal penalties; and requires OHA to implement a youth marijuana-use prevention pilot program. OLCC anticipates costs of \$0.3 million Other Funds primarily for three staff positions. OHA estimates costs at \$4 million for the development of the pilot youth prevention program, and \$0.3 million related to the increased workload to issue receipts to medical marijuana registry applicants on the same day that they are received.

SB 1511 requires OLCC to register businesses who produce, process, transfer, or sell marijuana and marijuana products for medical purposes, if they join the system to sell recreational products. It also requires OHA to adopt rules allowing for the provision, transfer, and sale of usable marijuana. The measure prohibits taxation of retail sales made to a medical registry identification cardholder (this was later repealed in SB 1598 and reinstated in SB 1601). Also, the bill expands “early start” retail sales to include edibles, topicals, and extracts. OLCC anticipates incurring staffing costs of \$0.2 million Other Funds in 2015-17, as well as approximately \$0.3 million Other Funds education and outreach related to the “early start” provisions. While OHA anticipates some new costs as a result of the bill, the major issue for the agency is the potential for a decrease in revenue. While OHA would experience some cost reductions as the number of registrants and responsibilities transfer to OLCC, it is likely that the revenue reduction would occur sooner than the costs can be reduced. In addition, there are a number of ongoing programs funded with fee revenue generated through the medical marijuana program that could be left without adequate revenues. General Fund could be required to continue these programs or the programs would need to be reduced or discontinued; these are core public health programs, including state support for local public health departments, the Safe Drinking Water Program, and Emergency Medical Services.

SB 1598 makes a few additional changes to the marijuana laws, including land use changes. It also repeals sections of previously passed legislation relating to taxation (which are then reinstated in SB 1601). OLCC estimates costs of \$0.4 million Other Funds in 2015-17, primarily associated with the increased number of workers in the marijuana industry that will require permits, background checks, and associated worker training. OHA anticipates incurring some costs for issuing proposals and conducting research on public health and safety standards for marijuana use, but the amount is uncertain.

SB 1601 allows medical marijuana cardholders to purchase marijuana tax free. It also prohibits bundling by marijuana retailers. An Other Funds expenditure limitation of \$1.1 million for OLCC costs related to these bills is included in SB 5701, the budget reconciliation bill. The budget bill also includes an Other Funds expenditure limitation of \$4 million for the youth marijuana-use prevention pilot project required in HB 4014. The funding for this program will be transferred from the OLCC Liquor Fund, to be repaid from marijuana tax revenues; SB 1597 provides for this transfer and the repayment. Program start-up costs for OLCC, coupled with this additional loan from the Liquor Fund, are expected to reduce marijuana tax distributions to no more than \$1 million, assuming the current tax revenue projections

hold. No other budget adjustments were made for OHA. Some parts of the legislation will increase costs, but others will decrease costs, and the overall magnitude and timing of the changes are still uncertain. The agency expects to include the necessary adjustments to expenditure limitation and positions in the rebalance request it will submit during the fall of 2016.

Appendix A

Number of Positions and Full-Time Equivalency

	2013-15	2013-15	2015-17	2015-17
	LEG	LEG	LEG	LEG
	APPROVED	APPROVED	APPROVED	APPROVED
	Positions	FTE	Positions	FTE
PROGRAM AREA: EDUCATION				
EDUCATION, DEPT OF	519	485.39	555	520.90
HIGHER EDUCATION COORDINATING COMMISSION	113	104.02	143	124.30
CHIEF EDUCATION OFFICE	15	15.00	20	18.25
TEACHER STANDARDS & PRACTICES COMMISSION	20	20.00	27	24.88
EDUCATION TOTAL	667	624.41	745	688.33
PROGRAM AREA: HUMAN SERVICES				
BLIND, COMMISSION FOR THE	51	46.98	56	52.21
HUMAN SERVICES, DEPT OF	7,635	7,479.14	8,060	7,908.04
LONG TERM CARE OMBUDSMAN	24	16.81	25	24.50
OREGON HEALTH AUTHORITY	4,532	4,143.41	4,449	4,383.89
PSYCHIATRIC SECURITY REVIEW BOARD	11	11.00	11	11.00
HUMAN SERVICES TOTAL	12,253	11,697.34	12,601	12,379.64
PROGRAM AREA: PUBLIC SAFETY				
CORRECTIONS, DEPT OF	4,488	4,441.68	4,534	4,487.41
CRIMINAL JUSTICE COMMISSION	9	8.38	11	11.00
DISTRICT ATTORNEYS & THEIR DEPUTIES	36	36.00	36	36.00
JUSTICE, DEPT OF	1,285	1,266.83	1,325	1,298.77
MILITARY DEPARTMENT	522	477.51	451	408.01
PAROLE & POST PRISON SUPERVISION, BOARD OF	16	15.67	28	26.00
PUBLIC SAFETY STANDARDS & TRAINING, DEPT. OF	135	133.06	154	146.91
STATE POLICE, DEPT OF	1,259	1,245.63	1,311	1,267.87
YOUTH AUTHORITY, OREGON	1,025	989.79	1,022	985.88
PUBLIC SAFETY TOTAL	8,775	8,614.55	8,872	8,667.85
PROGRAM AREA: JUDICIAL BRANCH				
JUDICIAL DEPARTMENT	1,889	1,763.60	1,921	1,783.83
JUDICIAL FITNESS AND DISABILITY, COMM. ON	1	0.50	1	0.50
PUBLIC DEFENSE SERVICES COMMISSION	76	75.79	77	76.11
JUDICIAL BRANCH TOTAL	1,966	1,839.89	1,999	1,860.44
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT				
BUSINESS DEVELOPMENT DEPARTMENT	135	131.88	140	136.32
EMPLOYMENT DEPARTMENT	1,347	1,286.63	1,272	1,237.76
HOUSING & COMMUNITY SERVICES DEPT.	169	150.33	132	126.90
VETERANS' AFFAIRS, DEPT OF	84	82.63	88	87.76
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	1,735	1,651.47	1,632	1,588.74

	2013-15	2013-15	2015-17	2015-17
	LEG	LEG	LEG	LEG
	APPROVED	APPROVED	APPROVED	APPROVED
	Positions	FTE	Positions	FTE
PROGRAM AREA: NATURAL RESOURCES				
AGRICULTURE, DEPT OF	480	352.92	527	378.84
ENERGY, DEPT. OF	114	112.81	105	104.50
ENVIRONMENTAL QUALITY, DEPT OF	720	704.87	753	730.31
FISH & WILDLIFE, DEPT OF	1,520	1,258.99	1,474	1,199.26
FORESTRY, DEPARTMENT OF	1,200	871.72	1,201	878.04
GEOLOGY & MINERAL INDUSTRIES, DEPT OF	50	49.20	42	41.16
LAND CONSERVATION & DEVELOPMENT, DEPT OF	61	57.68	58	56.57
LAND USE BOARD OF APPEALS	6	5.75	6	6.00
LANDS, DEPT. OF STATE	107	106.00	110	109.00
MARINE BOARD	40	39.50	38	38.00
PARKS & RECREATION, DEPT OF	862	592.15	847	576.26
WATER RESOURCES DEPARTMENT	157	154.55	165	163.25
WATERSHED ENHANCEMENT BOARD	32	32.00	35	34.25
NATURAL RESOURCES TOTAL	5,349	4,338.14	5,361	4,315.44
PROGRAM AREA: TRANSPORTATION				
AVIATION, DEPT OF	13	12.50	15	13.75
TRANSPORTATION, DEPT OF	4,556	4,467.47	4,510	4,400.89
TRANSPORTATION TOTAL	4,569	4,479.97	4,525	4,414.64
PROGRAM AREA: CONSUMER AND BUSINESS SERVICES				
ACCOUNTANCY, BOARD OF	8	8.00	8	8.00
CHIROPRACTIC EXAMINERS, BOARD OF	6	4.88	6	5.10
CONSTRUCTION CONTRACTORS BOARD	75	74.50	62	62.00
CONSUMER & BUSINESS SERVICES, DEPT OF	923	914.18	960	952.76
COUNSELORS AND THERAPISTS, BOARD OF LICENSED	4	3.50	6	4.50
DENTISTRY, BOARD OF	7	7.00	8	8.00
<i>HEALTH RELATED LICENSING BOARDS</i>				
MORTUARY & CEMETERY BOARD	6	5.71	7	7.00
NATUROPATHIC MEDICINE	3	2.50	3	2.50
OCCUPATIONAL THERAPY LICENSING BOARD	2	1.25	2	1.50
MEDICAL IMAGING	3	3.00	3	3.00
SPEECH PATHOLOGY AND AUDIOLOGY	2	2.00	3	2.50
VETERINARY MEDICAL EXAMINERS BOARD	3	2.75	4	3.50
LABOR & INDUSTRIES, BUREAU OF	101	98.38	107	103.31
MEDICAL BOARD, OREGON	39	38.33	39	38.79
NURSING, BOARD OF	48	47.80	48	47.80
PHARMACY, BOARD OF	19	19.00	20	20.00
PSYCHOLOGIST EXAMINERS, BOARD OF	4	3.50	6	4.50
PUBLIC UTILITY COMMISSION	130	127.25	129	126.60
REAL ESTATE AGENCY	30	29.75	29	29.00
SOCIAL WORKERS, BOARD OF LICENSED	6	6.00	6	6.00
TAX PRACTITIONERS, STATE BOARD OF	4	4.00	4	4.00
CONSUMER & BUSINESS SERVICES TOTAL	1,423	1,403.28	1,460	1,440.36

	2013-15	2013-15	2015-17	2015-17
	LEG	LEG	LEG	LEG
	APPROVED	APPROVED	APPROVED	APPROVED
	Positions	FTE	Positions	FTE
PROGRAM AREA: ADMINISTRATION				
ADMINISTRATIVE SERVICES, DEPT OF	810	793.90	841	826.40
ADVOCACY COMMISSIONS OFFICE	2	2.00	3	2.50
EMPLOYMENT RELATIONS BOARD	13	13.00	13	13.00
GOVERNMENT ETHICS COMMISSION	8	7.88	9	8.88
GOVERNOR, OFFICE OF	57	56.50	63	61.67
LIBRARY, STATE	41	39.26	42	40.26
LIQUOR CONTROL COMMISSION	234	226.21	268	255.33
PUBLIC EMPLOYEES RETIREMENT SYSTEM	369	367.23	380	380.00
RACING COMMISSION	15	13.27	14	12.27
REVENUE, DEPT OF	1,074	1,016.66	1,087	1,020.68
SECRETARY OF STATE	202	200.61	213	210.96
TREASURER OF STATE	96	91.30	123	117.45
ADMINISTRATION TOTAL	2,921	2,827.82	3,056	2,949.40
PROGRAM AREA: LEGISLATIVE BRANCH				
INDIAN SERVICES, COMM	2	2.00	2	2.00
LEGISLATIVE ADMINISTRATION	142	100.65	142	100.65
LEGISLATIVE ASSEMBLY	422	251.27	423	251.52
LEGISLATIVE COUNSEL	55	45.60	57	47.60
LEGISLATIVE FISCAL OFFICER	21	21.00	22	22.00
LEGISLATIVE REVENUE OFFICER	8	8.00	8	8.00
LEGISLATIVE BRANCH TOTAL	650	428.52	654	431.77
STATE OF OREGON TOTAL POSITIONS/FTE	40,308	37,905.39	40,905	38,736.61

Appendix B

Summary of Expenditures

Notes:

- Special purpose appropriations to the Emergency Board that were allocated to specific agencies are included within the agency General Fund budgets for the 2013-15 legislatively approved column. Special purpose appropriations for specific agencies are not included within the agency General Fund budgets for the 2015-17 legislatively adopted amounts, but are included in the legislatively adopted amount appropriated to the Emergency Board and will be displayed under the Emergency Board until allocated to the specific agency.
- The 2013-15 and 2015-17 legislatively approved amounts represent expenditure authorizations through all budget adjustments addressed during the 2015 and 2016 regular sessions (including the most recent Department of Human Services and Oregon Health Authority rebalances).
- The legislatively approved budgets also include certain administrative actions taken by the Department of Administrative Services approving increases to Nonlimited Other Funds and Federal Funds.

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
EDUCATION					
Higher Education Coordinating Commission					
General Fund	9,600,443	21,135,574	22,259,231	32,035,777	34,981,675
Other Funds	26,355,159	28,667,906	29,329,484	30,509,613	31,541,490
Other Funds Nonlimited	-	200,000	200,000	206,000	206,000
Federal Funds	88,359,232	107,546,428	107,788,824	111,680,983	111,923,269
Federal Funds Nonlimited	4,111,284	18,968,831	18,968,831	18,968,831	18,968,831
Total Expenditures	128,426,118	176,518,739	178,546,370	193,401,204	197,621,265
State Support for Public Universities					
General Fund	668,264,553	727,677,876	738,772,154	941,746,515	944,646,515
Lottery Funds	22,938,784	33,571,489	33,571,489	40,127,710	40,127,710
Other Funds	-	-	-	311,267,945	321,417,945
Other Funds Nonlimited	-	-	-	275,233,857	275,233,857
Federal Funds Nonlimited	-	-	-	1	1
Total Expenditures	691,203,337	761,249,365	772,343,643	1,568,376,028	1,581,426,028
State Support for Community Colleges					
General Fund	411,984,495	467,896,540	483,425,453	589,305,847	598,215,647
Lottery Funds	7,144,078	9,521,027	9,521,027	10,462,066	10,462,066
Other Funds	9,829,758	108,913,959	109,013,959	1,588,637	1,588,638
Other Funds Nonlimited	-	-	42,346,031	-	-
Federal Funds Nonlimited	-	1	1	1	1
Total Expenditures	428,958,331	586,331,527	644,306,471	601,356,551	610,266,352
State Support for Oregon Health and Science University (OHSU)					
General Fund	66,041,261	72,362,387	72,562,387	85,855,331	85,855,331
Lottery Funds	-	-	-	-	-
Other Funds	31,305,192	31,639,826	231,675,116	238,724,306	238,724,306
Total Expenditures	97,346,453	104,002,213	304,237,503	324,579,637	324,579,637
Oregon Opportunity Grant Program					
General Fund	95,139,260	111,206,740	111,206,740	127,883,621	127,883,621
Lottery Funds	240	246,223	2,546,223	11,816,379	11,816,379
Other Funds	-	158,459	158,459	1,213,213	1,213,213
Total Expenditures	95,139,500	111,611,422	113,911,422	140,913,213	140,913,213
Education, Dept of					
General Fund	342,555,451	436,954,079	453,969,907	544,682,780	577,650,415
Lottery Funds	54,160,517	42,371,076	42,371,076	1,434,927	1,434,927
Other Funds	55,850,443	134,359,784	134,784,035	273,993,743	277,228,514
Other Funds Nonlimited	102,877,565	94,331,467	107,674,086	112,916,253	112,916,253
Federal Funds	926,814,515	996,058,997	1,005,410,381	1,026,393,576	1,038,273,634
Federal Funds Nonlimited	350,935,688	349,992,872	374,992,872	388,007,727	388,007,727
Total Expenditures	1,833,194,179	2,054,068,275	2,119,202,357	2,347,429,006	2,395,511,470

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
State School Fund					
General Fund	5,129,904,792	6,222,625,891	6,322,625,891	6,964,849,484	6,925,296,093
Lottery Funds	545,904,513	327,374,109	327,374,109	408,150,516	447,703,907
Other Funds	340,252	400,826	3,936,407	3,260,692	3,260,692
Federal Funds	22,449,100	-	-	-	-
Total Expenditures	5,698,598,657	6,550,400,826	6,653,936,407	7,376,260,692	7,376,260,692
Chief Education Office*					
General Fund	-	6,035,608	21,008,299	6,239,594	13,357,142
Teacher Standards & Practices Comm					
General Fund	-	-	-	200,000	200,000
Other Funds	4,932,111	4,904,153	5,004,014	6,155,894	6,511,902
Federal Funds	12,893	35,000	35,000	-	-
Total Expenditures	4,945,004	4,939,153	5,039,014	6,355,894	6,711,902
EDUCATION PROGRAM AREA TOTAL					
General Fund	6,723,490,255	8,065,894,695	8,225,830,062	9,292,798,949	9,308,086,439
Lottery Funds	630,148,132	413,083,924	415,383,924	471,991,598	511,544,989
Other Funds	128,612,915	309,044,913	513,901,474	866,714,043	881,486,700
Other Funds Nonlimited	102,877,565	94,531,467	150,220,117	388,356,110	388,356,110
Federal Funds	1,037,635,740	1,103,640,425	1,113,234,205	1,138,074,559	1,150,196,903
Federal Funds Nonlimited	355,046,972	368,961,704	393,961,704	406,976,560	406,976,560
Total	8,977,811,579	10,355,157,128	10,812,531,486	12,564,911,819	12,646,647,701
* Previously known as the Oregon Education Investment Board					

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
HUMAN SERVICES					
Blind, Commission for the					
General Fund	1,148,036	1,522,942	1,598,027	2,892,992	3,691,540
Other Funds	2,612,522	3,052,021	2,025,381	992,094	1,183,539
Federal Funds	11,175,815	12,129,790	12,693,894	12,319,703	15,827,037
Total Expenditures	14,936,373	16,704,753	16,317,302	16,204,789	20,702,116
Health Authority, Oregon					
General Fund	1,692,058,113	1,972,206,670	1,933,995,531	2,120,607,875	2,139,964,413
Lottery Funds	10,098,261	10,545,822	10,592,532	11,292,544	11,348,753
Other Funds	2,271,074,220	3,841,163,081	4,298,153,731	5,683,377,776	5,782,295,632
Other Funds Nonlimited	2,910,050,130	1,904,711,565	1,934,789,195	143,500,000	143,500,000
Federal Funds	5,062,816,693	7,485,009,093	9,575,251,558	11,400,938,911	12,389,291,524
Federal Funds Nonlimited	108,360,598	106,880,067	106,880,067	106,653,023	106,653,023
Total Expenditures	12,054,458,015	15,320,516,298	17,859,662,614	19,466,370,129	20,573,053,345
Human Services, Department of					
General Fund	2,181,831,985	2,247,307,600	2,331,938,111	2,700,922,689	2,767,038,370
Other Funds	442,634,121	474,879,587	525,411,809	500,033,526	532,491,356
Federal Funds	3,309,228,368	3,824,064,031	4,042,575,062	4,488,244,260	4,802,689,382
Federal Funds Nonlimited	2,482,546,921	2,514,345,331	2,514,345,331	2,514,345,331	2,514,345,331
Total Expenditures	8,416,241,395	9,060,596,549	9,414,270,313	10,203,545,806	10,616,564,439
Long Term Care Ombudsman					
General Fund	1,583,563	2,705,620	3,784,880	6,172,203	6,303,638
Other Funds	644,092	680,105	743,321	719,522	737,480
Total Expenditures	2,227,655	3,385,725	4,528,201	6,891,725	7,041,118
Psychiatric Security Review Board					
General Fund	1,749,915	2,306,552	2,372,291	2,604,005	2,688,017
Other Funds	216,225	103,725	110,734	2,168	2,168
Total Expenditures	1,966,140	2,410,277	2,483,025	2,606,173	2,690,185
HUMAN SERVICES PROGRAM AREA					
General Fund	3,878,371,612	4,226,049,384	4,273,688,840	4,833,199,764	4,919,685,978
Lottery Funds	10,098,261	10,545,822	10,592,532	11,292,544	11,348,753
Other Funds	2,717,181,180	4,319,878,519	4,826,444,976	6,185,125,086	6,316,710,175
Other Funds Nonlimited	2,910,050,130	1,904,711,565	1,934,789,195	143,500,000	143,500,000
Federal Funds	8,383,220,876	11,321,202,914	13,630,520,514	15,901,502,874	17,207,807,943
Federal Funds Nonlimited	2,590,907,519	2,621,225,398	2,621,225,398	2,620,998,354	2,620,998,354
Total	20,489,829,578	24,403,613,602	27,297,261,455	29,695,618,622	31,220,051,203

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
PUBLIC SAFETY					
Corrections, Dept of					
General Fund	1,359,596,909	1,396,990,504	1,484,533,867	1,555,904,536	1,593,133,894
Other Funds	29,873,109	39,599,876	42,995,385	53,232,352	55,776,993
Other Funds Nonlimited	346,773,770	-	5,558,586	-	-
Federal Funds	7,892,138	7,369,007	7,369,007	5,710,107	5,710,107
Federal Funds Nonlimited	1,232,825	1,262,826	1,262,826	1,119,495	1,119,495
Total Expenditures	1,745,368,751	1,445,222,213	1,541,719,671	1,615,966,490	1,655,740,489
Criminal Justice Commission					
General Fund	4,760,995	23,745,288	23,851,046	55,035,612	55,130,454
Other Funds	71,880	483,422	1,341,680	494,015	864,015
Federal Funds	16,386,362	7,135,487	9,770,318	7,304,929	6,937,604
Total Expenditures	21,219,237	31,364,197	34,963,044	62,834,556	62,932,073
District Attorneys and Their Deputies					
General Fund	10,565,984	10,239,592	10,925,293	11,610,450	11,868,624
Justice, Dept of					
General Fund	58,984,867	64,380,931	65,463,853	76,083,264	78,841,305
Other Funds	216,864,634	259,697,319	258,769,616	284,955,845	295,695,075
Other Funds Nonlimited	5,179,686	4,753,390	4,753,390	4,895,992	4,895,992
Federal Funds	101,301,300	142,235,349	123,061,473	142,401,423	157,871,008
Federal Funds Nonlimited	14,681,023	15,281,798	15,281,798	15,740,252	15,740,252
Total Expenditures	397,011,510	486,348,787	467,330,130	524,076,776	553,043,632
Military Department					
General Fund	27,975,478	20,783,532	21,832,071	25,019,969	25,350,514
Other Funds	112,147,990	111,646,205	115,114,017	110,312,549	125,538,822
Other Funds Nonlimited	3,041,910	-	75,955	-	-
Federal Funds	226,182,554	284,930,096	292,765,147	278,357,971	283,776,065
Total Expenditures	369,347,932	417,359,833	429,787,190	413,690,489	434,665,401
Oregon Youth Authority					
General Fund	255,625,166	269,052,312	275,459,280	291,989,720	298,387,030
Other Funds	8,306,362	19,508,582	19,553,725	63,325,954	63,399,605
Federal Funds	27,194,810	34,496,051	34,680,918	36,097,766	36,316,493
Federal Funds Nonlimited	-	1	1	1	1
Total Expenditures	291,126,338	323,056,946	329,693,924	391,413,441	398,103,129
Parole & Post Prison Supervision, Bd. of					
General Fund	3,533,911	4,063,865	4,539,720	7,807,978	8,040,916
Other Funds	-	10,536	10,536	10,852	10,852
Total Expenditures	3,533,911	4,074,401	4,550,256	7,818,830	8,051,768

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
Police, Dept of State					
General Fund	221,267,355	232,126,436	240,382,479	271,442,947	282,147,826
Lottery Funds	6,549,992	6,914,543	7,166,858	7,841,010	8,010,065
Other Funds	82,358,056	91,213,655	93,291,730	100,483,764	109,285,417
Federal Funds	8,214,066	9,411,098	9,446,084	9,760,242	9,780,941
Total Expenditures	318,389,469	339,665,732	350,287,151	389,527,963	409,224,249
Public Safety Standards & Training, Dept of					
General Fund	10,593,375	9,788,298	9,788,298	9,550,476	9,550,476
Other Funds	30,570,748	34,859,020	35,668,666	37,238,170	42,092,883
Other Funds Nonlimited	59,971,796	-	415,461	-	-
Federal Funds	15,605	258,893	382,614	4,148,299	6,666,167
Total Expenditures	101,151,524	44,906,211	46,255,039	50,936,945	58,309,526
PUBLIC SAFETY PROGRAM AREA					
General Fund	1,952,904,040	2,031,170,758	2,136,775,907	2,304,444,952	2,362,451,039
Lottery Funds	6,549,992	6,914,543	7,166,858	7,841,010	8,010,065
Other Funds	480,192,779	557,018,615	566,745,355	650,053,501	692,663,662
Other Funds Nonlimited	414,967,162	4,753,390	10,803,392	4,895,992	4,895,992
Federal Funds	387,186,835	485,835,981	477,475,561	483,780,737	507,058,385
Federal Funds Nonlimited	15,913,848	16,544,625	16,544,625	16,859,748	16,859,748
Total	3,257,714,656	3,102,237,912	3,215,511,698	3,467,875,940	3,591,938,891

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
JUDICIAL BRANCH					
Judicial Department					
General Fund	365,417,114	394,466,850	402,434,862	422,015,555	433,042,702
Other Funds	47,973,194	66,209,554	107,478,241	138,932,144	147,988,947
Federal Funds	1,198,808	1,227,911	1,233,153	1,598,284	1,606,769
Total Expenditures	414,589,116	461,904,315	511,146,256	562,545,983	582,638,418
Judicial Fitness, Commission on					
General Fund	169,135	193,140	206,651	219,804	405,777
Public Defense Services Commission					
General Fund	230,208,646	244,280,071	253,165,468	272,353,866	275,454,479
Other Funds	3,799,452	4,467,042	3,995,099	3,833,764	3,846,904
Total Expenditures	234,008,098	248,747,113	257,160,567	276,187,630	279,301,383
JUDICIAL BRANCH PROGRAM AREA					
General Fund	595,794,895	638,940,061	655,806,981	694,589,225	708,902,958
Other Funds	51,772,646	70,676,596	111,473,340	142,765,908	151,835,851
Federal Funds	1,198,808	1,227,911	1,233,153	1,598,284	1,606,769
Total	648,766,349	710,844,568	768,513,474	838,953,417	862,345,578

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
ECONOMIC AND COMMUNITY DEVELOPMENT					
Business Development Department					
General Fund	3,842,479	8,250,274	8,371,867	16,845,486	16,517,351
Lottery Funds	129,621,500	115,478,577	117,636,290	111,789,423	113,289,994
Other Funds	18,380,783	67,638,351	77,260,374	293,644,535	295,973,576
Other Funds Nonlimited	259,589,335	222,341,005	240,583,659	225,972,465	231,792,465
Federal Funds	24,904,462	38,781,008	39,051,307	39,967,883	40,101,139
Total Expenditures	436,338,559	452,489,215	482,903,497	688,219,792	697,674,525
Employment Department					
General Fund	-	-	-	6,112,818	6,133,655
Other Funds	109,943,193	120,522,794	127,704,596	141,800,701	146,138,599
Other Funds Nonlimited	1,544,709,275	1,634,912,351	1,634,912,351	1,520,105,053	1,520,105,053
Federal Funds	171,190,409	159,967,135	168,973,715	157,985,169	162,716,380
Federal Funds Nonlimited	1,471,745,386	124,035,745	264,035,745	94,832,000	94,832,000
Total Expenditures	3,297,588,263	2,039,438,025	2,195,626,407	1,920,835,741	1,929,925,687
Housing & Community Services Dept					
General Fund	16,374,753	8,593,855	20,426,812	15,679,188	28,591,118
Lottery Funds	10,464,680	9,428,966	9,428,966	11,676,469	11,676,469
Other Funds	131,786,323	73,939,411	138,522,567	212,088,734	223,456,192
Other Funds Nonlimited	634,042,969	454,533,001	943,757,955	783,429,303	783,429,303
Federal Funds	155,310,950	77,993,813	117,493,813	119,926,854	120,114,238
Federal Funds Nonlimited	107,148,727	54,000,000	110,250,000	112,320,000	112,320,000
Total Expenditures	1,055,128,402	678,489,046	1,339,880,113	1,255,120,548	1,279,587,320
Veterans' Affairs, Department of					
General Fund	6,394,644	9,448,781	9,699,442	12,748,351	13,002,777
Lottery Funds	-	-	-	-	-
Other Funds	53,357,640	43,788,902	50,400,107	83,768,166	84,275,562
Other Funds Nonlimited	152,151,905	335,225,000	352,225,000	318,333,710	318,333,710
Federal Funds	26,702,288	-	400,000	2,805,304	3,305,303
Total Expenditures	238,606,477	388,462,683	412,724,549	417,655,531	418,917,352
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA					
General Fund	26,611,876	26,292,910	38,498,121	51,385,843	64,244,901
Lottery Funds	140,086,180	124,907,543	127,065,256	123,465,892	124,966,463
Other Funds	313,467,939	305,889,458	393,887,644	731,302,136	749,843,929
Other Funds Nonlimited	2,590,493,484	2,647,011,357	3,171,478,965	2,847,840,531	2,853,660,531
Federal Funds	378,108,109	276,741,956	325,918,835	320,685,210	326,237,060
Federal Funds Nonlimited	1,578,894,113	178,035,745	374,285,745	207,152,000	207,152,000
Total	5,027,661,701	3,558,878,969	4,431,134,566	4,281,831,612	4,326,104,884

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
CONSUMER AND BUSINESS SERVICES					
Accountancy, Board of					
Other Funds	1,833,249	2,073,326	2,304,122	2,454,268	2,506,638
Chiropractic Examiners, Board of					
Other Funds	1,345,507	1,454,717	1,600,901	1,889,260	1,931,737
Licensed Social Workers, Board of					
Other Funds	1,244,783	1,350,215	1,395,325	1,471,646	1,500,640
Construction Contractors Board					
Other Funds	12,623,574	15,874,620	16,287,732	14,659,027	15,051,664
Consumer and Business Services, Dept of					
General Fund	-	-	-	-	1,823,000
Other Funds	174,809,628	210,350,105	216,088,555	243,170,782	248,539,771
Other Funds Nonlimited	199,295,655	199,565,185	199,565,185	197,626,507	197,626,507
Federal Funds	2,800,470	984,288	5,936,901	16,431,616	17,320,682
Total Expenditures	376,905,753	410,899,578	421,590,641	457,228,905	465,309,960
Dentistry, Board of					
Other Funds	2,314,426	2,581,266	2,656,916	2,985,971	3,043,804
Health Licensing Agency					
Other Funds	6,948,084	7,642,521	3,882,241	-	-
Health Related Licensing Boards:					
Mortuary and Cemetery Board					
Other Funds	1,170,556	1,409,105	1,446,342	2,062,770	2,117,529
Naturopathic Examiners					
Other Funds	554,932	631,110	653,339	706,025	733,291
Occupational Therapy Licensing Bd					
Other Funds	289,761	367,857	380,132	454,683	473,797
Medical Imaging					
Other Funds	649,139	836,832	856,351	926,705	943,259
Speech-Language Path. and Audio.					
Other Funds	372,427	529,895	544,232	661,269	679,792
Veterinary Medical Examiners Bd					
Other Funds	579,583	740,203	756,229	895,606	928,782
Health Related Licensing Boards Total					
Other Funds	3,616,398	4,515,002	4,636,625	5,707,058	5,876,450

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
Labor & Industries, Bureau of					
General Fund	11,007,503	11,517,209	11,837,518	12,563,620	12,892,771
Other Funds	8,151,754	9,871,681	10,550,519	10,831,529	11,622,212
Other Funds Nonlimited	1,191,801	1,200,000	1,200,000	1,236,000	1,236,000
Federal Funds	1,253,026	1,495,043	1,683,613	1,476,462	1,539,652
Total Expenditures	21,604,084	24,083,933	25,271,650	26,107,611	27,290,635
Licensed Prof Counselors and Therapists, Bd					
Other Funds	877,340	1,096,822	1,128,319	1,505,938	1,540,904
Medical Board, Oregon					
Other Funds	8,989,112	10,453,997	10,729,843	11,269,353	11,605,454
Nursing, Board of					
Other Funds	12,452,336	14,196,228	14,493,701	15,265,753	15,573,363
Pharmacy, Board of					
Other Funds	4,684,935	5,783,198	5,957,609	6,856,245	7,057,070
Psychologist Examiners, Board of					
Other Funds	939,957	1,005,553	1,038,215	1,284,790	1,323,155
Public Utility Commission					
Other Funds	35,001,412	40,049,729	40,901,178	44,128,339	45,429,873
Other Funds Nonlimited	75,277,984	79,271,765	82,271,765	66,279,866	66,279,866
Federal Funds	3,118,132	2,444,367	2,783,200	698,049	726,238
Total Expenditures	113,397,528	121,765,861	125,956,143	111,106,254	112,435,977
Real Estate Agency					
Other Funds	6,198,690	7,053,979	7,277,657	6,897,314	7,159,101
Tax Practitioners, Board of					
Other Funds	1,045,923	1,157,125	1,183,845	1,235,571	1,260,908
CONSUMER AND BUSINESS SERVICES PROGRAM AREA					
General Fund	11,007,503	11,517,209	11,837,518	12,563,620	14,715,771
Other Funds	283,077,108	336,510,084	342,113,303	371,612,844	381,022,744
Other Funds Nonlimited	275,765,440	280,036,950	283,036,950	265,142,373	265,142,373
Federal Funds	7,171,628	4,923,698	10,403,714	18,606,127	19,586,572
Total	577,021,679	632,987,941	647,391,485	667,924,964	680,467,460

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
NATURAL RESOURCES					
Agriculture, Department of					
General Fund	12,134,881	18,720,616	19,445,889	23,396,301	24,613,559
Lottery Funds	7,199,518	6,333,815	6,473,272	6,289,958	6,491,591
Other Funds	50,402,029	53,980,931	55,589,067	60,578,804	62,478,730
Federal Funds	11,285,459	15,168,522	15,320,730	15,563,845	17,630,167
Total Expenditures	81,021,887	94,203,884	96,828,958	105,828,908	111,214,047
Columbia River Gorge Commission					
General Fund	779,799	873,180	891,000	903,983	915,291
Other Funds	-	5,000	5,000	5,000	-
Total Expenditures	779,799	878,180	896,000	908,983	915,291
Energy, Department of					
Lottery Funds	2,164,181	2,166,050	2,166,050	2,980,496	2,980,496
Other Funds	84,439,571	49,447,398	50,489,645	34,288,279	35,076,986
Other Funds Nonlimited	52,438,426	176,018,807	176,018,807	140,853,963	140,853,963
Federal Funds	31,841,586	2,939,208	2,977,118	3,128,423	3,187,299
Federal Funds Nonlimited	-	1	40,000	104,000	104,000
Total Expenditures	170,883,764	230,571,464	231,691,620	181,355,161	182,202,744
Environmental Quality, Department of					
General Fund	25,011,532	29,936,112	30,961,259	33,948,448	37,982,047
Lottery Funds	4,502,197	3,824,782	3,873,265	3,945,160	4,084,177
Other Funds	112,649,579	139,956,679	142,862,396	149,103,999	152,995,169
Other Funds Nonlimited	109,364,580	127,290,278	127,290,278	127,264,767	127,264,767
Federal Funds	28,811,248	27,563,182	28,010,107	28,970,775	29,567,515
Total Expenditures	280,339,136	328,571,033	332,997,305	343,233,149	351,893,675
Fish & Wildlife, Department of					
General Fund	6,777,283	17,157,413	17,665,411	30,081,289	31,046,604
Lottery Funds	5,824,398	4,767,766	4,921,716	4,752,746	4,917,581
Other Funds	183,659,786	182,247,358	187,214,107	174,604,641	180,243,703
Federal Funds	108,741,697	131,933,605	134,778,425	138,976,588	142,766,627
Total Expenditures	305,003,164	336,106,142	344,579,659	348,415,264	358,974,515
Forestry, Department of					
General Fund	53,860,677	54,437,263	119,048,444	63,414,691	88,388,302
Lottery Funds	2,437,861	5,408,132	5,408,132	7,481,960	7,554,096
Other Funds	174,569,610	215,657,186	402,004,076	224,734,577	286,598,792
Other Funds Nonlimited	-	-	10,473,825	-	-
Federal Funds	24,526,686	33,853,011	31,108,167	34,758,694	35,063,741
Total Expenditures	255,394,834	309,355,592	568,042,644	330,389,922	417,604,931

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
Geology & Mineral Industries, Dept of					
General Fund	2,464,702	2,505,043	4,040,945	4,138,836	4,246,695
Other Funds	9,009,907	7,835,292	12,146,280	6,092,210	6,207,283
Federal Funds	3,894,652	4,303,586	4,429,263	5,356,535	5,465,149
Total Expenditures	15,369,261	14,643,921	20,616,488	15,587,581	15,919,127
Land Conservation & Development, Dept of					
General Fund	10,382,331	12,330,059	12,462,786	13,152,774	13,583,719
Other Funds	874,713	947,584	960,315	484,999	725,419
Federal Funds	5,617,444	5,891,950	6,014,070	6,254,991	6,392,432
Total Expenditures	16,874,488	19,169,593	19,437,171	19,892,764	20,701,570
Land Use Board of Appeals					
General Fund	1,319,536	1,517,044	1,573,758	1,772,887	1,817,836
Other Funds	61,346	84,328	87,401	28,641	28,641
Total Expenditures	1,380,882	1,601,372	1,661,159	1,801,528	1,846,477
State Lands, Department of					
General Fund	681,266	-	-	328,228	346,082
Other Funds	24,318,252	29,740,188	34,393,584	35,792,955	36,617,973
Other Funds Nonlimited	27,703,187	10,234,249	11,634,249	10,234,249	10,234,249
Federal Funds	4,417,118	1,831,671	2,881,911	1,795,917	2,067,484
Total Expenditures	57,119,823	41,806,108	48,909,744	48,151,349	49,265,788
Marine Board					
Other Funds	22,664,349	25,981,329	26,214,465	26,181,068	26,498,709
Federal Funds	5,351,936	7,443,149	7,450,387	7,464,524	7,467,774
Total Expenditures	28,016,285	33,424,478	33,664,852	33,645,592	33,966,483
Parks & Recreation Department					
General Fund	-	980,000	980,000	-	-
Lottery Funds	75,351,082	84,614,432	86,964,694	81,406,896	82,917,301
Other Funds	93,035,795	111,999,304	112,681,149	108,236,201	110,367,264
Other Funds Nonlimited	4,624,178	-	-	-	-
Federal Funds	8,445,700	11,819,364	11,858,367	12,306,810	12,345,047
Total Expenditures	181,456,755	209,413,100	212,484,210	201,949,907	205,629,612
Water Resources Department					
General Fund	20,359,290	26,504,946	27,256,741	29,622,753	31,185,564
Lottery Funds	587,540	574,025	574,025	2,511,482	2,511,482
Other Funds	8,654,128	34,547,011	34,736,737	73,945,808	74,253,832
Other Funds Nonlimited	-	-	2,296,505	-	-
Federal Funds	780,727	1,272,735	1,275,264	1,302,403	1,312,338
Total Expenditures	30,381,685	62,898,717	66,139,272	107,382,446	109,263,216

	2011-13	2013-15	2013-15	2015-17	2015-17
	Actual	Legislatively	Legislatively	Legislatively	Legislatively
		Adopted	Approved	Adopted	Approved
	\$	\$	\$	\$	\$
Oregon Watershed Enhancement Board					
Lottery Funds	62,582,581	58,109,189	58,227,336	62,250,303	62,482,687
Other Funds	899,683	1,849,375	1,852,224	3,545,968	3,553,093
Federal Funds	30,224,432	32,732,090	32,817,029	37,179,454	37,274,113
Total Expenditures	93,706,696	92,690,654	92,896,589	102,975,725	103,309,893
NATURAL RESOURCES PROGRAM AREA					
General Fund	133,771,297	164,961,676	234,326,233	200,760,190	234,125,699
Lottery Funds	160,649,358	165,798,191	168,608,490	171,619,001	173,939,411
Other Funds	765,238,748	854,278,963	1,061,236,446	897,623,150	975,645,594
Other Funds Nonlimited	194,130,371	313,543,334	327,713,664	278,352,979	278,352,979
Federal Funds	263,938,685	276,752,073	278,920,838	293,058,959	300,539,686
Federal Funds Nonlimited	-	1	40,000	104,000	104,000
Total	1,517,728,459	1,775,334,238	2,070,845,671	1,841,518,279	1,962,707,369

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
TRANSPORTATION					
Aviation, Department of					
Other Funds	5,461,765	6,202,750	6,562,654	11,979,625	12,370,913
Federal Funds	1,849,401	4,769,741	7,163,379	8,504,014	8,514,798
Total Expenditures	7,311,166	10,972,491	13,726,033	20,483,639	20,885,711
Transportation, Department of					
General Fund	1,970,000	2,060,000	12,740,000	27,827,995	22,585,257
Lottery Funds	72,614,922	93,953,970	93,953,970	107,484,140	107,484,140
Other Funds	2,793,642,941	3,813,954,090	3,853,134,402	3,275,943,658	3,313,477,220
Other Funds Nonlimited	242,708,238	18,158,214	1,448,098,943	18,158,214	18,158,214
Federal Funds	111,311,859	119,483,481	126,380,415	110,110,886	110,175,491
Federal Funds Nonlimited	21,621,529	21,621,529	21,621,529	21,621,529	21,621,529
Total Expenditures	3,243,869,489	4,069,231,284	5,555,929,259	3,561,146,422	3,593,501,851
TRANSPORTATION PROGRAM AREA					
General Fund	1,970,000	2,060,000	12,740,000	27,827,995	22,585,257
Lottery Funds	72,614,922	93,953,970	93,953,970	107,484,140	107,484,140
Other Funds	2,799,104,706	3,820,156,840	3,859,697,056	3,287,923,283	3,325,848,133
Other Funds Nonlimited	242,708,238	18,158,214	1,448,098,943	18,158,214	18,158,214
Federal Funds	113,161,260	124,253,222	133,543,794	118,614,900	118,690,289
Federal Funds Nonlimited	21,621,529	21,621,529	21,621,529	21,621,529	21,621,529
Total	3,251,180,655	4,080,203,775	5,569,655,292	3,581,630,061	3,614,387,562

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
ADMINISTRATION					
Administrative Services, Dept of*					
General Fund	9,008,749	9,923,091	12,030,189	9,577,939	13,183,479
Lottery Funds	6,649,695	8,135,841	8,135,841	10,553,686	10,553,686
Other Funds	884,902,596	877,567,512	946,777,833	898,482,207	914,137,817
Other Funds Nonlimited	165,097,339	122,552,277	209,238,802	272,104,653	272,104,653
Total Expenditures	1,065,658,379	1,018,178,721	1,176,182,665	1,190,718,485	1,209,979,635
Fairs (County and State)*					
General Fund	-	-	-	1,015,299	1,015,299
Lottery Funds	3,435,817	3,669,380	3,669,380	3,864,000	3,864,000
Total Expenditures	3,435,817	3,669,380	3,669,380	4,879,299	4,879,299
Historical Society*					
General Fund	-	735,000	738,750	1,125,000	1,125,000
Lottery Funds	208,513	210,392	210,392	210,392	210,392
Other Funds	2,520,863	-	-	-	-
Total Expenditures	2,729,376	945,392	949,142	1,335,392	1,335,392
Oregon Public Broadcasting*					
General Fund	-	490,000	492,500	750,000	750,000
Lottery Funds	1,558,359	546,157	546,157	2,013,018	2,013,018
Other Funds Nonlimited	2,862,769	-	-	-	-
Total Expenditures	4,421,128	1,036,157	1,038,657	2,763,018	2,763,018
Advocacy Commissions Office					
General Fund	365,513	399,995	425,525	602,262	626,557
Other Funds	7,884	40,960	40,960	42,189	42,189
Total Expenditures	373,397	440,955	466,485	644,451	668,746
Employment Relations Board					
General Fund	1,903,465	1,894,849	2,061,040	2,393,033	2,460,956
Other Funds	1,723,240	1,901,273	2,140,264	2,014,991	2,066,561
Total Expenditures	3,626,705	3,796,122	4,201,304	4,408,024	4,527,517
Government Ethics Commission					
Other Funds	1,518,135	1,935,994	2,110,362	2,720,429	2,789,379
Governor, Office of the					
General Fund	50,737,961	10,007,383	11,386,541	12,448,211	12,773,672
Lottery Funds	1,758,023	3,261,204	3,376,215	4,058,418	4,209,051
Other Funds	15,557,628	2,809,734	2,910,655	3,152,058	3,249,297
Federal Funds	2,744,411	-	-	-	-
Total Expenditures	70,798,023	16,078,321	17,673,411	19,658,687	20,232,020

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
Oregon Liquor Control Comm					
Other Funds	137,037,933	150,626,250	153,815,309	178,713,603	181,706,250
Other Funds Nonlimited	-	-	-	-	-
Total Expenditures	137,037,933	150,626,250	153,815,309	178,713,603	181,706,250
Public Employees Retirement System					
Other Funds	75,017,618	84,002,344	88,153,980	95,161,904	107,769,491
Other Funds Nonlimited	7,779,837,107	9,277,875,000	9,277,875,000	9,723,458,062	9,723,458,062
Total Expenditures	7,854,854,725	9,361,877,344	9,366,028,980	9,818,619,966	9,831,227,553
Racing Commission, Oregon					
Other Funds	4,923,397	5,821,294	5,905,502	6,193,966	6,276,229
Revenue, Dept of					
General Fund	146,312,349	165,191,130	166,486,971	186,702,371	193,187,720
Other Funds	28,771,284	65,256,876	64,202,113	130,931,438	134,486,949
Other Funds Nonlimited	261,337	-	-	-	-
Total Expenditures	175,344,970	230,448,006	230,689,084	317,633,809	327,674,669
Secretary of State					
General Fund	12,500,138	8,476,735	8,663,845	9,422,659	9,949,390
Other Funds	36,900,243	48,895,140	50,265,885	54,607,321	56,279,809
Federal Funds	4,115,805	7,710,474	5,045,103	6,242,689	6,277,676
Total Expenditures	53,516,186	65,082,349	63,974,833	70,272,669	72,506,875
State Library					
General Fund	2,868,303	1,591,908	3,314,923	3,536,497	3,626,974
Other Funds	5,684,714	2,774,285	5,932,223	6,227,861	6,440,443
Federal Funds	4,514,751	2,463,398	4,887,539	5,061,853	5,121,642
Total Expenditures	13,067,768	6,829,591	14,134,685	14,826,211	15,189,059
Treasury, Oregon State					
General Fund	-	-	-	1,658,284	1,687,988
Other Funds	33,698,125	45,149,748	47,996,510	61,114,368	62,170,171
Other Funds Nonlimited	3,542,141	-	-	-	-
Total Expenditures	37,240,266	45,149,748	47,996,510	62,772,652	63,858,159
ADMINISTRATION PROGRAM AREA					
General Funds	223,696,478	198,710,091	205,600,284	229,231,555	240,387,035
Lottery Funds	13,610,407	15,822,974	15,937,985	20,699,514	20,850,147
Other Funds	1,228,263,660	1,286,781,410	1,370,251,596	1,439,362,335	1,477,414,585
Other Funds Nonlimited	7,951,600,693	9,400,427,277	9,487,113,802	9,995,562,715	9,995,562,715
Federal Funds	11,374,967	10,173,872	9,932,642	11,304,542	11,399,318
Total	9,428,546,205	10,911,915,624	11,088,836,309	11,696,160,661	11,745,613,800

* Oregon Public Broadcasting, State and County Fairs, and Oregon Historical Society are included in the budget for the Department of Administrative Services as pass-throughs; they are shown separately in this table for informational purposes.

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
LEGISLATIVE BRANCH					
Indian Services, Commission on					
General Fund	376,203	444,063	488,767	401,349	507,807
Other Funds	1,645	6,586	6,586	6,784	6,784
Total Expenditures	377,848	450,649	495,353	408,133	514,591
Legislative Administration Committee					
General Fund	28,217,422	33,376,264	34,695,320	34,865,791	40,648,641
Other Funds	2,422,050	37,920,316	37,929,526	2,225,416	35,435,025
Other Funds Nonlimited	345,550	597,932	10,033,667	597,932	597,932
Total Expenditures	30,985,022	71,894,512	82,658,513	37,689,139	76,681,598
Legislative Assembly					
General Fund	33,225,889	38,039,318	42,069,611	39,090,875	44,159,222
Other Funds	61,617	277,937	278,847	225,352	223,530
Other Funds Nonlimited	84,354	93,553	93,553	96,360	96,360
Total Expenditures	33,371,860	38,410,808	42,442,011	39,412,587	44,479,112
Legislative Counsel Committee					
General Fund	8,039,603	9,784,658	10,427,834	10,841,717	11,569,054
Other Funds	1,290,567	1,658,313	1,681,068	1,515,091	1,552,105
Other Funds Nonlimited	540,849	562,803	562,803	526,136	526,136
Total Expenditures	9,871,019	12,005,774	12,671,705	12,882,944	13,647,295
Legislative Fiscal Officer					
General Fund	5,532,954	3,610,997	3,888,952	4,324,440	4,571,581
Other Funds	-	3,000,000	3,179,547	3,443,858	3,530,895
Total Expenditures	5,532,954	6,610,997	7,068,499	7,768,298	8,102,476
Legislative Revenue Officer					
General Fund	1,969,632	2,711,399	2,796,123	2,414,923	2,736,704
LEGISLATIVE BRANCH PROGRAM AREA					
General Fund	77,361,703	87,966,699	94,366,607	91,939,095	104,193,009
Other Funds	3,775,879	42,863,152	43,075,574	7,416,501	40,748,339
Other Funds Nonlimited	970,753	1,254,288	10,690,023	1,220,428	1,220,428
Total	82,108,335	132,084,139	148,132,204	100,576,024	146,161,776

	2011-13 Actual	2013-15 Legislatively Adopted	2013-15 Legislatively Approved	2015-17 Legislatively Adopted	2015-17 Legislatively Approved
	\$	\$	\$	\$	\$
MISCELLANEOUS					
Emergency Board					
General Fund		30,000,000	-	30,000,000	32,000,000
Total Expenditures	-	30,000,000	-	30,000,000	32,000,000
Special Purpose Appropriations (details below)		125,106,815	-	215,927,114	63,255,445
MISCELLANEOUS PROGRAM TOTAL					
General Fund	-	155,106,815	-	245,927,114	95,255,445
Total	-	155,106,815	-	245,927,114	95,255,445
Special Purpose Appropriations (SPA)					
Department of Forestry - Fire protection expenses		5,000,000	-	6,000,000	3,945,177
Various - Non-State salary adjustment		12,900,000	-	10,700,000	700,147
Secretary of State - Payments to Counties HB 2177 Costs				384,000	384,000
Judicial Department - Multomah County Circuit Court Violations				1,000,000	1,000,000
Oregon Health Authority/Dept. of Human Services - Caseload				40,000,000	40,000,000
Education Agencies - Early Learning to Post-Secondary				3,000,000	1,626,121
Dept. of Administrative Services - ETS Rate Adjustments				6,500,000	6,500,000
Department of Justice - Defense of Criminal Convictions				2,000,000	2,000,000
Department of Human Services - Provider Audits				100,000	100,000
Department of Corrections - Deer Ridge Operations Expenses				-	3,000,000
Department of Corrections - Expenses Related to Mentally III				-	2,000,000
Malheur National Wildlife Refuge Expense Reimbursement				-	2,000,000
Various - Salary adjustment		86,500,000	-	120,000,000	-
Department of Revenue - CAFFA Funding Shortfall				1,836,836	-
Higher Education Coordinating Commission - College Readiness				6,865,921	-
Department of /Education - Mixed Delivery Pre-School Program				17,540,357	-
State Library - 2nd year funding		1,702,192	-		
Housing and Community Services - 2nd year funding		8,915,211	-		
Housing and Community Services - 2nd year Housing Choice		74,855	-		
Department of Education - student assessments		4,600,000	-		
Department of Education - youth development		1,789,557	-		
Housing and Community Services - 2nd year Oregon Hunger		225,000	-		
Oregon Health Authority - A&D rate increases		3,300,000	-		
Oregon Health Authority - Dental pilot program		100,000	-		
SPA Totals	-	125,106,815	-	215,927,114	63,255,445

	2011-13	2013-15	2013-15	2015-17	2015-17
	Actual	Legislatively	Legislatively	Legislatively	Legislatively
		Adopted	Approved	Adopted	Approved
	\$	\$	\$	\$	\$
STATE OF OREGON TOTAL EXPENDITURES					
General Fund	13,624,979,659	15,608,670,298	15,889,470,553	17,984,668,302	18,074,633,531
Lottery Funds	1,033,757,252	831,026,967	838,709,015	914,393,699	958,143,968
Other Funds	8,770,687,560	11,903,098,550	13,088,826,764	14,579,898,787	14,993,219,712
Other Funds Nonlimited	14,683,563,836	14,664,427,842	16,823,945,051	13,943,029,342	13,948,849,342
Federal Funds	10,582,996,908	13,604,752,052	15,981,183,256	18,287,226,192	19,643,122,925
Federal Funds Nonlimited	4,562,383,981	3,206,389,002	3,427,679,001	3,273,712,191	3,273,712,191
Total Expenditures	53,258,369,196	59,818,364,711	66,049,813,640	68,982,928,513	70,891,681,669
STATE OF OREGON TOTAL EXPENDITURES					
General Fund	13,624,979,659	15,608,670,298	15,889,470,553	17,984,668,302	18,074,633,531
Lottery Funds	1,033,757,252	831,026,967	838,709,015	914,393,699	958,143,968
Other Funds	23,454,251,396	26,567,526,392	29,912,771,815	28,522,928,129	28,942,069,054
Federal Funds	15,145,380,889	16,811,141,054	19,408,862,257	21,560,938,383	22,916,835,116
Total Expenditures	53,258,369,196	59,818,364,711	66,049,813,640	68,982,928,513	70,891,681,669