

2019-21

BUDGET HIGHLIGHTS UPDATE

**Legislatively Approved Budget
through the 2nd Special Session**



**Legislative Fiscal Office
September 2020**

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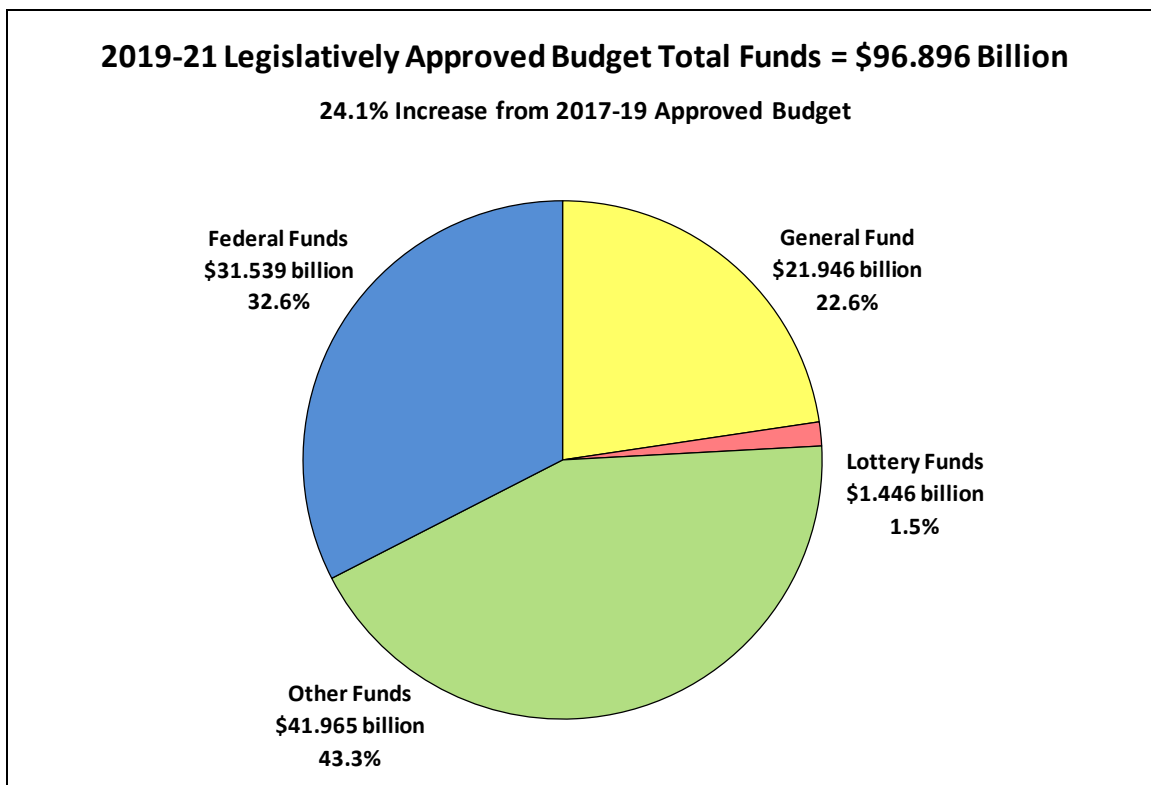
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2019-21 Legislatively Approved Budget Update

Since the end of the 2019 session, there has been a regular session in February 2020; meetings of the Joint Interim Committee on Ways and Means in September, November, and January; several meetings of the Emergency Board; and two special sessions – all of which made changes to the budget adopted by the Legislature during the 2019 session. The General Fund and Lottery Funds budget, as modified by legislative actions through the 1st special session of 2020, totaled \$23.686 billion. This amount represented a 12.2% increase over General Fund and Lottery Funds expenditures in 2017-19.

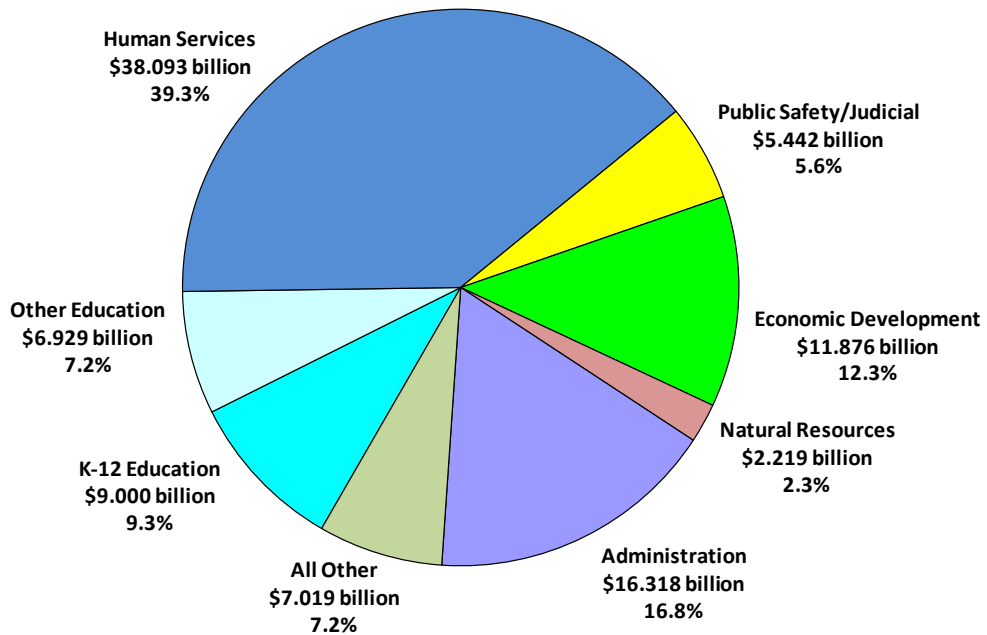
The approved increase in General Fund and Lottery Funds spending was significantly modified during the 2nd special session that occurred on August 10, 2020. This action was necessary because the COVID-19 pandemic and the resulting economic conditions resulted in a sharp reduction in the Department of Administrative Services' Office of Economic Analysis revenue forecast for the 2019-21 biennium and the state budget was no longer anticipated to be in balance by the end of the biennium. The official June 1, 2020 forecast projected a \$1.543 billion reduction in General Fund and a \$338.6 million reduction in Lottery Funds from the forecasted amounts used to enact the legislatively adopted budget. To address this issue, the Legislative Assembly convened in the 2nd special session of the biennium and passed legislation to bring the budget back into balance. The budget rebalance, as approved, resulted in a total General Fund and Lottery Funds budget of \$23.392 billion, a reduction of \$276.9 million from the 2019-21 legislatively adopted budget and representing a 10.8% increase over 2017-19 expenditures relying on these two fund sources.

Below are charts providing data on the legislatively approved budget after the 2nd special session of 2020:



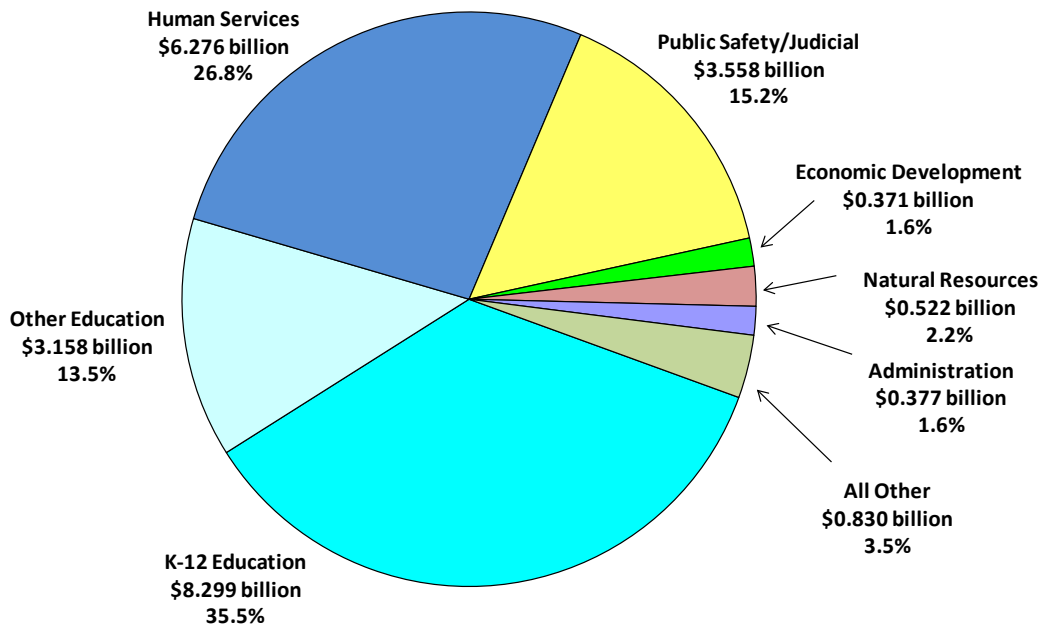
2019-21 Legislatively Approved Budget Total Funds = \$96.896 Billion

24.1% Increase from 2017-19 Approved Budget



2019-21 Legislatively Approved General Fund and Lottery Funds = \$23.392 Billion

10.8% Increase from 2017-19 Approved Budget



The budget rebalance plan identified the forecasted deficit and additional budget needs, primarily related to COVID-19 and caseload and other costs for the Department of Human Services and the Oregon Health Authority. The total of these items resulted in a projected negative ending balance of \$850.4 million General Fund and \$202.6 million Lottery Funds. The Legislature brought the budget back into balance through the use of targeted expenditure reductions in agency budgets, resource adjustments that resulted in additional available revenue, and the use of approximately one-half of the current balance of the Education Stability Fund; the net ending balance position is now projected to be \$95.6 million General Fund and \$20.0 million Lottery Funds.

The table on the following page provides detail on the adopted rebalance plan.

JWM Tri-Chair 2020 Rebalance Plan for the 2019-21 Biennium		
\$ Millions	General Fund	Lottery Funds Discretionary
Legislatively Approved Expenditures through July 2020	22,427.4	1,010.6
Projected Revenues for 2019-21 Biennium (June 2020 Forecast)	21,763.0	808.0
Projected Ending Balance - July 2020	(664.4)	(202.6)
Budget Issues and Expenditure Priorities		
Enhanced Emergency Fund	(200.0)	
OHA Existing Budget Need to Rebalance	(85.2)	
OHA Projected COVID-19 Medicaid Caseload (4 quarters)	(178.0)	
OHA Enhanced FMAP 6.2% Increase (4 quarters)	307.6	
DHS Existing Budget Need to Rebalance	(47.7)	
DHS Enhanced FMAP 6.2% Increase (4 quarters)	180.0	
E-Fund SPA for OHA/DHS Caseloads and Other Issues	(100.0)	
Other Agency Budget Needs to Rebalance and Priority Budget Adds	(62.7)	
Net Budget Problem	(850.4)	(202.6)
Expenditure Reductions		
Education Subcommittee	56.9	(47.7)
Human Services Subcommittee	178.7	0.0
Public Safety Subcommittee	43.3	
Natural Resources Subcommittee	22.1	
Transportation/Economic Development Subcommittee	16.0	13.3
General Government Subcommittee	18.0	0.0
Emergency Board	27.1	
Subtotal Subcommittee Expenditure Reductions	362.1	(34.4)
Resource Adjustments		
March/April 2020 Emergency Board Allocations Using CRF	21.9	
PERS Undo Employer Incentive Fund Revenue Sources	61.3	3.3
PERS Undo School District Unfunded Liability Fund Revenue Sources	152.0	
OSP Patrol Use CRF Federal Funds	56.0	
Debt Service Savings	34.6	3.8
Other Adjustments	107.7	0.3
Subtotal Resource Adjustment Options	433.5	7.3
Education Stability Fund Transfer	350.0	50.0
State School Fund Rebalance	(199.7)	199.7
Net Ending Balance Position	95.6	20.0
Net Position (combined GF and LF Discretionary)	115.6	

As shown in the table above, a significant part of the budget rebalance plan relied on Other and Federal Funds that were available to cover costs which had originally been budgeted to be paid for with General Fund or to cover other costs that have increased as a result of the pandemic. A major source of increased Federal Funds is the result of federal actions to address COVID-19 costs. On March 27, 2020, the federal Coronavirus Aid, Relief, and Economic Security (CARES) Act became law. As part of the federal act, funding for COVID-19 response was provided directly to units of local government with populations in excess of 500,000 (City of Portland, Multnomah County, and Washington County received a total of \$247.0 million directly) and to the state (\$1.39 billion) from the Coronavirus Relief Fund (CRF) which was included in the CARES Act. For most of the funds, the Department of Administrative Services (DAS) is the agency receiving the money from the federal government. As a result, Federal Funds expenditure limitation is granted to DAS; the agencies to which DAS transfers these funds for actual program and service expenditure receive Other Funds expenditure limitation. These funds are to be used for costs incurred between March 1 and December 30, 2020. Guidance from the U.S. Treasury identifies restrictions on the use of the funds, and almost all the funds have been spent or have a plan on how they will be spent.

Generally, CRF and other Federal Funds received to address COVID-19 issues have very specific limitations on use, including that these funds are not to be used to cover costs already included in a state's approved budget. One exception to that restriction is that the funds can be used for certain law enforcement and public health salaries. In accordance with that exception, the budget rebalance includes the use of \$56.0 million of CRF funds to cover costs for Department of State Police salaries that were originally budgeted to be paid for with General Fund.

Another significant federal revenue source key to the statewide budget rebalance is a temporary increase in federal Medicaid matching funds; these funds support medical and long term care programs primarily within the Oregon Health Authority (OHA) and the Department of Human Services (DHS). In March 2020, a 6.2% increase in the Federal Medical Assistance Percentage (FMAP) was authorized as part of the Families First Coronavirus Response Act. The additional funds are available to states from January 1, 2020, through the quarter in which the public health emergency period ends; a recent extension pushes the emergency period into the last quarter of 2020. Based on this four-quarter projection, OHA and DHS estimate collectively receiving an additional \$487.6 million Federal Funds; the approved budget plan uses these monies to free up (fund shift) the same amount of General Fund. This General Fund is then used to cover OHA and DHS expenditure needs, help balance the overall budget, and support a new special purpose appropriation to help the two agencies address caseload costs and other budget problems arising over the remainder of the biennium.

Following is additional detail on major actions and changes in each program area, as well as information on state bonding and other capital construction items. Information is also available in the budget report prepared for SB 5723 (2nd special session of 2020), located at <https://olis.oregonlegislature.gov/liz/2020S2/Downloads/MeasureAnalysisDocument/54075>

Program Area Summaries

EDUCATION

The Education program area includes state-operated or -financed activities serving children or students from early childhood to post-secondary education, often referred to as the P-20 educational system. The legislatively approved General Fund and Lottery Funds budget for the program area after the 2nd special session of 2020 is \$11.457 billion, a decrease of \$20.2 million, or 0.2%, from the 2019 legislatively adopted budget. The total funds budget of \$15.929 billion is a \$20.3 million, or 0.1%, decrease.

State School Fund

The State School Fund (SSF) was maintained at the \$9.0 billion level adopted by the 2019 Legislature but with a different funding mix. The General Fund contribution was decreased by \$150.2 million while Lottery Funds were decreased by \$199.7 million. There was also a decrease in the amount contributed by the Fund for Student Success of \$50.1 million; these funds were to come from the Corporate Activity Tax. Offsetting these decreases was a transfer of \$400.0 million from the Education Stability Fund scheduled for March 1, 2021. The June 2020 economic and revenue forecast prepared by the Office of Economic Analysis estimated that at the end of the 2019-21 biennium there would be \$800.1 million in the Education Stability Fund; this transfer represents just under one-half of the estimated amount available this biennium.

Department of Education

The overall General Fund budget for the Department of Education (ODE) was reduced by \$34.7 million across most areas of the budget. In the Operations budget, which includes most of the ODE staffing and operational costs, major reductions included:

- Shifting \$2.7 million of staffing costs from General Fund to Other and Federal Funds mostly from increasing the amount funded with the federal indirect rate.
- Utilizing vacancy savings and holding seven positions vacant for the remainder of the biennium generating \$2.3 million in General Fund savings.
- Reducing \$2.8 million General Fund in services and supplies by reducing resources for contracting, travel, employee training, office expenses, and information technology services.

Reductions to the Oregon School for the Deaf totaled \$1.1 million General Fund, including vacancy savings (\$762,756) and a one-time fund shift to Other Funds for five positions (\$308,132).

General Fund reductions for the K-12 Grant-in-Aid budget totaled \$21.1 million including:

- Fund shifting \$3.3 million from General Fund to Other Funds by using available resources for the Long Term Care and Treatment program as well as the Hospital programs.
- Utilizing available fund balances including the High School Success program or Ballot Measure 98 (\$3.0 million), CTE Revitalization grants (\$595,659), and Physical Education grants (\$120,107).
- Reducing various grant programs that share a common purpose or goals with the High School Success program, including Regional Promise (\$1.6 million), Accelerated Learning Opportunities (\$1.4 million), Accelerated College Credit Instructor (\$135,929), For the Inspiration and Recognition of Science and Technology (\$242,191), Chronic Absenteeism (\$3.2 million), and various STEM and CTE programs (\$1.6 million).

- Reducing the Vision Screening program by \$800,000, leaving over \$400,000 for the second year of the biennium.
- Eliminating two reading programs (\$173,316): Start Making a Reader Today (SMART), and the Reachout to Read program.
- Reducing the Farm-to-School program by \$4.9 million.

Three Early Learning Grant-in-Aid programs were reduced saving \$3.3 million General Fund including:

- Reducing the Healthy Families program by \$1.3 million.
- Suspending the Focus Childhood Networks program for the remainder of the biennium saving \$915,861.
- Reducing the state support of local Early Learning Hubs by \$1.0 million.

Two programs were affected in the Youth Development Grant-in-Aid budget. The Community Schools program was eliminated saving \$51,603 General Fund while Gang Prevention grant funding was reduced by \$77,850.

The Fund for Student Success estimated revenues were expected to drop by over \$400.0 million based on the most recent Office of Economic Analysis's revenue forecast. As a result, there were reductions made to the programs authorized by the Student Success Act, including:

- \$50.1 million to the amount transferred to the State School Fund.
- \$322.7 million to the amount paid to school districts through Student Investment grants bringing the total amount for distribution for the 2020-21 school year to \$150.0 million.
- \$8.0 million to the Student Success grant made to selected school districts that have significant student achievement issues relative to other districts.
- \$4.0 million in grants to Education Service Districts (ESDs) for technical assistance to school districts in their service areas.
- \$7.1 million in staffing, vacancy savings, and other reductions in the Operations budget for K-12 related activities (\$6.5 million, 11 positions) and Early Learning related activities (\$606,456).

In addition, \$6.9 million General Fund was reduced from the amount allocated for professional development for early learning educators and repurposed, on a one-time basis, to fund four early learning/child care construction or renovation projects in Morrow, Washington, Jackson, and Wallowa counties. Other Student Success Act related changes include shifting Grant-in-Aid resources to Operations to support program staff for K-12 professional development, early warning systems of student achievement, and early learning professional development. Finally, a total of \$1.3 million General Fund savings was realized in the original investment to start-up the Student Success Act program due to delayed hiring and vacancy savings.

Other and Federal Funds expenditure limitation increases were included for COVID-19 federal funding. Federal Funds expenditure limitation of \$92.2 million is for K-12 funding distributed to school districts and others through the Elementary and Secondary Emergency Relief Fund (ESSER). Another \$32.5 million in Federal Funds expenditure limitation is for the Governor's Emergency Education Relief Fund (GEER) with \$19.9 million for K-12 activities, \$10.0 million transferred to HECC for post-secondary activities, and the remaining \$2.5 million for early learning. Another \$14.4 million was approved for child care funding. Just over \$1.6 million in Other Funds expenditure limitation was included for funds transferred from the Department of Administration for costs to be reimbursed with federal Coronavirus

Relief Funds. In addition, \$875,207 in Federal Funds expenditure limitation was provided for associated administrative expenses.

Three transfers of funding from ODE Other Funds accounts not needed for ongoing costs were re-appropriated to the General Fund. From the Youth Corrections related account, \$1.5 million was transferred. Due to delays in rolling out the new Educator Advancement Council resources to regional entities, \$9.0 million was available for transfer. Finally, \$500,000 was transferred from the Blind and Visually Impaired Student Fund. In each case, it is understood that these transfers will not limit resources for ongoing programs and services.

Higher Education Coordinating Commission

Overall, the General Fund budget for the Higher Education Coordinating Commission (HECC) is \$33.4 million less than the budget adopted by the 2019 Legislature, and the Lottery Funds budget is \$2.3 million less.

Operations and Other Units

HECC Operations account for \$1.4 million of the General Fund reductions including:

- Funding for four positions is shifted from General Fund to Federal Funds, saving \$142,659.
- Five positions (3.09 FTE) are eliminated and vacancy savings are identified, generating \$465,962 in General Fund savings.
- Services and supplies reductions produce \$584,648 General Fund savings.

Other HECC Operations changes include reclassification of an Auditor position (\$3,541 Other Funds and \$3,777 Federal Funds), Other Funds expenditure limitation increases of \$262,578 for grants from the Lumina Foundation and for the Volunteers program, and the establishment of one position (0.63 FTE) to develop and implement a scholarship program for early learning educators.

Other Funds expenditure limitation was increased by \$2.4 million for the costs of issuance on Article XI-G and XI-Q bonds authorized for public universities. This increase is offset by a \$365,000 Other Funds decrease in issuance costs for three community college capital projects (Article XI-G bonds) that are not expected to have raised matching funds required to be included in the spring 2021 bond sale.

Other Funds limitation of \$10.0 million was established for the Governor's Education Emergency Relief or GEER fund. This federal funding from the CARES Act will be transferred from the Department of Education for distribution to Oregon's post-secondary institutions and other entities.

Three changes were made to student assistance programs:

- The funding for the National Guard Tuition Assistance program was reduced by \$2.5 million General Fund to better line up the resources for the program with estimated demand.
- Oregon Promise program funding, which is used to assist recent high school graduates to attend an Oregon community college was reduced by \$3.6 million General Fund, resulting in restrictions based on the FAFSA's Earned Family Contribution for the remainder of the biennium.
- Funding for the Oregon Opportunity Grant program is maintained at \$164.2 million total funds, but the funding mix is changed by using \$10.0 million in revenues generated by the sale of tax credits, freeing up \$10.0 million General Fund to help rebalance the statewide budget.

State Support for Public Universities

The Oregon State University (OSU) Statewide Public Service Programs budget was decreased by \$3.6 million General Fund, which represents a 2.5% decrease in state support for the Agricultural Experiment Station (\$1.9 million), OSU Extension Service (\$1.4 million), and Forest Research Laboratory (\$285,601). Decreased funding is not anticipated to result in the elimination of any specific programs but will result in reduced program services and may include personnel reductions, elimination of support services, and reallocation of limited resources to maintain program effectiveness. Lottery Funds support for the Outdoor School Program was decreased by \$2.3 million (or 5%), which results in total funding of \$43.0 million for the program in the 2019-21 biennium.

The Public University State Programs budget was decreased by \$824,482 General Fund, which is a 5% reduction in support for each university state program except Engineering Technology Sustaining Funds and the University of Oregon's Office for Community Dispute Resolution. A one-time increase of \$500,000 General Fund was approved for the University of Oregon to purchase a new research and teaching vessel for the Oregon Institute of Marine Biology.

General Fund was also reduced by \$10.1 million for debt service savings realized through refunding of outstanding bonds issued for the benefit of public universities, interest rate savings on bond sales, as well as Other Funds balances generated through excess bond proceeds and interest earnings that can be applied to debt service. A corresponding \$8.2 million increase in Other Funds expenditure limitation was approved to utilize available balances for debt service payments. Nonlimited Other Funds debt service limitation was also decreased by \$16.0 million for debt service savings generated from the refunding of outstanding Article XI-F (1) bonds issued for the benefit of the public universities.

Other Funds six-year capital construction limitation was increased by \$179.0 million for five public university capital projects supported with Article XI-G and XI-Q bond proceeds. Capital construction expenditure limitations for the 2015-17 and 2017-19 biennia were also reduced by \$10.0 million and \$58.5 million, respectively. Article XI-F (1) bonds authorized for projects in prior biennia have not been issued and are not reauthorized for issuance in the 2019-21 biennium. Public university capital construction projects are described in the State Bonding and Capital Construction section of this report.

State Support for Community Colleges

There were minimal changes to the Community College Support Fund with only the addition of \$22,783 Other Funds from the Western Oregon and Eastern Oregon Tax Funds. This represents revenues from 2017-19 and will be distributed to community colleges. Debt Service savings of \$1.6 million General Fund are realized from refunding Article XI-G general obligation bonds that were issued on behalf of community colleges and available Other Funds balances that may be applied to debt service payments. There is a \$714,173 increase in Other Funds expenditure limitation for debt service.

State Support for Oregon Health and Science University

General Fund support for the Oregon Health and Science University (OHSU) Office of Rural Health and Area Health Education Centers was decreased by \$238,042 (or 5%). A \$100,000 General Fund decrease to the one-time investment in the Oregon Child Integrated Dataset (OCID) was also approved. Based on the total projected costs to complete OCID activities in the 2019-21 biennium, the reduction is not anticipated to significantly impact project outcomes.

Nonlimited Other Funds debt service limitation was decreased by \$1.1 million for debt service savings generated from the refunding of outstanding Article XI-F (1) bonds issued for the benefit of OHSU.

HUMAN SERVICES

The budgets for the agencies within the Human Services program area were decreased by a total of \$362.0 million General Fund. While this change includes reductions, the primary driver behind the net decrease is a shift of \$487.6 million from General Fund to Federal Funds to leverage a temporary increase in federal Medicaid matching funds. In addition, Lottery Funds increased by \$811,528, Other Funds expenditure limitation increased by \$142.3 million, and Federal Funds increased by \$2 billion; this latter adjustment includes an increase of \$550.0 million in administrative nonlimited spending authority for increased benefits under the Supplemental Nutrition Assistance Program (SNAP) as demand has increased due to the COVID-19 pandemic.

Oregon Health Authority

In advance of the 2nd special session of 2020, the Emergency Board made the following modifications to the 2019-21 budget for the Oregon Health Authority (OHA):

- On March 9, 2020, allocated \$5.0 million General Fund and increased Federal Funds expenditure limitation by \$20.0 million to help address the early stages of the pandemic. Most of this funding has supported pandemic response activities by local public health authorities and tribal communities.
- On April 23, 2020, allocated \$570,974 General Fund and increased Federal Funds expenditure limitation by \$880,298 to support collective bargaining agreement costs for non-state employee adult foster care workers who serve mental health clients.
- On June 5, 2020, increased Other Funds expenditure limitation by \$28.6 million for funding from the Coronavirus Relief Fund, which includes \$25.6 million to support behavioral health services for individuals disproportionately impacted by the pandemic and \$3.0 million for grants to community organizations serving migrant seasonal agricultural workers.
- On August 5, 2020, increased Other Funds expenditure limitation by \$139.2 million for funding from the Coronavirus Relief Fund, which includes \$94.2 million for COVID-19 contact tracing, testing, education and outreach, and supportive services and \$45.0 million to address social determinants of health for Oregon's tribal communities and communities of color.

As part of subsequent actions during the 2nd special session of 2020, the Legislature approved a net General Fund decrease of \$149.4 million and net increases of \$811,528 Lottery Funds, \$142.5 million Other Funds, and \$1.3 billion Federal Funds, resulting in an overall net budget increase of \$1.3 billion. These changes represent a 5.5% decrease in the agency's General Fund budget and a 5.4% increase in the agency's total funds budget. The net General Fund decrease is the result of reductions to help rebalance the state budget, savings from a temporary increase in the federal Medicaid matching rate, changes related to agency-specific rebalance issues, and increases necessary to address rising Oregon Health Plan (OHP) caseloads and specific agency budget challenges, primarily in the Oregon State Hospital. The significant increase in Federal Funds expenditure limitation is largely driven by the temporary increase in the federal Medicaid match and increasing OHP caseload levels. In addition to the funding changes, the Legislature approved an increase of 91 positions (73.86 FTE), which is mostly due to the return of some OHP member service positions from the Department of Human Services and additional direct care positions at the Oregon State Hospital.

The net General Fund decrease of \$149.4 million in OHA's budget reflects the following adjustments:

- Savings of \$307.6 million results from a net-zero cost shift to Federal Funds due to a temporary 6.2% increase in the federal Medicaid match, or Federal Medical Assistance Percentage (FMAP), available to support OHP caseloads. The temporary FMAP increase is available to states through the end of the calendar year quarter in which the federal public health emergency declaration expires, which is currently the fourth quarter of 2020.
- An increase of \$178.0 million and related federal matching funds supports the estimated average biennial growth in OHP caseloads due to the impact of the pandemic and temporary federal policy changes limiting the disenrollment of members from states' Medicaid programs during the public health emergency.
- Savings of \$20.0 million resulted from the actuarial adjustment of 2020 coordinated care organization (CCO) rates and \$9.1 million in related savings as 2021 rates were developed from a lower threshold than originally assumed in OHA's 2019-21 budget. The actuarial rate adjustment corresponds to savings based on an average increase in overall OHP member health due to healthier members remaining on the caseload as a result of the federal limit on Medicaid program disenrollments.
- A decrease of \$36.4 million in behavioral health programs is from the prior approval of provider rate changes, which results in an overall net funding increase to the provider community due to the leveraging of additional Federal Funds, the reduction of available General Fund not yet obligated in contracts, and shifting General Fund expenses to available Other Funds and Federal Funds revenues.
- Due to existing delays in the implementation of new intensive in-home behavioral health services for children, \$3.5 million in savings is achieved without impact on service levels. This adjustment assumes the CCO component of the program remains on track for implementation January 1, 2021.
- Savings of \$3.0 million represents funding no longer needed in 2019-21 for additional rental assistance and wraparound services for new permanent supportive housing units, which are now expected to be constructed and occupied in 2021-23.
- A decrease of \$1.9 million results from the elimination of 21 positions across several non-direct care programs in the Oregon State Hospital; reductions are to be made in a way that does not negatively impact patient treatment and the safety of both patients and staff.
- To address multiple budget challenges in the Oregon State Hospital, an increase of \$80.8 million was approved, which includes \$38.6 million to backfill a shortfall in Other Funds and Federal Funds revenues, \$23.6 million to support increasing staffing costs largely due to changes patient acuity and enhanced patient supervisions, \$8.5 million to address increased patient acuity and the transition of civil commitment patients to lower levels of care at the Junction City campus, \$8.1 million to repay the federal government for overdrawn federal Medicaid match, and \$1.9 million to replace the safety monitoring system at the hospital's Salem campus.
- A reduction of \$2.6 million in the Public Health Division reflects lower utilization of reproductive health and family planning services, delayed implementation of certain elements of the voluntary universal nurse home visiting program, and postponement of the accelerated cycle for inspecting in-home care agencies, effectuated through a policy change authorized in HB 4304 (2020).
- Savings of \$4.0 million is achieved through a net-zero fund shift from General Fund to Other Funds by leveraging available Coronavirus Relief Funds to support coronavirus response expenses identified by the Emergency Board at its meeting on March 9, 2020.
- Savings of \$20.5 million results from position vacancies and limiting services and supplies expenditures across various agency programs.

Department of Human Services

Prior to the 2nd special session of 2020, the budget for the Department of Human Services (DHS) approved by the 2019 Legislature was modified by several interim legislative actions:

- On April 23, 2020, the Emergency Board allocated \$3.4 million from the Emergency Fund to help protect clients in long term care settings by providing COVID-19 proactive testing and specialized training for long term care workers.
- In separate action at the April Emergency Board meeting, the agency received an allocation of \$19.4 million General Fund and an increase of \$38.2 million Federal Funds expenditure limitation to help cover costs of collective bargaining agreements for non-state workers; these include adult foster home providers, home care workers, and personal support workers.
- At its meeting on June 5, 2020, the Emergency Board established a \$1.0 million Other Funds expenditure limitation for funding from the Coronavirus Relief Fund to maintain 211info services during the COVID-19 pandemic.
- Due to SB 1605 (1st special session of 2020), which requires DHS to license out-of-state child-caring agencies used by Child Welfare, a new full-time, permanent Compliance Specialist 3 position (0.46 FTE) at a cost of \$190,964 General Fund (\$310,292 total funds) was included in that session's budget bill (SB 5711).
- On August 5, 2020, the Emergency Board established two Other Funds expenditure limitations totaling \$29.8 million for funding from the Coronavirus Relief Fund to cover increased costs for food programs, service rates, and emergency health care beds during the COVID-19 pandemic.

The DHS budget approved in the 2nd special session of 2020 reflects a net decrease of \$211.7 million General Fund, a net decrease of \$893,517 Other Funds expenditure limitation, a net increase of \$171.7 million Federal Funds expenditure limitation, and a net decrease of 13 positions (net increase of 5.65 FTE). Another \$550.0 million in Federal Funds Nonlimited costs are anticipated due to increased federal SNAP benefits. Budget adjustments primarily consist of actions needed to rebalance the agency's budget, a limited number of items approved in response to agency requests for funding to cover budget needs or issues emerging since adjournment of the 2019 legislative session, and reductions to address the state's General Fund budget deficit.

The net \$211.7 million General Fund reduction in the DHS budget primarily contains the adjustments outlined below:

- Agency-identified needs drove an increase of \$14.4 million General Fund to address program cost increases and savings, revenue changes, and technical adjustments to keep the agency's budget balanced; many of these are caseload and cost changes tied to the fall 2019 forecast. Adjustments include transferring some positions and funding to the Oregon Health Authority (OHA).
- Due to temporary enhanced FMAP funding, \$180.0 million General Fund was shifted to Federal Funds. As a result, the General Fund made available was used to cover DHS budget issues and help balance the statewide budget.
- An increase of \$7.6 million General Fund was approved to cover costs for short-term steps taken by DHS to help Oregonians maintain access to services during the pandemic. This includes administrative costs associated with providing emergency SNAP benefits; costs tied to TANF policy changes around resource limits and sanctions; increased, supplemental, or flat fee payments for providers in several agency programs; and other actions taken to help preserve program capacity.
- An investment of \$13.8 million General Fund was made in the Strengthening, Preserving, and Reunifying Families program to partially restore reductions made during the 2019 session.

- A rate increase for the behavior rehabilitation services program was covered at a cost of \$90,198 General Fund. Part of the increase, which is driven by new federal requirements around qualified residential treatment programs, is self-funded by Child Welfare.
- To pay for 33 new positions (26.84 FTE) tied to an executive order addressing the Child Welfare system crisis, an increase of \$3.1 million General Fund was approved.
- New positions to conduct third party child abuse investigations and support completion of a project required to avoid a loss in federal funding were added at a cost of \$2.1 million General Fund.
- A total reduction of \$22.4 million General Fund was made in Self Sufficiency, capturing vacancy savings, covering administrative costs with a federal performance bonus, eliminating pilot projects that were authorized in HB 2032 (2019), and reducing JOBS program support services and contracts.
- In Child Welfare, reductions totaling \$2.7 million General Fund resulted in elimination of the Foster Parent Night Out program for the remainder of the biennium, the use of an Other Funds ending balance for the domestic violence program, and reductions in district level training and travel.
- A fund shift was approved for Vocational Rehabilitation, reducing General Fund by \$2.4 million and increasing Federal Funds expenditure limitation accordingly.
- A total reduction of \$20.0 million General Fund was taken in Aging and People with Disabilities, capturing projected program savings, curtailing anxiety and depression programs delivered by local partners, cutting program design expenditures by 5%, decreasing Older Americans Act program activities, and reducing a 2019 investment in field staff by 50%.
- Reductions approved for Intellectual and Developmental Disabilities add up to \$14.9 million General Fund. Actions approved use Federal Funds for systems operations and maintenance, reduce unneeded biennial settlement fund balance, eliminate statewide case management system funding, decrease the number of new host homes from 140 to 30, eliminate certain housing emergency repairs, phase out Family to Family Networks, cut temporary staffing services, and limit relief care to seven days, which will need to be delayed until after the federal emergency has expired.
- Reductions taken within DHS infrastructure budgets total \$13.5 million General Fund and include decreasing expenditures on travel, office supplies, professional services, legal services, training, usage-based data center charges, computer lifecycle replacement, telecommunications, and debt service. Holding positions vacant and limiting overtime costs are also part of the reduction plan.

Commission for the Blind

The budget for the Commission for the Blind increased by \$52,929 General Fund, \$500,000 Other Funds, and \$2,552,443 Federal Funds reflecting a technical adjustment and carryforward for information technology services, the purchase of vending machine equipment for the Commission's Business Enterprise Program, and the Case Management Migration Update project. In addition, a one-time General Fund appropriation to migrate and update the agency's case management system was reduced by \$468,426 to help balance the statewide budget.

Long Term Care Ombudsman

One budget adjustment for the Long Term Care Ombudsman (LTCO) is an increase of \$221,000 Other Funds expenditure limitation to spend a federal award from the Administration for Community Living (ACL) through the CARES Act. These funds, which are passed through to the agency from DHS, are to be used for expanding the virtual presence of Ombudsmen in facilities, along with promoting the health, safety, and welfare of residents. The budget also includes one-time reductions totaling \$440,818 General Fund consisting mostly of limiting services and supplies expenditures and capturing

underutilized unemployment assessment dollars. Decreases in group volunteer training and public guardianship contracts are also part of the plan.

Psychiatric Security Review Board

The budget for the Psychiatric Security Review Board was reduced by \$100,000 General Fund to help balance the state budget. The agency plans to achieve this reduction by limiting expenditures on personal services and services and supplies without directly impacting client services.

PUBLIC SAFETY

Adjustments made during the 2nd special session of 2020 reduced General Fund support for the Public Safety program area by \$63.7 million, a 2.3% decrease from the pre-special session 2019-21 legislatively approved budget and a decrease of \$59.0 million from the 2019 legislatively adopted budget. This reduction is somewhat masked by increases of \$61.8 million Other Funds and \$28.0 million Federal Funds, for a net total funds increase of 0.6%, or \$26.1 million.

Criminal Justice Commission

The Criminal Justice Commission budget was reduced by \$668,000 General Fund to reflect vacancy and other administrative savings. The agency's Federal Funds budget was increased by \$6.8 million to reflect additional Edward J. Byrne Memorial Grant funds through the Coronavirus Aid, Relief, and Economic Security (CARES) Act.

Military Department

Total reductions of \$2.2 million General Fund reflect a 6.2% decrease from the Military Department's pre-special session legislatively approved budget, and include:

- A reduction of \$100,000 General Fund from a one-time appropriation for a study of the Critical Energy Infrastructure Hub located in northwest Portland.
- Savings of \$681,022 General Fund from reducing travel, training, and information technology lifecycle replacements in the Office of Emergency Management.
- Vacancy savings, fund shifts, and spending freezes totaling \$682,747 General Fund in the Operations Division.

The latter two reductions result in the reduction of \$1.7 million in matching Federal Funds. Additionally, \$500,000 of a \$2.7 million General Fund appropriation to the Office of Emergency Management by the Emergency Board in March 2020 was replaced by Coronavirus Relief Funds.

Oregon Youth Authority

General Fund reductions totaling \$11.5 million were approved to help balance the statewide budget, and include the following:

- A one-time reduction of \$7.3 million General Fund from the community residential treatment program, with an associated reduction of \$433,001 Other Funds and \$4.2 million Federal Funds.
- A \$2.0 million General Fund reduction from a freeze on travel, hiring, and spending on discretionary services and supplies, with an associated reduction of \$26,921 Other Funds and \$37,338 Federal Funds.

- Vacancy savings of \$836,816 General Fund and \$60,744 Federal Funds, and the shifting of one position from General Fund to Other Funds, decreasing General Fund expense by \$91,375 and increasing Other Funds by the same amount.
- A one-time reduction of \$313,480 General Fund for services to gang-affected youth in Multnomah County.
- An ongoing reduction in funding for the East Multnomah Gang Enforcement Team of \$1.0 million General Fund.

An increase of \$1.1 million General Fund was provided to implement programmatic changes to behavioral rehabilitative services (BRS) mandated by SB 171 (2019) and the federal Family First Prevention Services Act. Additionally, Other Funds expenditure limitation of \$350,000 was added to compensate BRS providers for actions they have taken to mitigate the threat of the COVID-19 pandemic.

District Attorneys and Their Deputies

The budget for District Attorneys and Their Deputies was increased by \$500,000 General Fund for grand jury recordation [SB 505 (2017)]. The funding provides for statewide transcription services for district attorney offices, storage and archiving of grand jury recordings, technical assistance support on grand jury recording equipment if contract vendor support is unavailable, and annual training on grand jury recording equipment.

Department of Justice

Several General Fund, Other Funds, and Federal Funds changes were approved for the Department of Justice (DOJ). General Fund and associated Other Funds reductions include:

- \$2.3 million General Fund reduction to the Defense of Criminal Conviction caseloads.
- \$440,668 Other Funds reduction in the Trial Division for three vacant full-time Assistant Attorney General positions (1.25 FTE) due to the reduction in the Defense of Criminal Convictions program.
- \$328,554 Other Funds reduction in the Appellate Division for two vacant full-time Assistant Attorney General positions (0.83 FTE) due to the reduction in the Defense of Criminal Convictions program.
- General Fund reductions of \$263,135 for prosecutorial support services and \$196,619 for organized crime investigative assistance in the Criminal Justice Division.
- \$181,657 General Fund and \$352,628 Federal Funds fund shift to Other Funds for the Child Support Enforcement Automated System information technology project.
- \$56,902 General Fund, \$27,214 Other Funds, and \$163,285 Federal Funds reductions in the Division of Child Support for an office closure.
- \$52,106 General Fund reduction for pass-through funding for legal representation for victims of crime; the remainder of the \$1.0 million appropriation was already distributed.
- \$28,590 General Fund reduction for outside review of draft ballot tiles, legislative referrals, and citizen initiatives voter summaries in the Appellate Division.
- A \$2.0 million General Fund Emergency Board allocation for domestic and sexual violence was reduced and Other Funds increased in the same amount to use Coronavirus Relief Funds.

Other and Federal Funds investments include:

- \$21.0 million increase in Federal Funds expenditure limitation for Victims of Crime Act grants, which fund services for victims of domestic violence and sexual assault programs.
- \$1.6 million Federal Funds increase for several previously approved federal grants.

- \$1.2 million Other Funds and \$2.3 million Federal Funds expenditure limitation increases for the Child Support Enforcement Automated System information technology project.
- \$894,566 Other Funds expenditure limitation for the establishment of four permanent full-time positions (3.50 FTE), and a reduction of \$894,566 Other Funds in special payments for the Crime Victim Survivor Services Division for the retroactive approval of the Appellate Advocacy and Human Trafficking Intervention programs.
- \$450,188 Federal Funds expenditure limitation increase and the establishment of two limited duration positions (0.84 FTE) for a federal grant from the U.S. Department of Justice, Office for Victims of Crime, for Improving Outcomes for Child and Youth Victims of Human Trafficking.
- \$435,000 Other Funds expenditure limitation increase for payment of the statewide transcription service and the storage and archiving of grand jury recordings.
- \$328,935 Other Funds expenditure limitation increase and authorized the establishment of one permanent full-time Senior Assistant Attorney General position (0.42 FTE) and one permanent full-time Assistant Attorney General position (0.42 FTE) in the General Counsel Division and the Business Transactions Section to serve as design and construction attorneys for transportation infrastructure projects authorized in HB 2017 (2017).
- \$463,687 Other Funds and \$900,098 Federal Funds expenditure limitation increases to account for a delay in contract vendor billings that were originally anticipated for the 2017-19 biennium for Child Support Enforcement Automated System information technology project.

Also approved were several technical adjustments for agencies participating in the DOJ flat charge billing model.

Department of State Police

The majority of the program area's General Fund reduction resulted from an increase of \$56.0 million Other Funds from federal Coronavirus Relief Funds to replace \$56.0 million General Fund for personnel expenses incurred between March and December of this year in the Patrol Division. Other General Fund reductions include:

- Delaying vehicle purchases for the remainder of the biennium, \$1.8 million.
- Delaying ammunition purchases for the remainder of the biennium, \$350,000.
- Reducing personnel costs in the Fleet Services program, \$389,462.
- Vacancy savings, \$133,031.
- Delaying a portion of the State Radio system upgrade project, \$957,144.
- Deferring equipment replacements in the Forensics laboratories, \$2.4 million.
- Reducing General Fund support for five trooper positions that respond to Firearm Instant Background Check denials and one trooper position in the Gaming Enforcement program, \$889,128.

Federal Funds expenditure limitation was increased by \$1.1 million in the Forensics Services program to allow expenditure of a federal DNA Capacity Enhancement and Backlog Reduction grant from the U.S. Department of Justice for equipment and personnel expenses in the agency's forensic services laboratories. Other Funds expenditure limitation was increased by \$107,676 to allow a Coronavirus Aid, Relief, and Economic Security (CARES) Act grant from the Criminal Justice Commission to be spent on personal protective equipment for patrol troopers throughout the state.

Department of Corrections

To partially address a known budget shortfall for the Department, largely resulting from the increased cost of health care in prisons, a \$29.5 million General Fund increase was approved, on a one-time basis. While no prison facilities were closed by actions taken during the 2nd special session of 2020, a budget note directs the Department to assess the state's prison footprint and report back to the Legislature by January 1, 2021. In addition, two one-time Coronavirus Relief Fund grants totaling \$703,045 were approved for transportation and housing services for offenders releasing from prison.

To help balance the state budget, reductions totaling \$6.4 million were taken from the Central and Administrative Services programs; these reductions should have no impact on services and programs.

Board of Parole and Post-Prison Supervision

The Board of Parole and Post-Prison Supervision reduced its budget by \$326,590 General Fund through administrative actions, including the elimination of two positions.

JUDICIAL BRANCH

The Legislature reduced the General Fund support for the Judicial Branch by \$25.4 million, which is a 2.9% reduction from the pre-special session 2019-21 legislatively approved budget and a 2.1% reduction from the 2019 legislatively adopted budget. The resulting General Fund budget for the Judicial Branch is 10.4% above 2017-19 estimated expenditures. This increase largely reflects growth in court workload, indigent defense services workload, and increased payments for public defense attorneys, court interpreters, and investigators.

The Other Funds budget for the Judicial Branch was reduced \$94.1 million, or 43.2%. This net decrease includes a \$104.6 million reduction in Other Funds expenditure limitation for county courthouse projects that will no longer require capital construction funding in the 2019-21 biennium. There was an increase in Other Funds associated with federal reimbursements for certain public defense expenses, Judicial Department contracts and agreements, and debt service.

Judicial Department

This budget was reduced by \$19.2 million General Fund; these reductions include:

- \$8.2 million from vacancy savings and other administrative savings
- \$1.5 million savings from court-imposed furloughs of employees
- \$0.9 million reduced funding for law libraries
- \$0.5 million savings from fewer jury trials being conducted under COVID-19
- \$8.1 million debt service savings

Other Funds adjustments include:

- A \$2.5 million Other Funds expenditure limitation increase to address higher than budgeted expenses related to support of the specialty court system, the Public Defense Services Commission, and the Multnomah Legal Resources Center, and to cover a Coronavirus Aid, Relief and Economic Security (CARES) Act grant award of \$142,050 received from the Criminal Justice Commission to assist with coronavirus-related expenses.
- An \$8.1 million Other Funds expenditure limitation increase for debt service.

- A \$104.6 million Other Funds expenditure limitation decrease to the Oregon Courthouse Capital Construction and Improvement Fund related to courthouse projects in Lane and Linn counties; these projects will not have matching funds required to be included in a bond sale during the current biennium.

Public Defense Services Commission

The Public Defense Services Commission budget was reduced by \$6.2 million General Fund as follows:

- One-time General Fund savings totaling \$1.9 million from services and supplies, as well as administrative savings.
- A shift of \$4.5 million General Fund to \$4.5 million Other Funds to reflect the availability of federal reimbursements for state costs in foster care dependency cases; this amount rolls up to a reduction of \$9.0 million General Fund in 2021-23.

The Legislature approved a one-time increase of \$200,000 General Fund for training public defense attorneys participating in the Parent Child Representation (PCRP) program now operational in Clatsop, Deschutes, Douglas, Malheur, and Multnomah counties. Also approved was a \$9.0 million increase in Other Funds expenditure limitation to allow the agency to spend federal reimbursements for state representation in foster care dependency cases.

ECONOMIC AND COMMUNITY DEVELOPMENT

Adjustments to agency budgets in the Economic Development program area resulted in a total funds increase of \$5.7 billion (108.7%) since the 2019-21 budget was adopted during the 2019 session. General Fund increased by \$8.1 million (3.9%) because of adjustments to the budgets of the Oregon Business Development Department (OBDD) and the Housing and Community Services Department, while Lottery Funds decreased by \$11.4 million (6.7%) because of adjustments to the Department of Veterans' Affairs and OBDD. The majority of the increase in the budget is due to costs related to unemployment benefits paid to Oregonians due to job the pandemic. Assistance to Oregonians, funded with Coronavirus Aid, Relief and Economic Security (CARES) Act funds, also contributed to the increase.

Oregon Business Development Department

The Legislature reduced total General Fund to the Oregon Business Development Department (OBDD) by \$859,806 (or 1%), reduced Lottery Funds expenditures by \$9,824,405 (or 7.7%), reduced Other Funds expenditures by \$12,473,939 (or 1.8%), and increased Federal Funds expenditures by \$29,378,268 (or 68.2%). The Committee also eliminated one position (1.00 FTE) in the agency budget. General Fund reductions to help rebalance the state budget totaled \$10,378,236 (or 35.5%) to ongoing agency programs and operations, and included:

- University Innovation Research Fund – \$7.4 million (or 74%). No additional program awards will be available for the remainder of the 2019-21 biennium.
- Emergency Small Business Assistance Grants – \$2.2 million (equal to 44% of its General Fund funding and 6.8% of its total funding). This reduction is not projected to impact grants to businesses, as program utilization is not expected to exceed the amount of remaining funds.
- Arts Commission Grants – \$332,938, equal to a 33% reduction in second-year grant support.
- Solar Incentivization Program – \$292,298 (or 8.5%), not expected to have any impact, as these funds were not expected to be utilized.

- Special Public Works Fund (SPWF) – \$153,000 (or 8.5%) in the amount to fund City of Pendleton levee repairs. This reduction does not affect funding to the City of Pendleton but does reduce the SPWF balance.

Lottery Funds reductions totaled \$13,281,482 (or 15.6%) to ongoing agency programs and operations, and included:

- Tide Gates and Culverts Program – \$3.0 million (or 50%).
- Oregon Innovation Council Commercialization Fund – \$2.5 million (or 50%).
- Port of Port Orford – \$1.6 million (or 100%). The Port does not have the estimated \$14.4 million of matching funds needed to complete the Cannery Redevelopment Projects.
- High-Impact Opportunity Projects (HIOPs) – \$1.5 million (or 50%).
- Oregon Metals Initiative – \$981,710 (or 53%), eliminating second-year support.
- Oregon Innovation Council Signature Research Centers – \$553,290 (or 7.9%).
- Oregon Manufacturing Innovation Center – \$400,000 (or 4.6%).
- Export Promotion Grants – \$400,000 (or 14.3%), thereby eliminating additional export promotion (Oregon Trade Promotion Program) grants for the remainder of the biennium.
- Arts Division project grants – \$318,750 (or 15%) to the Cottage Theatre, High Desert Museum, Liberty Theatre, and the Nikkei Endowment.
- Small Business Innovation Research (SBIR)/Small Business Technology Transfer Research (STTR) Support – \$260,000 (or 11.6%) for grants, matching grants, and sponsorships.
- Oregon Film and Video Office – \$106,250 (or 8.5%).
- Business, Innovation and Trade Division Operations – \$1.1 million (or 9.3%). The agency will manage the reduction with a hiring freeze on three positions, by temporarily moving to fund 70% of personal services costs for Regional Development Officers with Other Funds, and from savings in the Business Retention Program and elimination of unallocated Lottery Funds.
- Operations Division – \$555,548 (or 6.3%), and abolishment of one vacant Public Affairs Specialist 1 position (1.00 FTE). In addition to the position elimination, the agency will manage the reduction by holding the currently-vacant Director and Executive Assistant to the Director positions vacant until September 2020.

All General Fund and Lottery Funds reductions, except for \$309,703 Lottery Funds associated with the elimination of the Public Affairs Specialist 1 position, are one-time in nature.

The Legislature increased General Fund appropriations by \$11.2 million to support grants for two capital projects, including \$7.0 million General Fund for distribution to the City of Sweet Home for rehabilitating the Sweet Home Wastewater Treatment Plant, and \$4.2 million for distribution to the Confederated Tribes of the Warm Springs Reservation of Oregon for improvements to the Warm Springs Wastewater Treatment Plant, installation of water meters, and improvements to the water distribution system. The Legislature had funded these projects with lottery bonds in the 2019 session, but the Spring 2021 lottery bond sale was cancelled as a result of the decline in lottery revenues. The Other Funds expenditure limitation in the budget for the lottery bond proceeds was reduced by \$15.1 million. Some lottery bond proceeds (\$100,000) provided in the 2015-17 biennium for the Regional Infrastructure Fund were redirected to upgrading a water line and an associated infrastructure project in Astoria.

A significant portion of the agency's General Fund and Lottery Funds expenditures are provided to pay debt service on outstanding General Obligation and lottery revenue bonds, respectively. General Fund

for debt service was reduced by \$1.7 million, Lottery Funds for debt service was reduced by \$2.5 million, and Other Funds for debt service was increased by \$2.6 million, to reflect revisions to debt service costs resulting from lower than anticipated interest rates, and from substituting available Other Funds balances for General Fund and Lottery Funds.

Finally, the Legislature increased the agency's Federal Funds expenditure limitations to accommodate expenditures of federal monies distributed to the agency by provisions of the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. The increases include a \$18.4 million increase for supplemental funding for the Community Development Block Grant (CDBG) program for Small Business/Microenterprise assistance, personal protective equipment for small business, and emergency residential rental assistance; and an \$11.0 million increase for a grant from the Economic Development Administration (EDA) to capitalize the Entrepreneurial Development Loan Fund (EDLF) program. Both the maximum EDLF loan amount and the maximum business size eligible for the EDLF program were temporarily expanded to effectively utilize these funds.

Employment Department

Budget adjustments for the Employment Department included the following:

- Federal Funds expenditure limitation establishment totaling \$26.3 million and 218 positions (112.68 FTE) for administering the Pandemic Unemployment Assistance Program created under the Coronavirus Aid, Relief and Economic Security (CARES) Act.
- Federal Funds expenditure limitation increase of \$62.0 million comprised of:
 - \$61.0 million and 525 limited duration positions (314.73 FTE) for administration of other unemployment insurance benefits
 - \$1.1 million and 6 positions (3.25 FTE) for workforce services including training and case management performed under contract
- Other Funds expenditure limitation increase of \$437,440 and 4 positions (1.67 FTE) for caseload increases at the Office of Administrative Hearings.
- General Fund reduction of \$6.2 million in Information Technology and procurement-related services and supplies expenditures for the Paid Family Medical Leave Insurance Program that are not anticipated to be incurred in the current biennium.
- Unemployment insurance benefit payments have driven Nonlimited increases since the passage of the 2019-21 legislatively adopted budget as follows:
 - Other Funds Nonlimited has increased by \$2.2 billion
 - Federal Funds Nonlimited has increased by \$3.47 billion

Housing and Community Services Department

Since conclusion of the 2019 session, adjustments to the budget of the Housing and Community Services Department (HCSA) have increased General Fund by \$3,973,470 and Other Funds by \$149.8 million. Emergency Board and 2nd special session of 2020 actions consisted of the following:

- \$7.5 million General Fund allocation from the Emergency Fund to address the impacts on housing of February 2020 flooding in Umatilla County (March 9, 2020).
- \$12.0 million General Fund allocation from the Emergency Fund for rental assistance payments and safe shelter for populations at heightened risk of infection from COVID-19 (this action was rescinded during the 2nd special session of 2020 and replaced with Other Funds expenditure limitation to use Coronavirus Relief Funds).

- \$75.0 million Other Funds expenditure limitation funded from Coronavirus Relief Funds for rental assistance payments and operating assistance to low income housing projects under long-term contract with HCSD.
- \$15.0 million Other Funds expenditure limitation and two positions (1.00 FTE), funded from Coronavirus Relief Funds for energy assistance payments to low-income households.

The following adjustments were made during the 2nd special session of 2020:

- \$2.0 million General Fund for Individual Development Accounts in the 2019-21 biennium.
- An increase of \$50.0 million Other Funds Capital Construction expenditure limitation to reflect the approval of additional bonds for the Local Innovation and Fast Track (LIFT) housing program.
- Additional Other Funds expenditure limitation as follows: \$315,000 for cost of issuance for the aforementioned LIFT bonds; \$71,102 and two Loan Specialist 3 positions (0.26 FTE) to administer the additional LIFT bond proceeds; \$270,022 and two positions (1.00 FTE) for project-based management occupancy reviews required by the federal Housing and Urban Development agency; and \$7.5 million to correspond to the Emergency Board allocation for flood-relief in Umatilla County, to allow spending for projects that have been approved but not completed by June 30, 2021.
- A reduction in Other Funds expenditure limitation in the amount of \$10.4 million and one position (1.00 FTE) to reflect the rescission of TANF Housing Pilot Program approved via Chapter 644, Oregon Laws 2019.
- A Federal Funds expenditure limitation was established to reflect additional federal grants received through the Coronavirus Aid, Relief and Economic Security (CARES) Act, in the following amounts: Community Services Block Grant of \$7,972,444; Low Income Home Energy Assistance Program of \$9,513,504; and Emergency Solutions Grant Program of \$56,170,636. Section 41 of HB 4304 allows HCSD to allocate these funds through competitive grants, direct allocations, or through existing Community Action Agency partnerships.

The Department has not begun substantial work, program design, or issued notice of funds availability for the Greater Oregon Housing Accelerator, for which \$5.0 million in one-time General Fund was included in the agency's 2019-21 legislatively adopted budget. One position associated with the Greater Oregon Housing Accelerator program is eliminated from the agency's budget. Further, of the uncommitted \$5.0 million, the Department will use \$3.0 million for operating assistance for affordable housing properties that have long term affordability covenants with HCSD and are impacted by lapses in rent due to the COVID-19 pandemic. The remaining \$2.0 million is to be distributed by the Department to the Hacienda Community Development Corporation for the Las Adelitas housing project.

Department of Veterans' Affairs

The General Fund and Lottery Funds budget for the Department of Veterans' Affairs (ODVA) was reduced by a total of \$2.4 million (or 8.4%). General Fund reductions include accrued vacancy savings (\$320,464), decreases in services and supplies expenditures (\$157,723), and personnel savings achieved by leaving two support positions vacant for the remainder of the biennium (\$159,667). Lottery Funds reductions include accrued vacancy savings (\$113,147), decreases in services and supplies expenditures (\$177,000), delaying implementation of the conservatorship system replacement project (\$400,000), as well as:

- Veterans' Services Grants funding that has not been awarded is reduced by \$500,000.
- Campus Veteran Resource Center Grants are reduced by \$100,000.

- Funding that is not committed or anticipated to be disbursed to Tribal Veteran Offices is reduced by \$100,000.
- County Veteran Service Officers pass-through funding is decreased by \$358,325 (or 5% of Lottery Funds support).
- National Service Organizations pass-through funding is decreased by \$23,868 (or 5% of Lottery Funds support).

A one-time \$213,860 increase in Lottery Funds expenditure limitation was also approved to allow ODVA to spend the balance of committed Lottery Funds carried forward from the 2017-19 biennium.

Federal Funds expenditure limitation of \$1.7 million was approved for Coronavirus Aid, Relief and Economic Security (CARES) Act Provider Relief Fund payments from the U.S. Department of Health and Human Services for the Oregon Veterans' Homes to prevent, prepare for, and respond to the COVID-19. ODVA received a general distribution from the allocation for Medicare providers (\$843,784) and a targeted distribution from the allocation for Skilled Nursing Facilities (\$862,500) that will be used to reimburse health care related expenses and lost revenues attributable to COVID-19.

CONSUMER AND BUSINESS SERVICES

Agency budget adjustments in the Consumer and Business Services program area have resulted in a total General Fund decrease of \$0.9 million (5.7%) since the conclusion of the 2019 session. Other Funds and Federal Funds have been increased for some agencies since the same time period by \$24.3 million (4.7%) and \$12.3 million (11.9%), respectively.

Board of Accountancy

A technical adjustment related to the Department of Justice flat rate billing model was made, increasing Other Funds expenditure limitation by \$28,101 for the Board of Accountancy.

Construction Contractors Board

A technical adjustment was approved to increase Other Funds expenditure limitation by \$775,000 to satisfy accounting specifications related to payment of licensing fees by applicants to an external vendor.

Department of Consumer and Business Services

The total funds budget for the Department of Consumer and Business Services increased by \$30.9 million from the budget adopted during the 2019 session. During the July 2020 meeting of the Emergency Board, a \$30.0 million Other Funds expenditure limitation was established for the agency from Coronavirus Relief Funds to establish a Quarantine Time Loss program providing financial assistance for sick leave to certain workers that were not extended sick leave benefits under the Families First Coronavirus Relief Act.

Increases in the Other Funds expenditure limitation totaling \$436,902 for the Workers' Compensation Division, the Central Services Division, and the Division of Financial Regulation were included in SB 5723 (2nd special session of 2020) to allow the agency to complete needed position changes and reclassifications; the changes resulted in no new positions or change in authorized FTE positions.

An Increase in Federal Funds expenditure limitation of \$445,176 was also included for the Department to accommodate a no-cost extension of time for the expenditure of a federal grant received from the U.S. Department of Health and Human Services awarded in September 2016.

In addition to other adjustments, a technical adjustment provided for a \$11.8 million shift of expenditure limitation from Other Funds to Federal Funds to allow the Department to expend additional federal grant funding awarded under a Section 1332 state innovation waiver supporting the Oregon Reinsurance Program. This also included the conversion of a limited duration position, established in conjunction with the Oregon Reinsurance Program, to a permanent, full-time position.

Health-Related Licensing Boards

Technical adjustments were made to the Other Funds expenditure limitations for the following Health-Related Licensing Boards related to the Department of Justice flat rate billing model: a reduction of \$7,134 Other Funds for the Occupational Therapy Licensing Board; an increase of \$1,409 Other Funds for the Board of Medical Imaging; a reduction of \$25,527 Other Funds for the Board of Examiners for Speech-Language Pathology and Audiology; and a reduction of \$16,650 Other Funds for the Veterinary Medical Examiners Board.

Bureau of Labor and Industries

General Fund reductions totaling \$1.0 million were approved to help balance the statewide budget. Reductions included the following:

- Personal services savings from vacancies and management furloughs.
- Services and supplies reductions.
- The elimination of an office specialist and two apprenticeship representatives (3 positions/1.26 FTE) from the Apprenticeship and Training Division.

These reductions were partially offset by the addition of a Human Resource Analyst 3 position (0.54 FTE) approved at the April 2020 meeting of the Emergency Board, in the amount of \$119,778 General Fund.

Portions of two positions in the Wage and Hour Division that were funded with General Fund were shifted to support by the Wage Security Fund, increasing Other Funds expenditure limitation by \$87,815. A total of \$1.5 million was transferred from the Fund to help balance the statewide budget.

Mental Health Regulatory Agency

The Other Funds expenditure limitation for the Oregon Board of Licensed Professional Counselors and Therapists was increased by \$314,793, and Other Funds expenditure limitation for the Oregon Board of Psychology was decreased by \$158,430 to reflect an increase in facilities rent, an establishment a Licensing Manager position, a reclassification of an existing Licensing Manager/Policy Advisor position to a Policy Advisor, and cost reallocation between the two boards. Technical adjustments related to the Department of Justice flat rate billing model were also made, increasing Other Funds expenditure limitation by \$56,243 for the Board of Board of Licensed Professional Counselors and Therapists, and by \$80,780 for the Board of Psychology.

Board of Pharmacy

A technical adjustment related to the Department of Justice flat rate billing model was made, decreasing Other Funds expenditure limitation by \$25,774 for the Board of Pharmacy.

Real Estate Agency

Other Funds expenditure limitation was increased by \$899,415 for the agency to satisfy accounting specifications related to payment of licensing fees by applicants to an external vendor.

Board of Licensed Social Workers

The approved adjustment for the Board of Licensed Social Workers consists of a one-time Other Funds limitation increase of \$203,661 to cover expenses incurred by the Board of Licensed Social Workers for an administratively created limited duration Investigator 2 through the 2019-21 biennium. This position will help the Board clear a backlog of compliance cases and improve performance for compliance case closure within 180 days of receipt.

NATURAL RESOURCES

The total legislatively approved budget for the Natural Resources program area increased by \$78.7 million (3.7%) from the 2019-21 legislatively adopted budget. This increase includes budgetary adjustments made administratively to nonlimited funds; bills enacted in the 2020 regular session, 1st special session of 2020, and 2nd special session of 2020; and various Emergency Board actions.

The General Fund budget for the program area increased by \$3.9 million (1.4%) from the legislatively adopted budget. This amount is a bit misleading as it includes several unusual adjustments totaling \$25.0 million General Fund. The Department of Geology and Mineral Industries was only provided a one-year budget during the 2019 regular session; at the June 2020 meeting of the Emergency Board, a \$2.9 million second-year budget was provided to the agency. The Department of Forestry was allocated \$6.0 million from a special purpose appropriation to the Emergency Board for 2019 and 2020 fire season costs and received \$11.1 million General Fund for 2019 fire season and administrative consultant costs. The Department of Environmental Quality was provided \$5.0 million General Fund during the March 2020 meeting of the Emergency Board for actions to implement the Governor's executive order on greenhouse gas emissions. Without these items, the Natural Resources program area General Fund budget is reduced by \$21.0 million (7.6%) from the 2019-21 legislatively adopted budget.

Although budgeted Lottery Funds remain unchanged outside of small adjustments to debt service expenditures, Lottery Fund revenue projections have decreased by 25% for the 2019-21 biennium since the March 2020 Lottery Funds forecast. In the Natural Resources program area, both the Oregon Watershed Enhancement Board and the Oregon Parks and Recreation Department are funded through a constitutionally directed mechanism that allocates 7.5% of total Lottery revenues to each agency. The projected loss of revenue based on the June 2020 forecast is just over \$27.8 million for each of these agencies. The Legislature opted to allow the agencies to manage their own operational and programmatic adjustments in order to align expenditures with available revenues. For both agencies, these adjustments included curtailment of certain operations, reduced grant funding, and employee layoffs. For the Parks and Recreation Department, capital improvement and property acquisition projects have also been reduced or delayed. A portion of Lottery Funds dedicated to the Oregon Watershed Enhancement Board is provided for agency operations, with amounts in excess of operational need allocated to other agencies for wildlife preservation and habitat enhancement. Those allocations were not directly reduced through legislative action, but receiving agencies, anticipating a pro-rata reduction in funding included cost savings adjustments to shift expenditures from Lottery Funds to other fund types or reduced expenditures.

Department of Agriculture

The Department's General Fund budget decreased \$2.2 million (8.8%) from the 2019 legislatively adopted budget due to reductions taken during the 2nd special session of 2020. Budget adjustments include vacancy savings, fund shifts, and other reductions across the agency. Non-vacancy savings reductions to the General Fund include:

- \$600,000 of one-time funding for laboratory equipment
- \$200,000 of one-time funding for additional predator control funding
- \$280,000 of one-time funding for the Oregon Invasive Species Council
- \$250,000 of one-time funding for Farm-to-School Producer Infrastructure Grants
- \$163,049 from HB 2574 (2019) related to shellfish mariculture
- \$166,414 from SB 883 (2019) related to animal shelter regulation

While the 2nd special session of 2020 reduced the General Fund budget, actions taken in the 1st special session of 2020 increased the budget by \$237,648 General Fund and added three new positions for the establishment of a State Meat Inspection Program. This program is anticipated to have roll-up costs of around \$1.0 million General Fund in the 2021-23 biennium.

Finally, the Legislature approved an increase of \$1.1 million Other Funds expenditure limitation and authorized the establishment of two permanent positions to address increasing workload in the Department's Hemp Program.

Department of Energy

The Department's General Fund budget was reduced by \$60,000 from savings in the administrative cost of the Rooftop Solar Incentive program created in HB 2618 (2019). Additionally, there was an increase of \$1.1 million Federal Funds expenditure limitation to use grant funds from the U.S. Department of Defense for the siting of potential renewable energy development projects.

Department of Environmental Quality

The Department's budget is up just under 1.0% from the 2019-21 legislatively adopted budget. This slight increase is the net effect of \$4.3 million of one-time reductions to the General Fund taken in the 2nd special session and the \$5.0 million General Fund provided at the March meeting of the Emergency Board.

The \$5.0 million General Fund allocation from the Emergency Board was provided to DEQ for rulemaking and other actions with the goal of reducing greenhouse gas emissions across all emissions sources, including point sources, natural gas emissions, and transportation fuels in accord with the Governor's executive order on greenhouse gas emissions. The funding provides for the establishment of ten permanent positions. The General Fund allocation was one-time, but the position costs will roll-up in the agency's base budget and, therefore, are ongoing.

During the 2nd special session of 2020, one-time budget reductions to the Department included vacancy savings, reductions to services and supplies, and fund shifts in the following program areas:

- Air Quality Division reductions total \$2.1 million General Fund and include vacancy savings from the Air Contaminate Discharge Permit program (\$319,840), Air Quality program laboratory positions (\$477,340), the Clean Diesel program (\$34,656), and the Cleaner Air Oregon program (\$444,638). The Cleaner Air Oregon program also has a one-time fund shift of \$100,000 from General Fund to

Other Funds. There is a \$714,360 General Fund reduction to services and supplies costs, including a \$483,113 reduction from the General Fund provided at the March 2020 Emergency Board meeting.

- Water Quality Division one-time General Fund reductions total \$2.0 million and include vacancy savings from the laboratory (\$60,630) and across multiple water quality programs (\$1,320,194), as well as services and supplies reductions of \$424,078. Additionally, there is a one-time fund shift of \$168,085 from General Fund to Other Funds for existing positions.
- Land Quality Division one-time General Fund reductions include a \$111,872 reduction to services and supplies and a fund shift of \$56,204 to Other Funds for a Regional Solutions position.
- Agency Management Division has an \$83,487 General Fund reduction as a result of vacancy savings from the Internal Auditor position provided in the 2019 budget.

Department of Fish and Wildlife

The General Fund budget for the Department of Fish and Wildlife decreased by \$3.9 million (11.0%) as a result of actions taken during the 2nd special session of 2020. These are reflected in one-time vacancy savings, fund shifts to Other Funds or Federal Funds from General Fund, and other administrative reductions across the Department.

In the Fish Division, General Fund reductions total \$1.6 million and include vacancy savings across multiple programs and the elimination of funding provided in HB 2574 (2019) for shellfish mariculture.

For the Wildlife Division, the total General Fund reduction is \$577,021 and comes from vacancy savings, fund shifts, and the elimination of one-time General Fund for additional predator control funding that was provided in the 2019-21 legislatively adopted budget.

In addition to the other reductions, one-time General Fund reductions have also been taken from monies provided to the Department in 2019 for an anti-poaching campaign. This includes increased vacancy savings and a reduction of \$1.3 million that was anticipated to be used for a broad media outreach campaign and support local prosecutions.

Department of Forestry

The total funds budget for the Department of Forestry increased by \$33.7 million (8.7%) from the legislatively adopted budget for 2019-21. This includes a \$13.1 million (14.4%) increase in General Fund, a \$20.7 million (7.9%) increase in Other Funds, and a \$57,844 (0.2%) reduction in Federal Funds. Although offset by other budgetary reductions, the increase is primarily due to costs related to the 2019 and 2020 wildfire seasons.

At its April 2020 meeting, the Emergency Board allocated \$6.0 million General Fund from two special purpose appropriations to the Department of Forestry for severity resources funding (\$4.0 million) and for supplemental costs associated with the preparation for the 2020 fire season (\$2.0 million). The Emergency Board also authorized an increase in Other Funds expenditure limitation of \$23.6 million for emergency firefighting costs for the 2019 fire season.

The Department was provided an appropriation of \$844,545 General Fund, establishment of a \$70,362 Other Funds expenditure limitation, and the authorization to establish a limited-duration position (0.42 FTE) and a permanent full-time position (0.42 FTE) in SB 5711 (1st special session of 2020), in conjunction with the required actions set forth in SB 1602 (1st special session of 2020) regarding aerial pesticide application.

Budgetary adjustments for 2019 fire season costs that had been recommended for inclusion in a budget reconciliation bill by the Joint Interim Committee on Ways and Means during its January 2020 meeting were approved during the 2nd special session of 2020, including General Fund of \$9.6 million for emergency firefighting costs and \$754,596 for interest expense on Treasury lines of credit.

Multiple General Fund reductions were approved across the divisions of the Department, as discussed below. Due to statutory requirements that limit the amount of funding from Other Funds sources such as landowner per-acre assessments and harvest tax proceeds to a percentage of General Fund expenditures, a reduction in General Fund in the operating divisions often results in a required, corresponding reduction in Other Funds.

The Agency Administration Division is predominately funded through a pro-rata charge to the other operating divisions. General Fund reductions to Agency Administration cost allocations in the Fire Protection and Private Forests divisions result in a \$1.3 million Other Funds reduction in the Agency Administration Division, including the Equipment Pool program. This reduction is achieved through an increase in vacancy savings. General Fund appropriation reductions of \$358,925 for the Federal Forest Health program are also included in this Division. There is no Other Funds reduction in this program.

Budget reductions for the Fire Protection Division total \$2.8 million General Fund and \$971,548 Other Funds. Specific adjustments are:

- A \$1.1 million decrease in General Fund support for Agency Administration costs allocated to the Fire Protection Division. There is no private landowner funding support for these costs and, therefore, no reduction in Other Funds corresponding to this reduction.
- A \$175,000 shift of expenditures from General Fund and \$100,000 Other Funds to Federal Funds.
- Increased accrued and anticipated vacancy savings in the amounts of \$192,422 General Fund and \$316,534 Other Funds (1.08 FTE).
- Temporary position reductions and other personal services adjustments, \$88,937 General Fund and \$201,385 Other Funds (0.50 FTE).
- Temporary delays in equipment purchases, equipment maintenance, and facility improvements, \$699,420 General Fund and \$1.3 million Other Funds.
- Contracted services and general services and supplies expenditure reductions of \$562,334 General Fund and \$973,698 Other Funds.
- Increase of \$1.9 million Other Funds expenditure limitation for costs of processing payments anticipated for the 2020 fire season.

Budget reductions for the Private Forests Division total \$1.4 million General Fund, \$672,474 Other Funds, and \$57,844 Federal Funds. Specific reductions are:

- Accrued and anticipated vacancy savings, and temporary position reductions totaling \$268,187 General Fund, \$122,474 Other Funds, and \$57,844 Federal Funds (2.10 FTE).
- Reduction in expenditures for Sudden Oak Death treatments of \$70,000 General Fund.
- General expenditure reductions in services and supplies of \$375,000 General Fund and \$350,000 Other Funds.
- A \$671,853 decrease in General Fund support for Agency Administration Division costs allocated to the Private Forests Division. This reduction includes the elimination of \$500,000 General Fund that was erroneously budgeted in the program. The remaining \$171,853 reduction is achieved through vacancy savings.

A \$195,000 General Fund reduction was made to the State Forests Division. These funds were for the purchase of an approximately 160-acre timber tract adjacent to the Willamette National Forest Opal Creek Scenic Recreation Area and Santiam State Forest, for addition to the Santiam State Forest.

Department of Geology and Mineral Industries

The Department's budget was increased at the June 5, 2020 meeting of the Emergency Board to provide the agency with funding for a second year of operations after SB 5511 (2019) had provided the Department with a one-year budget. The second-year funding totaled \$2.9 million General Fund along with additional Other Funds and Federal Fund expenditure limitation. Included in the second-year funding were reductions to some administrative costs, including closure of field offices in Baker City and Newport, and not funding the Chief Information Officer position. However, since that time, the Department has been able to reopen the Baker City location at no cost to the Department. Additionally, the second-year funding provided for a Geologic Survey and Science program manager. Finally, the 2nd special session of 2020 provided the Mined Land Reclamation and Regulation program with a fee increase for permits that will allow the program to maintain a positive cash flow and avoid staff layoffs.

Department of Land Conservation and Development

The General Fund budget for the Department of Land Conservation and Development was reduced by \$2.9 million (14.3%) from the 2019-21 legislatively adopted budget. Two reductions to the Planning program were made, a \$289,301 General Fund reduction in local planning grant funding and a \$965,643 General Fund reduction in Planning program operations. Operation reductions include:

- \$170,379 in increased vacancy savings.
- \$531,055 in staffing reductions that eliminate a limited-duration legislative coordinator position, reduce a database administrator position and natural resource specialist to half-time, and eliminate a dedicated Measure 49 specialist and communications specialist position (3 positions, 2.34 FTE).
- \$214,209 in reductions to services and supplies.

Two bills were passed during the 2019 session dealing with local housing needs. HB 2001 dealt with planning for, and the allowance to, develop "middle" housing on lands zoned for single family residential housing. HB 2003 addressed regional housing needs. Both bills provided funding for technical assistance grants to local planning units and operational funding to the Department of Land Conservation and Development. A reduction totaling \$115,000 General Fund for the local technical grant funding provided in HB 2003, and an additional \$1.1 million General Fund reduction that removed the uncommitted, excess funding for local technical grants provided by HB 2001 were made. Uncommitted operational funding provided for the implementation of both bills totaling \$396,368 was also eliminated. This amount included a 0.16 FTE reduction in budgeted staff support.

Additional adjustments included:

- A reduction of \$17,000 General Fund in the uncommitted funding provided for implementation of the provisions of HB 2574 (2019) dealing with shellfish mariculture in Oregon.
- A reduction in the budgetary placeholder funding for reimbursements due to Ballot Measure 56 notices to landowner by cities or counties of \$50,000 General Fund.

Land Use Board of Appeals

An increase of \$59,980 General Fund to the Land Use Board of Appeals was included to allow the agency to migrate contracted administrative functions from its current service provider, the Department of State Lands, to the shared client services program at the Department of Administrative Services.

Parks and Recreation Department

A Federal Funds expenditure limitation increase of \$665,000 for the Parks and Recreation Department was included to allow the agency to expend federal grant funds received under a grant award from the U.S. National Parks Service. The monies will be used to provide sub-grants to eligible entities for the rehabilitation of historic theaters that are primarily in rural communities. The increase in limitation was recommended by the Joint Interim Committee on Ways and Means during its November 2020 meeting. Additionally, a technical adjustment was included for the Department to move expenditure limitation for Attorney General costs between budgetary programs with a net zero impact on the agency's overall budget.

Department of State Lands

The total funds budget for the Department of State Lands increased by \$933,870 from the 2019-21 legislatively adopted budget. Federal Funds expenditure limitation was increased by \$688,286 to accommodate federal grant awards made to the agency by the U.S. Environmental Protection Agency for wetlands related programs and from the U.S. National Atmospheric Administration for activities at the South Slough National Estuarine Research Reserve.

An Other Funds expenditure limitation increase of \$186,592 and the establishment of a permanent, full-time natural resource specialist position (0.63 FTE) to provide for enforcement activities related to abandoned and derelict vessels and camping on state owned lands and waterways was approved. The Legislature also increased Other Funds expenditure limitation by \$58,992 and eliminated an Executive Support Specialist position (1.00 FTE), allowing the Department to reclassify nine positions, including the upward reclassification of seven managerial positions.

Water Resources Department

The total funds budget for the Water Resources Department decreased by \$2.7 million (1.9%) from the 2020 legislatively approved budget level. The General Fund budget decreased by \$3.5 million (9.6%).

Reductions in General Fund due to increased vacancy savings across multiple agency divisions were also approved to help balance the statewide budget. The total reduction of \$2.3 million General Fund is comprised of accrued and anticipated vacancy savings of:

- \$419,529 in the Director's Office, including delaying of filling a position associated with a second groundwater basin study team in conjunction with the delay in hiring the remaining four positions in the Technical Services Division.
- \$723,251 in the Field Services Division.
- \$333,305 in the Water Rights Servicing Division.
- \$831,839 in the Technical Services Division, including the delay in hiring four positions associated with a second groundwater basin study team. Although the hiring of the positions is delayed, additional funding provided to the agency this biennium included federal cost-share monies and funding for additional monitoring and test wells. This funding combined with existing agency resources allows the agency to move forward with expanding basin studies despite the hiring delay.

Two grant programs were reduced in the Administrative Services Division. First, feasibility study grants were reduced by \$422,467 General Fund, eliminating the remaining General Fund for the biennium. The reduction leaves approximately \$2.2 million in lottery revenue bond proceeds for feasibility study grant applicants. A reduction of \$49,684 General Fund to the place-based planning grant program leaves \$500,000 General Fund available for the grantees to finish their planning work and for the agency to complete a planning assessment by the end of the biennium.

Reductions in unobligated funding for observation wells (\$50,000 General Fund) and gaging stations (\$27,186 General Fund) were included for the Technical Services Division. The committee also approved a decrease of \$106,914 General Fund in the Field Services Division for state cost-share subsidy of water measurement devices installed by water users. A shift of funding from General Fund to Other Funds in the Field Services Division reduces General Fund expenditures by \$552,262 and allows for the expenditure of Other Funds balances from fee revenues in a corresponding amount.

An increase in Federal Funds expenditure limitation of \$260,484 and the establishment of a 0.88 FTE limited-duration position were approved to allow for the expenditure of a grant from the Federal Emergency Management Agency. A \$125,000 increase was also provided in the bill to fund a portion of the cost to migrate information technology hardware and services to the state data center.

Oregon Watershed Enhancement Board

There were no adjustments to the agency during the 2nd special session of 2020, but one budget adjustment was approved by the Emergency Board in June. At its June 5, 2020 meeting, the Emergency Board increased the Other Funds expenditure limitation for the Board by \$16.0 million for funding from the Coronavirus Relief Fund and authorized the establishment of seven limited-duration positions (1.75 FTE) for the administration of grant funds for the reimbursement of agricultural producers' costs for agricultural worker housing, field sanitation, and transportation associated with COVID-19 response activities.

TRANSPORTATION

The total funds budget for transportation programs increased by \$44.7 million, or 0.9%, compared to the pre-special session legislatively approved budget and by 16.5% as compared to the 2019-21 legislatively adopted budget.

Department of Aviation

There were no notable changes in the budget for the Department of Aviation; however, due to the significant loss of fuel tax revenues resulting from the COVID-19 pandemic, the Legislature authorized the Department (HB 4304, 2020) to temporarily redirect funds to program operations to avoid an agency shutdown; this authority expires June 30, 2021.

Department of Transportation

The overall increase is related to federal grants received by the Department of Transportation for public transit and commercial truck enforcement activities. Debt service adjustments decreased General Fund by \$129,687 and Lottery Funds by \$421,619. Other adjustments include:

- \$6.1 million increase in Other Funds expenditure limitation for the Driver and Motor Vehicle (DMV) program. Of this amount, \$5.7 million will address implementation costs of the federal REAL ID Act.

The remaining \$400,000 is for outreach related to HB 2015 (2019), which eliminated the requirement to provide proof of legal residence to obtain a driver license or state identification card.

- \$2.7 million increase in Other Funds expenditure limitation for DMV to address costs related to the COVID-19 pandemic, including costs for overtime and temporary help to process backlogs resulting from field office closures, as well as costs for protective equipment, enhanced janitorial services, plastic shields at customer counters, and increased security.
- \$5.1 million decrease in Other Funds expenditure limitation to reflect a change in the source of funding for the Coos Bay Rail Line Repairs and Bridge Replacement project. The project will be financed through the Connect Oregon Fund in lieu of issuing lottery bonds.
- \$6.1 million decrease in Other Funds expenditure limitation related to changes in the Central Coast Maintenance Station project.
- \$42.7 million increase in Federal Funds expenditure limitation to allow the Department to spend federal Coronavirus Aid, Relief and Economic Security (CARES) Act money in support of public transit systems statewide.
- \$4.0 million increase in Federal Funds expenditure limitation for enforcement of state laws governing commercial trucks.
- \$500,000 increase in Lottery Funds expenditure limitation for administration of the Veterans Rural Transportation Grant.

ADMINISTRATION

The 2019-21 legislatively approved budget for the program area, after the 2nd special session of 2020, is \$16.2 billion total funds, which is \$1.2 billion (or 8%) more than the 2019-21 legislatively adopted budget. The budget includes 3,330 positions (3,217.18 FTE), an increase of 43 position (32.32 FTE). Of the approved budget for this program area, \$12.5 billion (or 77.1%) is attributable to benefit payments to state and local government retirees. The single largest change to the program area's budget is related to the COVID-19 pandemic and an increase in Federal Funds expenditure limitation of \$1.3 billion, budgeted in the Department of Administrative Services.

Notable changes to the budget include Emergency Board actions and action taken during the 2nd special session of 2020 are described below.

Department of Administrative Services

The legislatively approved budget for the Department of Administrative Services (DAS) is \$2.6 billion total funds, including \$49.0 million General Fund, \$22.3 million Lottery Funds, \$1.3 billion Other Funds, and \$1.3 billion Federal Funds. The total funds budget is \$1.3 billion (or 98.0%) more than the 2019-21 legislatively adopted budget. The budget includes 928 positions (910.27 FTE) for an increase of 12 positions (3.32 FTE) over the legislatively adopted budget.

Due to the COVID-19 pandemic, federal funding from the Coronavirus Relief Fund was consolidated in DAS for distribution to state, local, tribal, and other non-governmental entities. Successive Emergency Board actions, beginning in April of 2020 and continuing through August of 2020, increased the Federal Funds expenditure limitation for the agency by \$1.3 billion.

During the 2nd special session of 2020, several changes were approved for DAS, with General Fund reductions totaling \$930,000. These included reductions to the Lutheran Community Services Northwest

for drug abuse program (\$500,000); Historic Portland Public Market Foundation for the James Beard Public Market (\$400,000); and Klamath County for acquiring, installing, and maintaining Stream Gauges (\$30,000).

Other Funds reductions included: \$785,827 Other Funds and two positions (2.00 FTE) for the Chief Operating Office; \$60,000 Other Funds for the Chief Financial Office; \$577,355 Other Funds for the Chief Human Resource Office; \$6.4 million Other Funds for the Office of the State Chief Information Officer/Policy and \$8.8 million Other Funds for the Office of the State Chief Information Officer/State Data Center; \$5.2 million Other Funds for the Enterprise Asset Management Division; \$5.2 million Other Funds for the Enterprise Goods and Services Division; and \$2.3 million Other Funds for the DAS Business Services Division. Other Funds reductions resulted in the re-appropriation or transfer of \$15.0 million to the General Fund under HB 4304 to help rebalance the state budget. Budgets for county and state fairs, the Oregon Historical Society, and Oregon Public Broadcasting were unchanged from the 2019-21 legislatively adopted budget.

Investments in the DAS operating budget include:

- \$21.9 million of Federal Funds expenditure limitation for the Coronavirus Relief Fund. This supplemental limitation relates to exchanging General Fund that was allocated by the Emergency Board to various agencies for COVID-19 related activities that have been deemed eligible for federal reimbursement under the federal Coronavirus Aid, Relief and Economic Security (CARES) Act. The General Fund allocations were made under emergency circumstances and prior to the state's receipt of federal CARES Act/Coronavirus Relief Fund funding.
- \$8.8 million Other Funds expenditure limitation was removed from the State Data Center program and added to the Policy program to cover unanticipated expenditures related to supporting an enterprise class redesign and implementation of security solutions for the state's computer network in response to a series of network disruptions that occurred last year.
- \$4.9 million Other Funds and establishment of 12 limited duration positions (4.56 FTE) and \$788,835 Other Funds and establishment of one Information Systems Specialist 8 position (0.38 FTE) in DAS Information Technology for the Workday Payroll and Time Tracking application.

Changes to special governmental payments, or pass-through payments, include:

- \$2.0 million General Fund was used to replace a \$2.0 million Other Funds reduction in lottery bonds for the Curry Health District for a Brookings Emergency Room.
- \$1.5 million General Fund was provided for the Wallowa Valley Center for Wellness and Winding Waters Medical Clinic to build an integrated health services facility in Enterprise.
- \$250,000 General Fund was provided for a contract with an independent economist to examine wildfire protection costs and funding in Oregon.

The DAS budget includes several capital project adjustments:

- \$10.3 million Other Funds reduction for proceeds from Article XI-Q general obligation bond sales for projects that improve facilities at the Oregon State Fair. The proceeds from the sale of Article XI-Q general obligation bonds for these projects will instead be given six-year capital construction expenditure limitation.
- \$8.6 million Other Funds reduction associated with the disbursement of proceeds from Lottery bond sales as follows: Hacienda CDC/Las Adelitas Housing Project (\$2 million); Port of Morrow/Early

Learning Center Expansion (\$1.4 million); Wallowa Valley Center for Wellness (\$2.6 million); and YMCA of Columbia-Willamette/Beaverton Hoop YMCA (\$2.6 million).

Lastly, there were two statutory changes (HB 4304, 2nd special session of 2020) impacting DAS:

- Permits the state's Chief Information Officer or the Department of Administrative Services to incur costs associated with developing or maintaining the Oregon transparency website (indeterminate fiscal impact).
- Requires DAS to report on new or changed provisions relating to compensation in certain collective bargaining agreements for non-state workers (minimal fiscal impact).

Advocacy Commissions Office

The budget for the Advocacy Commissions Office is \$689,333 total funds, which is a 10.1 % decrease from the 2019-21 legislatively adopted budget. The budget was reduced by \$77,104 General Fund. This reduction includes vacancy savings due to a position that is budgeted as full-time being filled only part-time, and other administrative savings.

Employment Relations Board

The legislatively approved budget for the Employment Relations Board is \$5.4 million total funds, including \$2.7 million General Fund and \$2.6 million Other Funds. The total funds budget is unchanged from the 2019-21 legislatively adopted budget. The budget includes 13 positions (13.00 FTE), which is unchanged from the legislatively adopted budget. The General Fund budget was reduced by \$227,729 and fund shifted to Other Funds, the source of which is \$157,993 of excess miscellaneous revenue and \$69,736 of excess state agency assessment revenue.

Office of the Governor

The budget for the Office of the Governor is \$23.9 million total funds, which is a 2.0% decrease from the 2019-21 legislatively adopted budget. A reduction of \$812,327 General Fund reflects vacancy and other administrative savings, and the use of Other Funds rather than General Fund for one position.

Oregon Liquor Control Commission

The 2019-21 legislatively approved budget for the Oregon Liquor Control Commission totaled \$245.3 million Other Funds and is a \$1.8 million (or 0.7%) decrease from the 2019-21 legislatively adopted budget. The budget includes 363 positions (361.00 FTE), which is unchanged from the legislatively adopted budget. Other Funds expenditure limitation of \$1.8 million was eliminated from the budget of the Commission, reflecting vacancy savings and an assumed hiring freeze as of July 2020. Administrative action directed by budget note to update the amount of credit card fees paid by the Commission for liquor-related items will also net one-time agency savings of \$1.4 million. These reductions in OLCC expenses are estimated to return an additional \$1.8 million in revenue to the General Fund.

Public Employees Retirement System

The legislatively approved budget for the Public Employees Retirement System (PERS) totals \$12.8 billion Other Funds. Of the total, \$12.5 billion is for benefit payments to retirees. The administrative budget totals an additional \$206.0 million Other Funds and \$64.6 million General Fund is provided for state matching funds for the Employer Incentive Fund. The operating and General Fund budget is \$92.5 million (or 0.7%) less than the 2019-21 legislatively adopted budget. The budget includes 419 positions (414.32 FTE), which is unchanged from the legislatively adopted budget.

The PERS budget was reduced by \$35.3 million General Fund and a corresponding one-time \$35.3 million Other Funds expenditure limitation related to state matching funds for the Employer Incentive Fund. There was also an \$11.5 million Other Funds expenditure limitation reduction to the School District Unfunded Liability Fund and a \$1 Other Funds expenditure limitation reduction was approved for the Financial and Administrative Services Division for the Employer Resolution Program/Employer Incentive Fund. Other Funds expenditure limitation for the Core System Retirement Application was reduced by \$10.5 million, which includes \$10.0 million for Information Technology Applications and \$500,000 for a Contingency Reserve to reflect a delay in the completion of the member redirect project. A budget note directs the agency to report on the status of the project. An upward reclassification moved an Actuarial Services Coordinator position to an Associate Actuary position to manage the Actuarial Services Unit.

In addition, the following statutory changes included in HB 4304 redirected funding back to the General Fund to balance the state budget as well as retained Lottery Funds to help mitigate a revenue shortfall:

- Repeal the allocation of Sports Betting Lottery Funds from the Administrative Services Economic Development Fund to the PERS Employer Incentive Fund.
- Repeal the transfer of tax repatriation or federal decoupling revenue to the PERS School District Unfunded Liability Fund (82%) and the PERS Employer Incentive Fund (18%).
- Repeal the transfer of excess debt collections, excess capital gains, excess estate taxes, and excess interest on unclaimed property to the PERS School District Unfunded Liability Fund.

Racing Commission

The 2019-21 legislatively adopted budget for the Oregon Racing Commission was \$3.9 million Other Funds and 14 positions (6.14 FTE), a budget equivalent to roughly one year of operations, due to uncertainty about the continuation of a commercial race meet following the sale of the Portland Meadows racetrack. At its June 5, 2020 meeting, the Emergency Board approved an increase of \$2.4 million Other Funds expenditure limitation and 4.25 FTE for the Oregon Racing Commission, to provide sufficient budgetary authority for the remainder of the 2019-21 biennium, reflecting the continuation of a commercial race meet at Grants Pass Downs. No actions related to the agency were taken during the 2nd special session of 2020.

Department of Revenue

The legislatively approved budget for the Department of Revenue (DOR) is \$341.9 million total funds, including \$200.1 million General Fund and \$141.8 million Other Funds. The total funds budget is \$2.7 million (or 0.8%) more than the 2019-21 legislatively adopted budget. The budget includes 1,085 positions (1,011.85 FTE) for an increase of 28 positions (28.46 FTE).

A number of General Fund and Other Funds expenditure limitation changes were approved for DOR. Reductions included: \$2.3 million General Fund and \$600,907 Other Funds expenditure limitation for the Administrative Division; \$886,888 General Fund for the Property Tax Division; \$4.2 million General Fund and \$97,524 Other Funds expenditure limitation for the Personal Income Tax and Compliance Division; \$688,383 General Fund and \$353,662 Other Funds expenditure limitation for the Business Division; and \$335,369 General Fund and \$56,832 Other Funds expenditure limitation for the Information Technology Services Division.

To provide supplemental resources for administration of the Corporate Activities Tax (CAT), the Legislature approved an increase in Other Funds expenditure limitation of \$11.5 million and authorized

the establishment of 28 positions (28.46 FTE) for the Corporate Division. The Legislature also approved a one-time \$1 General Fund reduction and fund shift of \$2,789,361 General Fund to Other Funds (corporate activities tax). To provide resources for administration of the Corporate Activities Tax (CAT), the Legislature increased Other Funds expenditure limitation for the Core Systems Replacement project by \$2.3 million to modify DOR's integrated system (GENTAX). The Legislature also approved a one-time \$1.2 million General Fund reduction in services and supplies due to contract savings.

Secretary of State

The legislatively approved budget for the Secretary of State (SOS) is \$84.1 million total funds, including \$13.8 million General Fund, \$62.4 million Other Funds, and \$7.9 million Federal Funds. The total funds budget is \$715,003 (or 0.9%) more than the 2019-21 legislatively adopted budget. The budget includes 224 positions (223.42 FTE), which is unchanged from the legislatively adopted budget.

The Legislature reduced total General Fund appropriations to the SOS by \$311,082 (or 2.2%) and reduced Other Funds expenditures by \$1.8 million (or 2.8%). The \$1.8 million of Other Funds not spent as a result of these reductions was transferred to the General Fund in HB 4304 (2nd special session of 2020) to help rebalance the state budget. Other Funds consist of assessment revenues paid by other state agencies to the Audits and Archives Divisions, plus corporate registration fee revenue paid to the Corporation Division.

General Fund reductions include a \$61,378 (or 1.8%) reduction to the Administrative Services Division and a \$249,704 (or 2.3%) reduction to the Elections Division. The reductions are one-time in nature; the agency will manage the reductions by holding three current vacancies vacant for the remainder of the biennium and by holding a fourth vacancy (the Executive Assistant to the Secretary) vacant through the remainder of 2020. The vacancies to be held for the entire biennium include one Information Specialist 8 in the Administrative Services Division and two Compliance Specialist 2 positions in Elections. Elections Division reductions include an additional \$39,000 of services and supplies cuts in the Oregon Motor Voter program and division-wide.

Other Funds reductions include: \$583,292 (or 3.0%) to the Administrative Services Division, \$768,292 (or 3.3%) to the Audits Division, \$153,504 (or 1.8%) to the Archives Division, and \$263,037 (or 2.2%) to the Corporation Division. The reductions are one-time in nature; the agency will manage the reductions by holding two current vacancies in the Information Services Division, four current vacancies in the Audits Division, and one current vacancy each in the Archives and Corporation Divisions, vacant for the remainder of the biennium. Another three vacant Executive Office positions, including the Deputy Secretary of State, a Public Affairs Specialist 3, and the Executive Assistant to the Secretary, will be held vacant through the remainder of 2020. Additionally, services and supplies expenditures in the Audits and Corporation Divisions were reduced by a combined \$180,372, and two management positions in the Corporation Division will be underfilled.

The Other Funds reductions were partially offset by a technical adjustment approved to increase the Secretary of State's total Other Funds expenditure limitation by \$294,283. This amount reflects adjustments necessary due to the miscalculation of facility rent amounts during 2019-21 budget development and affects the agency's Administrative Services Division (\$66,963 Other Funds), Archives Division (\$162,430 Other Funds), and Corporation Division (\$64,890 Other Funds) budgets. Including the impact of this technical adjustment, the net Other Funds expenditure limitation reduction for the Secretary of State totals \$1.5 million (or 2.3%).

State Library

The budget for the State Library is \$16.2 million total funds, which is a 1.3% decrease from the 2019-21 legislatively adopted budget. A one-time reduction of \$209,410 General Fund reflects vacancy, rent, and other administrative savings. The reduction is not expected to affect programs or services.

State Treasurer

The legislatively approved budget for the Oregon State Treasury is \$92.7 million Other Funds and is unchanged from the 2019-21 legislatively adopted budget. The adopted budget includes 169 positions (165.01 FTE), which is an increase of three positions (0.54 FTE). The budget included the establishment of three permanent positions (0.54 FTE) and the reclassification of one position to transition accounting and budget services from the Department of Administrative Services to Treasury. Also approved were several position reclassifications as well as a technical adjustment to reapportion State Government Service Charges and Facilities Rent and Taxes between various divisions within the agency. No additional expenditure limitation is required for the 2019-21 biennium as the agency can absorb the cost within its current budget.

LEGISLATIVE BRANCH

A one-time reduction of \$3.1 million General Fund from the Legislative Administration Committee (LAC) was included to help balance the statewide budget. The reduction is from savings from carryforward funds and is not anticipated to affect service or staffing levels.

An Other Funds expenditure limitation increase of \$600,000 for the LAC was included for the Oregon Capitol History Gateway. This work is for the Welcome Center Space Design, Exhibit Design, Fabrication and Installation Project, which will serve as part of the visitor experience. Design concept elements include an interactive map of Oregon to provide users with information on where they can go to learn more about Oregon's history, an interactive station where visitors can plan their Capitol visit and find out more about events, and an interactive wall focusing on places where visitors can learn about cultural groups and Oregon's tribes.

Funding is included in the amount of \$266,778 General Fund for debt service costs, \$1.35 million General Fund for non-bondable project costs, and \$910,000 Other Funds for the cost of issuing \$68.1 million in Article XI-Q bonds to finance further capital improvements to the State Capitol Building, including seismic upgrades to the House and Senate wings, Legislative Counsel and Legislative Fiscal Office renovations, seismic and other upgrades to the parking garage connectors, accessibility improvements to the South entrance, restoration of the Capitol grounds, and other improvements and upgrades to the building.

EMERGENCY FUND

As part of the 2019-21 biennium statewide rebalance plan, the 2nd special session of 2020 adjusted the Emergency Fund and other special purpose appropriations made to the Emergency Board during the 2019 session as follows:

- Eliminated the \$5.7 million special purpose appropriation made to the Emergency Board for the Oregon Health Authority to support interdisciplinary assessment teams for the provision of consultation, evaluation, and stabilization services to youth with specialized needs.

- Eliminated the \$3.0 million special purpose appropriation made to the Emergency Board for agency costs associated with grand jury recordation.
- Established a new \$1.0 million special purpose appropriation for the Department of Justice and Child Advocacy Center to address a potential increase in caseloads or funding shortfalls associated with the COVID-19 pandemic.
- Eliminated the \$16.1 million special purpose appropriation made to the Emergency Board that was established in HB 5050 (2019). This is the remaining balance of a \$20.0 million appropriation that was available for allocation to the Public Defense Services Commission for caseload activities, including activities designed to improve public defense caseloads. In its April meeting, the Emergency Board approved \$3.9 million for staff and information technology services to improve oversight of indigent defense contracts as well as to provide a rate increase for related investigator and interpreter services.
- Eliminated the \$2.0 million special purpose appropriation made to the Emergency Board in SB 5532 (2019) for use by the Public Defense Services Commission to acquire a new financial management system. Based on the current project timeline, the funds will not be needed in the current biennium.
- Eliminated the \$1.0 million special purpose appropriation made to the Emergency Board in HB 5050 (2019) for use by the Department of Corrections and the Public Defense Services Commission to cover costs associated with Chapter 530, Oregon Laws 2019, relating to unauthorized use of vehicles as the costs are not likely to materialize in the current biennium.
- Eliminated the \$1.0 million special purpose appropriation made to the Emergency Board in HB 2829 (2019). This appropriation had been made available for allocation to the Department of Fish and Wildlife for the Oregon Conservation and Recreation Fund, contingent on the Department depositing an equal amount of money into the Fund from non-State or Federal sources prior to the sunset of the Fund on June 30, 2021.
- Eliminated the \$4.0 million special purpose appropriation made to the Emergency Board for the Department of Human Services (Child Welfare) to help increase capacity for non-Medicaid in-home services under the federal Family First Prevention Services Act. A larger and more flexible special purpose appropriation was established to help address agency budget issues over the next few months.
- Established a new special purpose appropriation in the amount of \$100.0 million for the Oregon Health Authority and/or the Department of Human Services for caseload costs or other budget problems that the agencies are unable to mitigate during the remainder of the biennium. Known potential challenges include changes to caseloads based on future forecasts; COVID-19 impacts on programs or costs; the agencies' ability to manage personal services expenditures; volatility in usage-based costs or charges for services; assessment of federal program penalties or repayments; federal law, rule, or funding changes; and potential legal costs.
- Appropriated \$200.0 million General Fund to the Emergency Fund for needs of the state as a result of the COVID-19 pandemic, potential costs related to wildfires, and the uncertainty of the current economy.

Two reservations established in the Emergency Fund during the 2019 session (one for the Department of Human Services in the amount of \$10.0 million for the child welfare program action plan and one for the Oregon Health Authority in the amount of \$9.0 million for community mental health program support) were eliminated in the 2nd special session of 2020 omnibus budget bill (SB 5723). Since a new special purpose appropriation was established to address potential budget needs specifically for these two agencies, the reservations were removed to help support flexibility within the general purpose

Emergency Fund and future statewide allocations that may be needed to keep the budget aligned with resources.

In most cases, if remaining special purpose appropriations are not allocated by the Emergency Board before December 1, 2020, any remaining balances become available to the Emergency Board for general purposes or are available to the 2021 Legislature for other purposes.

State Bonding and Capital Construction

State Bonding

In June 2020, the State Debt Policy Advisory Commission (SDPAC) updated the January 2020 State Debt Capacity Report and recommended capacity limits for General Fund and Lottery Funds supported debt based upon the Office of Economic Analysis June 2020 revenue forecast. Due to the decline in the General Fund revenue forecast, total General Fund supported debt capacity is projected to decrease \$292.0 million over the next decade. Considering the \$946.0 million authorized in the 2019 session, SDPAC recommended that up to an additional \$200.0 million may be issued in 2019-21 to remain within the target debt capacity ratio of no more than 5% annual debt service to General Fund revenues.

Article XI-G and Article XI-Q general obligation bond authorizations were increased by \$50.6 million and \$130.8 million, for the Higher Education Coordinating Commission to finance grants for the following public university capital projects:

- \$7.6 million Article XI-G bonds and \$53.1 million Article XI-Q bonds for Portland State University's Science Building (SB) 1 renovation and expansion.
- \$6.5 million Article XI-G bonds and \$51.5 million Article XI-Q bonds for the University of Oregon to renovate Huestis Hall.
- \$35.5 million Article XI-G bonds for Oregon State University's Arts and Education Complex.
- \$1.1 million Article XI-G bonds and \$18.6 million Article XI-Q bonds for the Oregon Institute of Technology to rehabilitate Boivin Hall.
- \$7.6 million Article XI-Q bonds for the University of Oregon's ShakeAlert system.

The Department of Administrative Services' Article XI-Q general obligation bond authority was increased by \$139.6 million for capital projects that will be owned or operated by the state. Approved projects include:

- \$69.0 million for the Legislative Administration Committee to make capital improvements to the State Capitol Building.
- \$50.3 million for the Local Innovation and Fast Track (LIFT) Housing Program.
- \$20.3 million for the Oregon Business Development Department to finance improvements to the City of Salem's drinking water system.

Article XI-G and XI-Q general obligation bond authority was also reduced by \$22.9 million and \$104.6 million, respectively, for the following community college and county courthouse projects previously approved in HB 5005 (2019) that will not have required matching funds to be included in the 2019-21 bond sales:

- \$88.5 million Article XI-Q bonds for the Lane County Courthouse replacement project.
- \$16.2 million Article XI-Q bonds for the Linn County Courthouse replacement project.
- \$8.1 million Article XI-G bonds for Mt. Hood Community College's Maywood Park Center.
- \$8.1 million Article XI-G bonds for Umpqua Community College's Industrial Technology Building.
- \$6.6 million Article XI-G bonds for the second phase of Blue Mountain Community College's Facility for Agricultural Resource Management.

Including the newly approved \$193.5 million in net general obligation bonds, General Fund supported bonds total \$1.140 billion for 2019-21, leaving only \$6.5 million in remaining debt capacity. General Fund

debt service on the additional bonding is estimated to be \$266,778 in the 2019-21 biennium and \$32.3 million in the 2021-23 biennium. Total General Fund debt service for approved bonding in the legislatively approved budget is estimated to be \$17.5 million in the current biennium and \$196.7 million in 2021-23.

The Housing and Community Services Department's pass-through revenue bond authority was increased by \$300.0 million to accommodate projected awards for affordable multifamily housing. The increase results in 2019-21 pass-through revenue bond authority of \$900.0 million.

Lottery Revenue Bonds

The significant reduction in 2019-21 lottery resources reflected in the June 2020 forecast impacts near-term Lottery Funds supported debt capacity and the state's ability to issue lottery bonds in the current biennium. Recommended Lottery Funds supported debt capacity is based on the requirement included in the state's lottery revenue bond covenants that limits debt service to no more than 25% of unobligated net lottery revenues (a four-times coverage ratio). SDPAC projects that the lottery debt service coverage ratio on previously issued and outstanding lottery bonds will only be 3.1 times in fiscal year 2021. Consequently, lottery revenue bonds authorized in the 2019 session are not anticipated to be issued as originally scheduled, nor will funding be available for approved grants in the 2019-21 biennium.

The Legislature decreased the Department of Administrative Services' lottery revenue bond limit by \$55.4 million, from \$302.5 million to \$247.1 million to reflect the repeal of the following nine lottery bond projects originally approved in HB 5030 (2019):

- Curry Health District Brookings Emergency Room: removed \$2.2 million of lottery revenue bonds and provided \$2.0 million financed through a General Fund appropriation.
- Hacienda Community Development Corporation Las Adelitas Housing Project: removed \$2.2 million of lottery revenue bonds and provided \$2.0 million for the project through existing General Fund resources in the Housing and Community Services Department.
- Port of Morrow Early Learning Center Expansion: removed \$1.6 million of lottery revenue bonds originally approved to provide \$1.4 million for the project that is now financed through the Department of Education (ODE) Early Learning Account Other Funds.
- Wallowa Valley Center for Wellness: removed \$2.8 million of lottery revenue bonds and provided \$2.5 million through a General Fund appropriation (\$1.5 million) and ODE Early Learning Account Other Funds (\$1.0 million).
- YMCA of Columbia-Willamette Beaverton Hoop YMCA: removed \$2.8 million of lottery revenue bonds and provided \$2.5 million for the project through ODE Early Learning Account Other Funds. The reduction results in remaining lottery bond authority of \$2.8 million that supports \$2.5 million of project costs.
- Oregon Business Development Department, Salem Drinking Water System Improvements: removed \$22.0 million of lottery revenue bonds and provided \$20.0 million for the project with Article XI-Q general obligation bond proceeds.
- Oregon Business Development Department, City of Sweet Home Wastewater Treatment Plant Rehabilitation: removed \$7.7 million of lottery revenue bonds and provided \$7.0 million through a General Fund appropriation.
- Oregon Business Development Department, Confederated Tribes of Warm Springs Wastewater Treatment Plant Upgrade and Water Distribution System Improvements: removed \$8.6 million of

lottery revenue bonds and provided \$7.8 million for the project. At the July 2020 meeting of the Emergency Board, \$3.6 million General Fund was allocated from the Emergency Fund for critical improvements to the Warm Springs water and wastewater systems. A \$4.2 million General Fund appropriation was approved for remaining project costs.

- Department of Transportation, Port of Coos Bay Rail Line Repairs and Bridge Replacement: removed \$5.5 million of lottery revenue bonds and provided \$5.0 million through the Connect Oregon Fund.

Capital Construction

The Legislature approved increasing 2019-21 Other Funds capital construction six-year expenditure limitation by \$309.9 million. Other Funds capital construction expenditure limitations for the 2015-17 and 2017-19 biennia were reduced by \$9.8 million and \$64.6 million, respectively. Federal Funds capital construction limitation for the 2017-19 biennium was also increased by \$712,404. Capital construction expenditure limitation was established and adjusted for the following capital construction projects:

Department of Administrative Services

- Electric Vehicle (EV) Charging Infrastructure: \$3.8 million Other Funds (Capital Projects Fund) for the installation of EV charging stations at multiple locations around the Capitol Mall and Salem Motor Pool.
- Parking Facility Repair and Upgrades: \$2.8 million Other Funds (Capital Projects Fund) for repairs, accessibility improvements, and upgrades to parking lots around the Capitol Mall.
- Security and Security Systems: \$2.0 million Other Funds (Capital Projects Fund) for security and security systems investments in DAS buildings, including third party evaluations, construction modifications, hardware equipment, and software.
- Oregon State Fair Horse Barn: \$3.0 million Other Funds (Article XI-Q bonds) for capital improvements and renovate the Horse Barn at the Oregon State Fairgrounds.
- Oregon State Fair Poultry Barn: \$2.0 million Other Funds (Article XI-Q bonds) for capital improvements and renovate the Poultry Barn at the Oregon State Fairgrounds.
- Oregon State Fair Facilities Capital Improvements: \$5.3 million Other Funds (Article XI-Q bonds) for capital improvements on facilities at the Oregon State Fairgrounds, including roof and HVAC replacements, building improvements, audiovisual and technology enhancements, restroom upgrades, and improvements to various parking lots and asphalt areas.

Higher Education Coordinating Commission

The Legislature approved increasing 2019-21 Other Funds capital construction expenditure limitation by \$179.0 million for distribution of general obligation bond proceeds to public universities. This amount corresponds to the total amount for five new university projects that are funded with proceeds from the issuance of Article XI-G and Article XI-Q bonds, and will be disbursed as grants, pursuant to grant agreements between HECC and each university:

- Oregon Institute of Technology, Boivin Hall Rehabilitation: \$18.3 million (Article XI-Q bonds) and \$1.0 million (Article XI-G bonds) to renovate Boivin Hall, including seismic retrofit; mechanical, electrical, and plumbing replacement; building envelope replacement; foundation repair; and full interior (classroom and lab) remodel and modernization.
- Oregon State University (OSU), Arts and Education Complex: \$35.0 million (Article XI-G bonds) to construct a new Arts and Education Complex that will include technology and medium rich teaching, performance and rehearsal spaces; a visual arts museum; and shop and maker space with electronic and computer studios for designing sound, lighting, and other performing arts enhancements. The

building will be constructed on the site of OSU's dilapidated facilities services shops. Demolition, site improvements, and the renewal of infrastructure are anticipated to eliminate \$11.0 million of deferred maintenance.

- Portland State University (PSU), SB 1 Renovation and Expansion: \$52.5 million (Article XI-Q bonds) and \$7.5 million (Article XI-G bonds) to provide the first phase of funding to renovate PSU's Science Building (SB) 1 and expand useable space. System and structural improvements, as well as replacement of outdated instructional spaces, will create active-learning classrooms, state-of-the-art laboratories, and collaborative support spaces.
- University of Oregon, Huestis Hall Renovation: \$50.9 million (Article XI-Q bonds) and \$6.4 million (Article XI-G bonds) for the renovation of Huestis Hall to address the failing building envelope; code issues, including fire alarm and suppression; plumbing, mechanical, and ventilation systems; and modernize laboratory and learning spaces.
- University of Oregon, ShakeAlert: \$7.5 million (Article XI-Q bonds) for construction of seismic stations as part of the ShakeAlert earthquake early warning system. Approved funding supports the installation of ShakeAlert sites that will increase the State of Oregon's "sensor density" to meet federal standards, allowing Oregon to participate in public alerts. Buildout of seismic stations is expected to be completed by June 30, 2023.

Other Funds capital construction limitations for the 2015-17 and 2017-19 biennia were decreased for the following projects. Article XI-F (1) bonds authorized for the projects in prior biennia have not been issued and are not reauthorized for issuance in the 2019-21 biennium.

- Portland State University, Residence Hall at 12th and Market: Other Funds (Article XI-F (1) bonds) capital construction expenditure limitation of \$53.5 million established in 2017-19 for PSU to construct a new six-story housing building was removed.
- Portland State University, University Center Building Land Acquisition: approved decreasing 2015-17 and 2017-19 Other Funds (Article XI-F (1) bonds) capital construction expenditure limitations approved for PSU to purchase land under the university-owned University Center building by \$10.0 million and \$5.0 million, respectively.

Housing and Community Services Department

Family Affordable Housing: \$50.0 million Other Funds (Article XI-Q Bonds) was approved for the Local Innovation and Fast Track (LIFT) Housing Program established in the 2019 session to acquire, construct, remodel, equip or furnish real property in which the Department will take either an ownership or operational interest to provide affordable housing for low-income Oregonians, as well as citizens in historically underserved communities and communities of color. This may include providing zero percent loans to eligible applicants.

Legislative Administration Committee

Capitol Accessibility, Maintenance, and Safety (CAMS): \$68.1 million Other Funds (Article XI-Q bonds) was approved for further capital improvements to the State Capitol Building, including seismic upgrades to the House and Senate wings, Legislative Counsel and Fiscal Office renovations, seismic and other upgrades to the parking garage connectors, accessibility improvements, restoration of the Capitol grounds, and other improvements.

Department of Forestry

Toledo Facility Replacement: approved modifying the scope of the Toledo Facility Replacement project authorized in SB 5506 (2017). Other Funds (Article XI-Q bonds) capital construction expenditure limitation of \$3.8 million was originally approved to relocate the Toledo Unit Office Facilities Compound to a more centrally located site outside of the mapped tsunami inundation zone; part of a larger co-locate project with ODOT. ODF is proceeding with the relocation of the Toledo facility; however, the project is no longer planned to be a co-located site with ODOT.

Department of Transportation

Central Coast Maintenance Station: approved decreasing 2017-19 and 2019-21 Other Funds (fee revenue) capital construction expenditure limitations for a new Central Coast Maintenance Station each by \$6.1 million. The projects were originally authorized to purchase land, design, and construct a new maintenance station in the Lincoln County area that would be a co-located site with ODF and replace the Ona Beach maintenance station. Due to costs required to develop sites that were feasible for both agencies, ODOT is not proceeding with the new maintenance station project. Remaining 2017-19 and 2019-21 capital construction limitation supports preliminary project expenditures to date (\$903,143) and an additional \$1.2 million for improvements to the Ona Beach maintenance station.

Military Department

Youth Challenge Armory: \$237,468 Other Funds (interest) and \$712,404 Federal Funds (National Guard Bureau) were approved as increases to 2015-17 and 2017-19 capital construction expenditure limitations, respectively, for expansion and renovation of the Youth Challenge facility in Bend to increase program capacity. Federal Funds capital construction limitation is increased from \$5.3 million to \$6.0 million to accommodate increased funding from the National Guard Bureau to complete final improvements to the facility. Other Funds capital construction limitation is increased from \$5.0 million to \$5.2 million to provide matching funds for additional Federal Funds available for the project. Interest earnings on Article XI-Q bond proceeds issued for the project will finance the increased match.

Oregon Youth Authority

MacLaren West Cottages Renovation: approved modifying the project authorization established in the 2017 legislative session to reduce the number of cottages to be renovated. The project was originally authorized for renovation of seven living units; only five living units are now anticipated to be renovated within approved funding.

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 2019-21 legislatively approved columns. Special purpose appropriations for specific agencies are not included within the agency General Fund budgets for the 2019-21 legislatively approved amounts but are included in the legislatively approved amount appropriated to the Emergency Board and will be displayed under the Emergency Board until allocated to the specific agency.
- The first of the two 2019-21 legislatively approved columns reflect all expenditure authorizations through the August 5, 2020 meeting of the Emergency Board, including certain administrative actions taken by the Department of Administrative Services approving increases to Nonlimited Other Funds and Federal Funds. The second of the two 2019-21 legislatively approved columns reflect the changes made during the 2nd Special Session of 2020.
- The second 2019-21 legislatively approved column does not reflect any line-item veto actions that may be taken by the Governor in September 2020 following the 2nd Special Session of 2020.

	2019-21 Legislatively Approved 8/5/2020 E-BD \$	2019-21 Legislatively Approved 8/10/2020 SS \$	2nd Special Session Change \$	2nd Special Session Percent Change %
EDUCATION				
Higher Education Coordinating Commission				
General Fund	39,587,633	35,714,364	(3,873,269)	(9.8)
Other Funds	37,337,696	49,748,567	12,410,871	33.2
Other Funds Nonlimited	206,000	206,000	-	-
Federal Funds	127,560,060	127,706,496	146,436	0.1
Federal Funds Nonlimited	19,689,647	19,689,647	-	-
Total Expenditures	224,381,036	233,065,074	8,684,038	3.9
State Support for Public Universities				
General Fund	1,216,963,815	1,202,974,640	(13,989,175)	(1.1)
Lottery Funds	93,150,451	90,885,159	(2,265,292)	(2.4)
Other Funds	82,576,783	269,812,784	187,236,001	226.7
Other Funds Nonlimited	224,670,301	208,678,254	(15,992,047)	(7.1)
Federal Funds Nonlimited	4,597,230	4,597,230	-	-
Total Expenditures	1,621,958,580	1,776,948,067	154,989,487	9.6
State Support for Community Colleges				
General Fund	715,028,372	709,854,395	(5,173,977)	(0.7)
Lottery Funds	11,277,642	11,277,642	-	-
Other Funds	28,032,665	28,769,621	736,956	2.6
Total Expenditures	754,338,679	749,901,658	(4,437,021)	(0.6)
State Support for Oregon Health and Science University (OHSU)				
General Fund	102,977,683	102,639,221	(338,462)	(0.3)
Other Funds	30,919,866	30,920,287	421	-
Other Funds Nonlimited	7,298,890	6,234,016	(1,064,874)	(14.6)
Total Expenditures	141,196,439	139,793,524	(1,402,915)	(1.0)
Oregon Opportunity Grant Program				
General Fund	109,510,413	99,510,413	(10,000,000)	(9.1)
Lottery Funds	40,000,000	40,000,000	-	-
Other Funds	14,669,415	24,669,415	10,000,000	68.2
Total Expenditures	164,179,828	164,179,828	-	-
Education, Dept of				
General Fund	899,275,407	864,593,473	(34,681,934)	(3.9)
Lottery Funds	692,870	692,870	-	-
Other Funds	1,547,507,009	1,213,947,987	(333,559,022)	(21.6)
Other Funds Nonlimited	120,364,721	120,364,721	-	-
Federal Funds	1,109,446,757	1,248,756,548	139,309,791	12.6
Federal Funds Nonlimited	407,115,946	407,115,946	-	-
Total Expenditures	4,084,402,710	3,855,471,545	(228,931,165)	(5.6)

		2019-21	2019-21	2nd Special	2nd Special
		Legislatively	Legislatively	Session	Session
		Approved	Approved	Change	Percent Change
		8/5/2020 E-BD	8/10/2020 SS		
		\$	\$	\$	%
State School Fund					
	General Fund	7,718,687,417	7,568,496,644	(150,190,773)	(1.9)
	Lottery Funds	530,146,857	730,467,530	200,320,673	37.8
	Other Funds	751,165,726	701,035,826	(50,129,900)	(6.7)
	Total Expenditures	9,000,000,000	9,000,000,000	-	-
Teacher Standards and Practices Comm					
	Other Funds	9,306,571	9,306,571	-	-
	Total Expenditures	9,306,571	9,306,571	-	-
EDUCATION PROGRAM AREA TOTAL					
	General Fund	10,802,030,740	10,583,783,150	(218,247,590)	(2.0)
	Lottery Funds	675,267,820	873,323,201	198,055,381	29.3
	Other Funds	2,501,515,731	2,328,211,058	(173,304,673)	(6.9)
	Other Funds Nonlimited	352,539,912	335,482,991	(17,056,921)	(4.8)
	Federal Funds	1,237,006,817	1,376,463,044	139,456,227	11.3
	Federal Funds Nonlimited	431,402,823	431,402,823	-	-
	Total	15,999,763,843	15,928,666,267	(71,097,576)	(0.4)

	2019-21 Legislatively Approved 8/5/2020 E-BD \$	2019-21 Legislatively Approved 8/10/2020 SS \$	2nd Special Session Change \$	2nd Special Session Percent Change %
HUMAN SERVICES				
Blind, Commission for the				
General Fund	6,634,036	6,218,539	(415,497)	(6.3)
Other Funds	1,560,451	2,060,451	500,000	32.0
Federal Funds	15,955,857	18,508,300	2,552,443	16.0
Total Expenditures	24,150,344	26,787,290	2,636,946	10.9
Health Authority, Oregon				
General Fund	2,724,947,282	2,575,520,292	(149,426,990)	(5.5)
Lottery Funds	17,093,071	17,904,599	811,528	4.7
Other Funds	7,813,284,433	7,955,802,023	142,517,590	1.8
Other Funds Nonlimited	274,869,902	274,869,902	-	-
Federal Funds	12,683,911,274	13,960,060,406	1,276,149,132	10.1
Federal Funds Nonlimited	106,196,261	106,196,261	-	-
Total Expenditures	23,620,302,223	24,890,353,483	1,270,051,260	5.4
Human Services, Department of				
General Fund	3,878,048,515	3,666,385,868	(211,662,647)	(5.5)
Other Funds	704,801,492	703,907,975	(893,517)	(0.1)
Federal Funds	6,133,004,273	6,304,724,533	171,720,260	2.8
Federal Funds Nonlimited	1,939,345,331	2,489,345,331	550,000,000	28.4
Total Expenditures	12,655,199,611	13,164,363,707	509,164,096	4.0
Long Term Care Ombudsman				
General Fund	7,728,112	7,287,294	(440,818)	(5.7)
Other Funds	845,016	1,066,016	221,000	26.2
Total Expenditures	8,573,128	8,353,310	(219,818)	(2.6)
Psychiatric Security Review Board				
General Fund	3,198,150	3,098,150	(100,000)	(3.1)
Total Expenditures	3,198,150	3,098,150	(100,000)	(3.1)
HUMAN SERVICES PROGRAM AREA				
General Fund	6,620,556,095	6,258,510,143	(362,045,952)	(5.5)
Lottery Funds	17,093,071	17,904,599	811,528	4.7
Other Funds	8,520,491,392	8,662,836,465	142,345,073	1.7
Other Funds Nonlimited	274,869,902	274,869,902	-	-
Federal Funds	18,832,871,404	20,283,293,239	1,450,421,835	7.7
Federal Funds Nonlimited	2,045,541,592	2,595,541,592	550,000,000	26.9
Total	36,311,423,456	38,092,955,940	1,781,532,484	4.9

	2019-21 Legislatively Approved 8/5/2020 E-BD \$	2019-21 Legislatively Approved 8/10/2020 SS \$	2nd Special Session Change \$	2nd Special Session Percent Change %
PUBLIC SAFETY				
Corrections, Dept of				
General Fund	1,853,930,976	1,872,873,008	18,942,032	1.0
Other Funds	95,327,375	96,045,400	718,025	0.8
Other Funds Nonlimited	214,566,937	214,566,937	-	-
Federal Funds	4,533,582	4,533,582	-	-
Federal Funds Nonlimited	940,120	940,120	-	-
Total Expenditures	2,169,298,990	2,188,959,047	19,660,057	0.9
Criminal Justice Commission				
General Fund	79,843,528	79,175,528	(668,000)	(0.8)
Lottery Funds	555,000	555,000	-	-
Other Funds	14,962,708	14,962,708	-	-
Federal Funds	5,337,957	12,149,340	6,811,383	127.6
Total Expenditures	100,699,193	106,842,576	6,143,383	6.1
District Attorneys and Their Deputies				
General Fund	12,839,916	13,339,916	500,000	3.9
Justice, Department of				
General Fund	116,789,120	111,758,608	(5,030,512)	(4.3)
Other Funds	355,837,618	359,947,494	4,109,876	1.2
Federal Funds	186,995,478	212,643,937	25,648,459	13.7
Total Expenditures	659,622,216	684,350,039	24,727,823	3.7
Military Department				
General Fund	36,233,168	33,983,326	(2,249,842)	(6.2)
Other Funds	134,078,273	134,736,139	657,866	0.5
Other Funds Nonlimited	3,842,467	3,842,467	-	-
Federal Funds	318,358,977	316,713,291	(1,645,686)	(0.5)
Total Expenditures	492,512,885	489,275,223	(3,237,662)	(0.7)
Parole and Post Prison Supervision, Bd. Of				
General Fund	8,680,101	8,353,511	(326,590)	(3.8)
Other Funds	11,682	11,682	-	-
Total Expenditures	8,691,783	8,365,193	(326,590)	(3.8)
Police, Department of State				
General Fund	318,475,460	255,184,365	(63,291,095)	(19.9)
Lottery Funds	10,004,076	10,004,076	-	-
Other Funds	164,937,371	220,896,207	55,958,836	33.9
Federal Funds	12,616,262	13,721,105	1,104,843	8.8
Total Expenditures	506,033,169	499,805,753	(6,227,416)	(1.2)

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
Public Safety Standards and Training, Dept of				
General Fund	9,665,010	9,357,609	(307,401)	(3.2)
Other Funds	48,102,591	48,125,319	22,728	-
Other Funds Nonlimited	32,010,000	32,010,000	-	-
Federal Funds	7,689,376	8,118,463	429,087	5.6
Total Expenditures	97,466,977	97,611,391	144,414	0.1
Oregon Youth Authority				
General Fund	330,726,201	319,448,949	(11,277,252)	(3.4)
Other Funds	14,553,422	14,847,975	294,553	2.0
Federal Funds	40,643,083	36,319,995	(4,323,088)	(10.6)
Total Expenditures	385,922,706	370,616,919	(15,305,787)	(4.0)
PUBLIC SAFETY PROGRAM AREA				
General Fund	2,767,183,480	2,703,474,820	(63,708,660)	(2.3)
Lottery Funds	10,559,076	10,559,076	-	-
Other Funds	827,811,040	889,572,924	61,761,884	7.5
Other Funds Nonlimited	250,419,404	250,419,404	-	-
Federal Funds	576,174,715	604,199,713	28,024,998	4.9
Federal Funds Nonlimited	940,120	940,120	-	-
Total	4,433,087,835	4,459,166,057	26,078,222	0.6

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
JUDICIAL BRANCH				
Judicial Department				
General Fund	522,258,473	503,047,874	(19,210,599)	(3.7)
Other Funds	217,814,418	123,761,423	(94,052,995)	(43.2)
Federal Funds	1,355,846	1,355,846	-	-
Total Expenditures	741,428,737	628,165,143	(113,263,594)	(15.3)
Judicial Fitness and Disability, Commission on				
General Fund	284,539	284,539	-	-
Public Defense Services Commission				
General Fund	347,092,015	340,895,203	(6,196,812)	(1.8)
Other Funds	4,039,068	13,039,068	9,000,000	222.8
Total Expenditures	351,131,083	353,934,271	2,803,188	0.8
JUDICIAL BRANCH PROGRAM AREA				
General Fund	869,635,027	844,227,616	(25,407,411)	(2.9)
Other Funds	221,853,486	136,800,491	(85,052,995)	(38.3)
Federal Funds	1,355,846	1,355,846	-	-
Total	1,092,844,359	982,383,953	(110,460,406)	(10.1)

	2019-21 Legislatively Approved 8/5/2020 E-BD \$	2019-21 Legislatively Approved 8/10/2020 SS \$	2nd Special Session Change \$	2nd Special Session Percent Change %
ECONOMIC AND COMMUNITY DEVELOPMENT				
Business Development Department				
General Fund	85,412,542	84,552,736	(859,806)	(1.0)
Lottery Funds	127,365,166	117,540,761	(9,824,405)	(7.7)
Other Funds	687,402,981	674,929,042	(12,473,939)	(1.8)
Other Funds Nonlimited	296,654,736	296,654,736	-	-
Federal Funds	43,094,384	72,472,652	29,378,268	68.2
Total Expenditures	1,239,929,809	1,246,149,927	6,220,118	0.5
Employment Department				
General Fund	15,688,586	9,508,586	(6,180,000)	(39.4)
Other Funds	192,385,467	192,822,907	437,440	0.2
Other Funds Nonlimited	3,821,119,206	3,821,119,206	-	-
Federal Funds	154,315,171	242,772,407	88,457,236	57.3
Federal Funds Nonlimited	3,571,008,796	3,571,008,796	-	-
Total Expenditures	7,754,517,226	7,837,231,902	82,714,676	1.1
Housing and Community Services Department				
General Fund	125,968,486	110,441,956	(15,526,530)	(12.3)
Lottery Funds	21,789,335	21,752,234	(37,101)	(0.2)
Other Funds	644,281,275	704,109,501	59,828,226	9.3
Other Funds Nonlimited	1,056,668,660	1,056,668,660	-	-
Federal Funds	126,659,025	200,315,609	73,656,584	58.2
Federal Funds Nonlimited	152,131,628	152,131,628	-	-
Total Expenditures	2,127,498,409	2,245,419,588	117,921,179	5.5
Veterans' Affairs, Department of				
General Fund	8,352,877	7,695,177	(657,700)	(7.9)
Lottery Funds	20,559,847	19,001,367	(1,558,480)	(7.6)
Other Funds	108,523,336	108,543,336	20,000	-
Other Funds Nonlimited	408,779,089	408,779,089	-	-
Federal Funds	1,525,000	3,231,284	1,706,284	111.9
Total Expenditures	547,740,149	547,250,253	(489,896)	(0.1)
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
General Fund	235,422,491	212,198,455	(23,224,036)	(9.9)
Lottery Funds	169,714,348	158,294,362	(11,419,986)	(6.7)
Other Funds	1,632,593,059	1,680,404,786	47,811,727	2.9
Other Funds Nonlimited	5,583,221,691	5,583,221,691	-	-
Federal Funds	325,593,580	518,791,952	193,198,372	59.3
Federal Funds Nonlimited	3,723,140,424	3,723,140,424	-	-
Total	11,669,685,593	11,876,051,670	206,366,077	1.8

	2019-21 Legislatively Approved	2019-21 Legislatively Approved	2nd Special Session Change	2nd Special Session Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
CONSUMER AND BUSINESS SERVICES				
Accountancy, Board of				
Other Funds	2,788,351	2,816,452	28,101	1.0
Chiropractic Examiners, Board of				
Other Funds	2,260,448	2,260,448	-	-
Construction Contractors Board				
Other Funds	15,038,579	15,813,579	775,000	5.2
Consumer and Business Services, Dept of				
General Fund	1,299,319	1,299,319	-	-
Other Funds	397,014,796	385,605,662	(11,409,134)	(2.9)
Other Funds Nonlimited	211,515,831	211,515,831	-	-
Federal Funds	100,670,278	112,960,680	12,290,402	12.2
Total Expenditures	710,500,224	711,381,492	881,268	0.1
Dentistry, Board of				
Other Funds	3,535,260	3,535,260	-	-
Health Related Licensing Boards:				
Mortuary and Cemetery Board				
Other Funds	2,343,995	2,343,995	-	-
Naturopathic Medicine				
Other Funds	1,166,035	1,166,035	-	-
Occupational Therapy Licensing				
Other Funds	619,842	612,708	(7,134)	(1.2)
Medical Imaging				
Other Funds	1,175,429	1,176,838	1,409	0.1
Speech-Language Pathology and Audiology				
Other Funds	979,115	953,588	(25,527)	(2.6)
Veterinary Medical Examining				
Other Funds	1,203,614	1,220,264	16,650	1.4
Health Related Licensing Boards Total				
Other Funds	7,488,030	7,473,428	(14,602)	(0.2)

	2019-21 Legislatively Approved	2019-21 Legislatively Approved	2nd Special Session Change	2nd Special Session Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
Labor and Industries, Bureau of				
General Fund	15,013,956	13,967,090	(1,046,866)	(7.0)
Lottery Funds	250,000	250,000	-	-
Other Funds	13,953,296	14,041,111	87,815	0.6
Other Funds Nonlimited	900,000	900,000	-	-
Federal Funds	1,335,294	1,335,294	-	-
Total Expenditures	31,452,546	30,493,495	(959,051)	(3.0)
Licensed Social Workers, Board of				
Other Funds	1,804,612	1,992,619	188,007	10.4
Medical Board, Oregon				
Other Funds	13,662,415	13,662,415	-	-
Mental Health Regulatory Agency				
Other Funds	3,941,338	4,240,724	299,386	7.6
Nursing, Board of				
Other Funds	19,719,954	19,719,954	-	-
Pharmacy, Board of				
Other Funds	8,761,878	8,736,104	(25,774)	(0.3)
Public Utility Commission				
Other Funds	52,752,175	52,752,175	-	-
Other Funds Nonlimited	54,312,163	54,312,163	-	-
Federal Funds	1,025,117	1,025,117	-	-
Total Expenditures	108,089,455	108,089,455	-	-
Real Estate Agency				
Other Funds	8,499,070	9,398,485	899,415	10.6
Tax Practitioners, Board of				
Other Funds	1,091,888	1,091,888	-	-
CONSUMER AND BUSINESS SERVICES PROGRAM AREA				
General Fund	16,313,275	15,266,409	(1,046,866)	(6.4)
Lottery Funds	250,000	250,000	-	-
Other Funds	552,312,090	543,140,304	(9,171,786)	(1.7)
Other Funds Nonlimited	266,727,994	266,727,994	-	-
Federal Funds	103,030,689	115,321,091	12,290,402	11.9
Total	938,634,048	940,705,798	2,071,750	0.2

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
NATURAL RESOURCES				
Agriculture, Department of				
General Fund	26,229,015	23,706,541	(2,522,474)	(9.6)
Lottery Funds	10,568,358	10,568,358	-	-
Other Funds	74,372,889	75,764,818	1,391,929	1.9
Federal Funds	17,472,153	17,547,153	75,000	0.4
Total Expenditures	128,642,415	127,586,870	(1,055,545)	(0.8)
Columbia River Gorge Commission				
General Fund	1,160,612	1,160,612	-	-
Energy, Department of				
General Fund	6,334,048	6,274,048	(60,000)	(0.9)
Lottery Funds	3,023,365	3,023,365	-	-
Other Funds	32,812,879	32,794,871	(18,008)	(0.1)
Other Funds Nonlimited	65,513,718	65,513,718	-	-
Federal Funds	2,196,096	3,271,354	1,075,258	49.0
Federal Funds Nonlimited	104,000	104,000	-	-
Total Expenditures	109,984,106	110,981,356	997,250	0.9
Environmental Quality, Department of				
General Fund	58,777,160	54,305,849	(4,471,311)	(7.6)
Lottery Funds	5,300,822	5,300,822	-	-
Other Funds	222,204,270	222,528,559	324,289	0.1
Other Funds Nonlimited	149,843,330	149,843,330	-	-
Federal Funds	29,410,521	29,410,521	-	-
Total Expenditures	465,536,103	461,389,081	(4,147,022)	(0.9)
Fish and Wildlife, Department of				
General Fund	35,094,508	31,224,445	(3,870,063)	(11.0)
Lottery Funds	7,621,405	7,621,405	-	-
Other Funds	203,027,596	202,805,869	(221,727)	(0.1)
Federal Funds	144,438,993	144,857,087	418,094	0.3
Total Expenditures	390,182,502	386,508,806	(3,673,696)	(0.9)
Forestry, Department of				
General Fund	97,448,809	103,682,004	6,233,195	6.4
Lottery Funds	2,543,451	2,543,451	-	-
Other Funds	283,726,596	280,722,931	(3,003,665)	(1.1)
Federal Funds	35,483,276	35,425,432	(57,844)	(0.2)
Total Expenditures	419,202,132	422,373,818	3,171,686	0.8

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
Geology and Mineral Industries, Dept of				
General Fund	5,398,573	5,398,573	-	-
Other Funds	6,384,088	6,384,088	-	-
Federal Funds	5,795,069	5,795,069	-	-
Total Expenditures	17,577,730	17,577,730	-	-
Land Conservation and Development, Dept of				
General Fund	20,231,675	17,333,363	(2,898,312)	(14.3)
Other Funds	1,460,817	1,460,817	-	-
Federal Funds	6,755,041	6,755,041	-	-
Total Expenditures	28,447,533	25,549,221	(2,898,312)	(10.2)
Land Use Board of Appeals				
General Fund	2,061,858	2,121,838	59,980	2.9
Other Funds	34,981	34,981	-	-
Total Expenditures	2,096,839	2,156,819	59,980	2.9
Marine Board				
Other Funds	28,360,346	28,360,346	-	-
Federal Funds	6,317,622	6,317,622	-	-
Total Expenditures	34,677,968	34,677,968	-	-
Parks and Recreation Department				
Lottery Funds	116,785,574	116,785,574	-	-
Other Funds	130,655,323	130,655,323	-	-
Federal Funds	16,685,823	17,350,823	665,000	4.0
Total Expenditures	264,126,720	264,791,720	665,000	0.3
State Lands, Department of				
Other Funds	54,079,207	54,324,791	245,584	0.5
Other Funds Nonlimited	10,627,890	10,627,890	-	-
Federal Funds	2,295,209	2,983,495	688,286	30.0
Total Expenditures	67,002,306	67,936,176	933,870	1.4
Water Resources Department				
General Fund	36,722,794	33,210,095	(3,512,699)	(9.6)
Lottery Funds	7,566,502	7,563,194	(3,308)	-
Other Funds	99,151,093	99,706,664	555,571	0.6
Federal Funds	875,519	1,136,003	260,484	29.8
Total Expenditures	144,315,908	141,615,956	(2,699,952)	(1.9)

		2019-21	2019-21	2nd Special	2nd Special
		Legislatively	Legislatively	Session	Session
		Approved	Approved	Change	Percent Change
		8/5/2020 E-BD	8/10/2020 SS		
		\$	\$	\$	%
Oregon Watershed Enhancement Board					
	Lottery Funds	90,535,226	90,535,226	-	-
	Other Funds	19,070,646	19,070,646	-	-
	Federal Funds	45,304,270	45,304,270	-	-
	Total Expenditures	154,910,142	154,910,142	-	-
NATURAL RESOURCES PROGRAM AREA					
	General Fund	289,459,052	278,417,368	(11,041,684)	(3.8)
	Lottery Funds	243,944,703	243,941,395	(3,308)	-
	Other Funds	1,155,340,731	1,154,614,704	(726,027)	(0.1)
	Other Funds Nonlimited	225,984,938	225,984,938	-	-
	Federal Funds	313,029,592	316,153,870	3,124,278	1.0
	Federal Funds Nonlimited	104,000	104,000	-	-
	Total	2,227,863,016	2,219,216,275	(8,646,741)	(0.4)

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
TRANSPORTATION				
Aviation, Department of				
Other Funds	20,035,792	20,055,725	19,933	0.1
Federal Funds	11,312,356	11,312,356	-	-
Total Expenditures	31,348,148	31,368,081	19,933	0.1
Transportation, Department of				
General Fund	25,306,026	25,176,339	(129,687)	(0.5)
Lottery Funds	115,592,980	115,171,361	(421,619)	(0.4)
Other Funds	4,226,441,397	4,225,013,363	(1,428,034)	-
Other Funds Nonlimited	722,456,207	722,456,207	-	-
Federal Funds	113,670,758	160,370,758	46,700,000	41.1
Federal Funds Nonlimited	21,243,619	21,243,619	-	-
Total Expenditures	5,224,710,987	5,269,431,647	44,720,660	0.9
TRANSPORTATION PROGRAM AREA				
General Fund	25,306,026	25,176,339	(129,687)	(0.5)
Lottery Funds	115,592,980	115,171,361	(421,619)	(0.4)
Other Funds	4,246,477,189	4,245,069,088	(1,408,101)	-
Other Funds Nonlimited	722,456,207	722,456,207	-	-
Federal Funds	124,983,114	171,683,114	46,700,000	37.4
Federal Funds Nonlimited	21,243,619	21,243,619	-	-
Total	5,256,059,135	5,300,799,728	44,740,593	0.9

	2019-21 Legislatively Approved 8/5/2020 E-BD \$	2019-21 Legislatively Approved 8/10/2020 SS \$	2nd Special Session Change \$	2nd Special Session Percent Change %
ADMINISTRATION				
Administrative Services, Dept of				
General Fund	41,867,185	44,356,065	2,488,880	5.9
Lottery Funds	17,457,806	17,169,452	(288,354)	(1.7)
Other Funds	1,134,383,875	1,114,443,860	(19,940,015)	(1.8)
Other Funds Nonlimited	171,701,908	171,701,908	-	-
Federal Funds	1,238,930,000	1,260,780,000	21,850,000	1.8
Total Expenditures	2,604,340,774	2,608,451,285	4,110,511	0.2
Fairs (County and State) – through DAS				
General Fund	1,597,000	1,597,000	-	-
Lottery Funds	3,828,000	3,828,000	-	-
Total Expenditures	5,425,000	5,425,000	-	-
Historical Society – through DAS				
General Fund	2,000,000	2,000,000	-	-
Lottery Funds	412,392	412,392	-	-
Total Expenditures	2,412,392	2,412,392	-	-
Oregon Public Broadcasting – through DAS				
General Fund	1,000,000	1,000,000	-	-
Lottery Funds	915,135	915,135	-	-
Total Expenditures	1,915,135	1,915,135	-	-
Advocacy Commissions Office				
General Fund	756,596	679,492	(77,104)	(10.2)
Other Funds	9,841	9,841	-	-
Total Expenditures	766,437	689,333	(77,104)	(10.1)
Employment Relations Board				
General Fund	2,956,273	2,728,544	(227,729)	(7.7)
Other Funds	2,404,621	2,632,350	227,729	9.5
Total Expenditures	5,360,894	5,360,894	-	-
Government Ethics Commission				
Other Funds	2,903,298	2,964,690	61,392	2.1
Governor, Office of the				
General Fund	16,666,702	15,854,375	(812,327)	(4.9)
Lottery Funds	3,932,736	3,932,736	-	-
Other Funds	3,910,275	4,072,275	162,000	4.1
Total Expenditures	24,509,713	23,859,386	(650,327)	(2.7)

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
Oregon Liquor Control Comm				
Other Funds	247,046,671	245,276,671	(1,770,000)	(0.7)
Total Expenditures	247,046,671	245,276,671	(1,770,000)	(0.7)
Public Employees Retirement System				
General Fund	100,000,000	64,751,802	(35,248,198)	(35.2)
Other Funds	263,256,648	205,968,978	(57,287,670)	(21.8)
Other Funds Nonlimited	12,504,627,192	12,504,627,192	-	-
Total Expenditures	12,867,883,840	12,775,347,972	(92,535,868)	(0.7)
Racing Commission, Oregon				
Other Funds	6,273,714	6,273,714	-	-
Revenue, Dept of				
General Fund	213,103,682	200,088,152	(13,015,530)	(6.1)
Other Funds	126,095,425	139,514,056	13,418,631	10.6
Other Funds Nonlimited	2,255,001	2,255,001	-	-
Total Expenditures	341,454,108	341,857,209	403,101	0.1
Secretary of State				
General Fund	14,158,129	13,847,047	(311,082)	(2.2)
Other Funds	63,888,057	62,414,142	(1,473,915)	(2.3)
Federal Funds	7,887,041	7,887,041	-	-
Total Expenditures	85,933,227	84,148,230	(1,784,997)	(2.1)
State Library				
General Fund	4,200,159	3,990,749	(209,410)	(5.0)
Other Funds	6,987,429	6,987,429	-	-
Federal Funds	5,221,519	5,221,519	-	-
Total Expenditures	16,409,107	16,199,697	(209,410)	(1.3)
Treasurer, Oregon State				
Other Funds	92,726,560	92,726,560	-	-
Total Expenditures	92,726,560	92,726,560	-	-
ADMINISTRATION PROGRAM AREA				
General Fund	398,305,726	350,893,226	(47,412,500)	(11.9)
Lottery Funds	26,546,069	26,257,715	(288,354)	(1.1)
Other Funds	1,949,886,414	1,883,284,566	(66,601,848)	(3.4)
Other Funds Nonlimited	12,678,584,101	12,678,584,101	-	-
Federal Funds	1,252,038,560	1,273,888,560	21,850,000	1.7
Total	16,305,360,870	16,212,908,168	(92,452,702)	(0.6)

	2019-21 Legislatively Approved 8/5/2020 E-BD \$	2019-21 Legislatively Approved 8/10/2020 SS \$	2nd Special Session Change \$	2nd Special Session Percent Change %
LEGISLATIVE BRANCH				
Indian Services, Commission on				
General Fund	841,105	841,105	-	-
Other Funds	7,302	7,302	-	-
Total Expenditures	848,407	848,407	-	-
Legislative Administration Committee				
General Fund	59,088,670	62,101,686	3,013,016	5.1
Other Funds	11,826,630	76,585,190	64,758,560	547.6
Other Funds Nonlimited	19,600,562	19,600,562	-	-
Total Expenditures	90,515,862	158,287,438	67,771,576	74.9
Legislative Assembly				
General Fund	57,068,596	57,068,596	-	-
Other Funds	27,580	27,580	-	-
Other Funds Nonlimited	135,000	135,000	-	-
Total Expenditures	57,231,176	57,231,176	-	-
Legislative Counsel Committee				
General Fund	16,329,031	16,329,031	-	-
Other Funds	2,000,148	2,000,148	-	-
Other Funds Nonlimited	626,570	626,570	-	-
Total Expenditures	18,955,749	18,955,749	-	-
Legislative Fiscal Officer				
General Fund	8,143,531	8,143,531	-	-
Other Funds	4,435,155	4,435,155	-	-
Total Expenditures	12,578,686	12,578,686	-	-
Legislative Policy and Research Office				
General Fund	12,257,100	12,257,100	-	-
Legislative Revenue Officer				
General Fund	3,169,865	3,169,865	-	-
LEGISLATIVE BRANCH PROGRAM AREA				
General Fund	156,897,898	159,910,914	3,013,016	1.9
Other Funds	18,296,815	83,055,375	64,758,560	353.9
Other Funds Nonlimited	20,362,132	20,362,132	-	-
Total	195,556,845	263,328,421	67,771,576	34.7

	2019-21 Legislatively Approved	2019-21 Legislatively Approved	2nd Special Session Change	2nd Special Session Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
MISCELLANEOUS				
Emergency Board				
General Fund	10,287,672	210,287,672	200,000,000	1,944.1
Total Expenditures	10,287,672	210,287,672	200,000,000	1,944.1
Special Purpose Appropriations	235,970,129	304,146,094	68,175,965	28.9
MISCELLANEOUS PROGRAM TOTAL				
General Fund	246,257,801	514,433,766	268,175,965	108.9
Total	246,257,801	514,433,766	268,175,965	108.9
Special Purpose Appropriations (SPA)				
State Salary Compensation	200,000,000	200,000,000		
Non-State Compensation	-	-		
ODF - Fire	2,000,000	2,000,000		
PDSC - Financial System	2,000,000	-		
ODFW - Conservation Fund	1,000,000	-		
DHS - In Home Services	4,000,000	-		
PDSC - Defense Services	16,124,035	-		
OJD/DAs - Grand Juries	3,000,000	-		
OHA - Youth Health Needs	5,700,000	-		
PDSC/DOC - Vehicle Use	1,000,000	-		
SOS - Prepaid Postage	1,146,094	1,146,094		
DOJ - Child Advocacy Centers		1,000,000		
OHA/DHS - Caseloads and Other Issues		100,000,000		
SPA Totals	235,970,129	304,146,094		

	2019-21	2019-21	2nd Special	2nd Special
	Legislatively	Legislatively	Session	Session
	Approved	Approved	Change	Percent Change
	8/5/2020 E-BD	8/10/2020 SS		
	\$	\$	\$	%
STATE OF OREGON TOTAL EXPENDITURES				
General Fund	22,427,367,611	21,946,292,206	(481,075,405)	(2.1)
Lottery Funds	1,258,968,067	1,445,701,709	186,733,642	14.8
Other Funds	21,626,577,947	21,606,989,761	(19,588,186)	(0.1)
Other Funds Nonlimited	20,375,166,281	20,358,109,360	(17,056,921)	(0.1)
Federal Funds	22,766,084,317	24,661,150,429	1,895,066,112	8.3
Federal Funds Nonlimited	6,222,372,578	6,772,372,578	550,000,000	8.8
Total Expenditures	94,676,536,801	96,790,616,043	2,114,079,242	2.2
STATE OF OREGON TOTAL EXPENDITURES				
General Fund	22,427,367,611	21,946,292,206	(481,075,405)	(2.1)
Lottery Funds	1,258,968,067	1,445,701,709	186,733,642	14.8
Other Funds	42,001,744,228	41,965,099,121	(36,645,107)	(0.1)
Federal Funds	28,988,456,895	31,433,523,007	2,445,066,112	8.4
Total Expenditures	94,676,536,801	96,790,616,043	2,114,079,242	2.2