

2019-21

BUDGET HIGHLIGHTS



Legislative Fiscal Office
September 2019

**State of Oregon
Legislative Fiscal Office**

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To the Members of the Eightieth Oregon Legislative Assembly:

Following is the *2019-21 Budget Highlights*, which provides summary information on the legislatively adopted budget; legislative actions affecting the budget; program areas and agencies; state bonding and capital construction; budget notes; information technology; fiscal impact statements; substantive bills with a budget effect; and appendices containing detailed data.

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

Ken Rocco
Legislative Fiscal Officer

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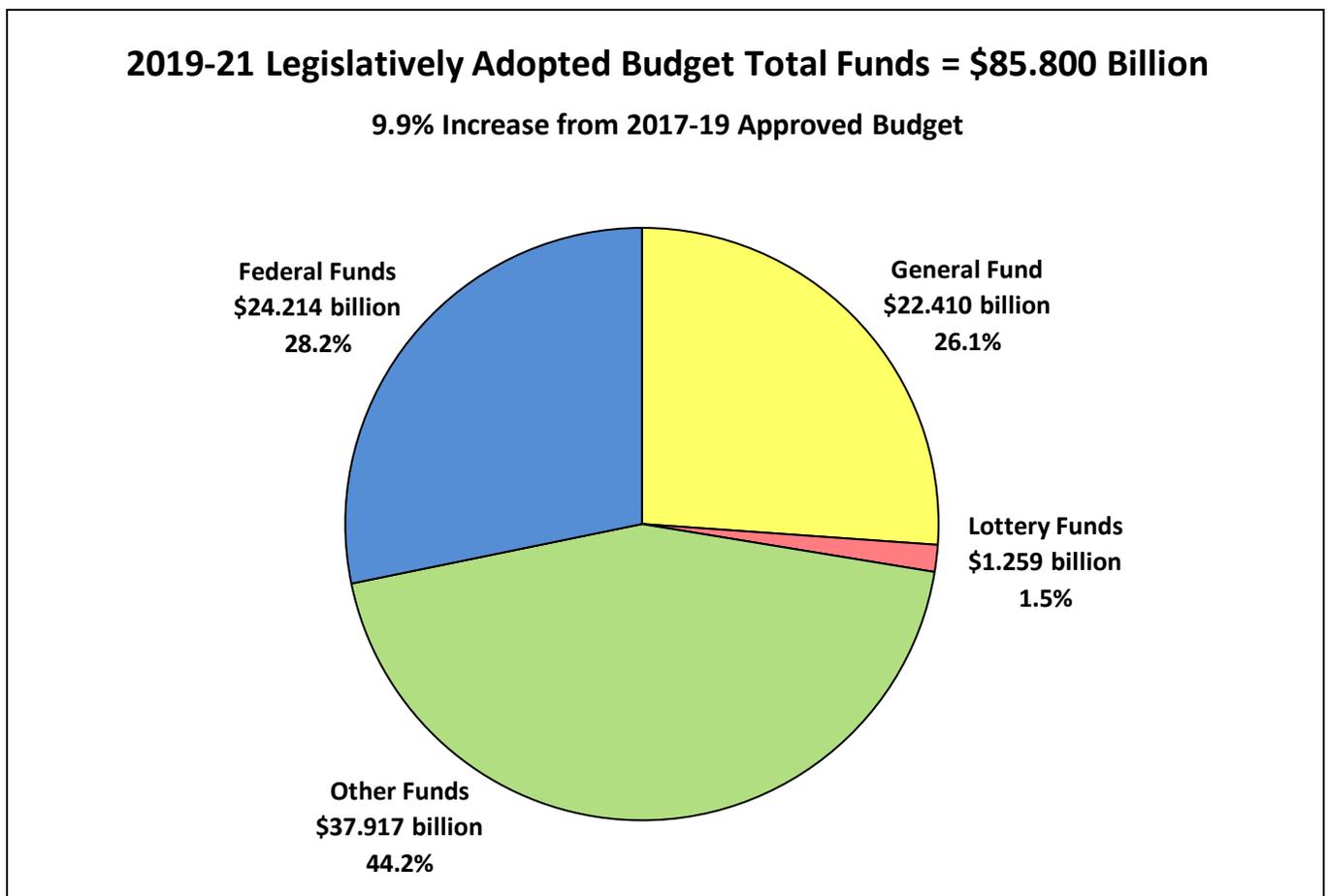
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Summary of the 2019-21 Legislatively Adopted Budget

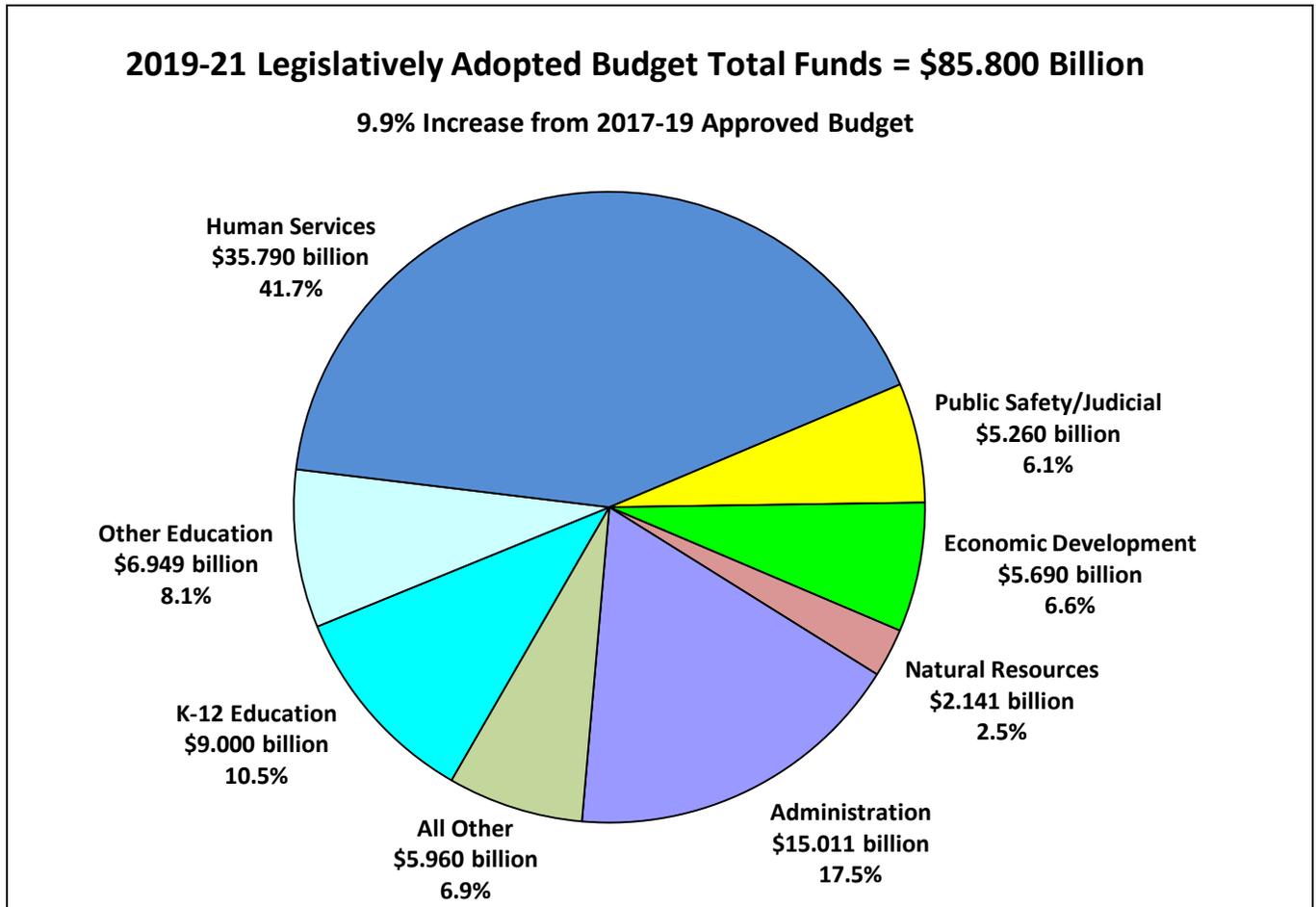
Overview

The legislatively adopted budget (LAB) for the 2019-21 biennium is \$85.8 billion total funds, an increase of \$7.8 billion (or 9.9%) from the 2017-19 legislatively approved budget of \$78.0 billion. The increase between the two biennia is largely due to the authorization to spend \$2.5 billion more in General Fund and \$4.1 billion more in Other Funds in the 2019-21 biennium than was spent in 2017-19. The 12.6% increase in General Fund expenditures continues a trend of biennial double-digit percentage increases.

The LAB includes \$23.7 billion in combined General Fund and Lottery Funds, \$37.9 billion Other Funds, and \$24.2 billion Federal Funds. The 2017-19 biennial increase was 3.6%, which was the second smallest increase between biennia since 1987-89. The 2019-21 biennial increase of 9.9% represents significant growth in Other Funds Limited due primarily to the approval of \$1.175 billion in revenue from a new commercial activities tax (this is further discussed in the Major Revenue Bills section of this document). The healthy increase in General Fund and Other Funds was somewhat offset due to a relatively small increase in total Federal Funds. The eventual 2019-21 approved budget will change from the adopted level, since changes in Other Funds expenditure limitation and receipt of federal funding will likely increase over the course of the biennium. Additionally, if there is a change in the anticipated revenue for the biennium, the Legislature may elect to (in the case of additional revenue) or need to (in the case of revenue shortfalls) make adjustments to the budget.



A constitutional amendment adopted by the people in November 2010 changed the historical Oregon biennial session process into annual sessions. The odd-numbered year session is limited to 160 calendar days and allows for an organizational session where action on bills is prohibited. The even-year session is limited to 45 calendar days. In each case, the Legislature, by a two-thirds vote, can extend the session by five calendar days. For the 2019 regular session, the Legislature organized in mid-January and began session activities on January 22nd, and completed business on 30th, meeting the constitutional deadline.



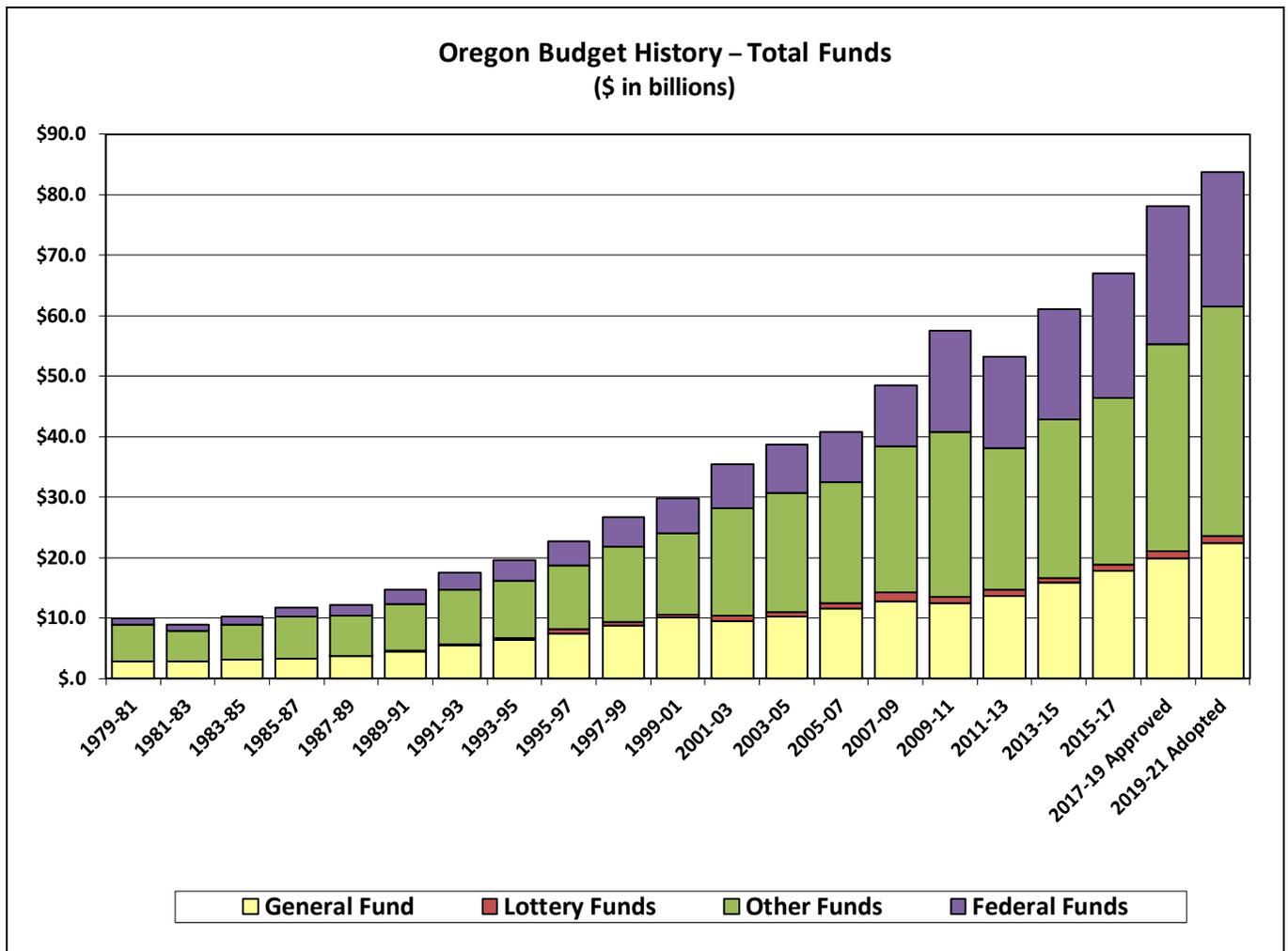
To implement the budget decisions made during the 2019 regular session, besides individual agency budget bills, the Joint Committee on Ways and Means moved the following bills that determined the final pieces of the 2019-21 adopted budget:

- HB 5050 – Emergency Fund and omnibus budget reconciliation
- HB 2377 – non-appropriation program changes to implement budget decisions
- HB 5005 – bonding authorization
- HB 5006 – capital construction
- HB 5029 – lottery and Criminal Fine Account allocations
- HB 5030 – lottery bonding authorization
- HB 5038 – Tobacco Settlement Funds Account

Details of the content of these bills are described later in this document.

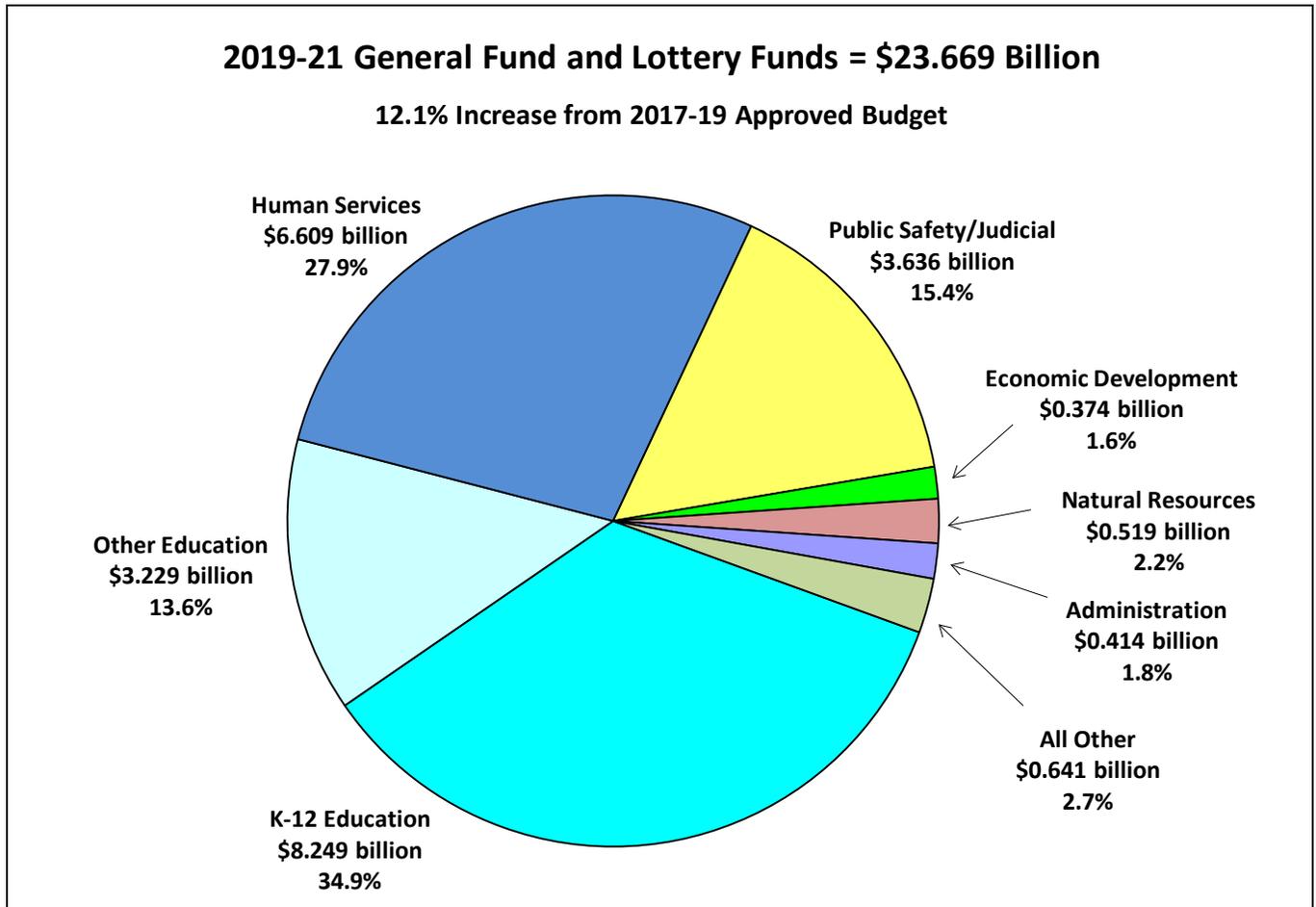
With respect to the overall development of the 2019-21 LAB, highlights of the 2019 session budget process were:

- An organizational session was held in mid-January followed by the convening of the odd-numbered year regular session on January 22nd.
- The release of a Joint Committee on Ways and Means Co-Chair Multi-Biennial budget plan in March that included expenditure targets by program area.
- Planning and executing a budget rebalance for the 2017-19 biennium by the end of February.
- A series of community hearings on the budget were held by the Joint Committee on Ways and Means earlier in the session than in previous years. The hearings, which occurred between March 9th and March 21st, were held in Coos Bay, Pendleton, Redmond, and Portland.
- In addition to the 106 budget bills heard and passed by the Joint Committee on Ways and Means (and its seven subcommittees), the Committee also had 392 policy bills referred to it, of which 123 received at least a public hearing and 121 were passed out of the Committee to either the Senate or House floor for further action. Ultimately, 112 were passed by the Legislature. Budget decisions and the development of budget documentation occurred in a timely manner that enabled the Legislature to complete its business by the constitutional deadlines. Legislation passed to establish the annual session process allows for 160 calendar days for the odd-numbered year session, which forced *sine die* by June 30th; the session ended on June 30th.



General Fund and Lottery Expenditures

Combined General Fund and Lottery Funds expenditures for the 2019-21 biennium, as a result of 2019 legislative session actions, total \$23.7 billion, up \$2.6 billion (or 12.3%) from the legislatively approved budget for the 2017-19 biennium. General Fund appropriations increased by \$2.5 billion (or 12.6%) in the adopted budget over the 2017-19 approved level, while the net Lottery Funds expenditure limitation increased by \$99.2 million (or 8.6%).



Planning for the 2019-21 budget started in the spring of 2018 with the development of an official estimated tentative budget for the coming biennium. Under statute, that estimate is made jointly by the Department of Administrative Services and the Legislative Fiscal Office. This tentative budget calculation is provided to give decision makers a point-in-time estimate of the state's relative fiscal position for the coming two-year budget period; it is not a guarantee of funding for any agency or program. It is based on the projected revenues for the next two budget years and the "current service level" budget which is the amount needed to continue all currently approved programs, services, and revenue sources for the next two budget years.

The initial tentative budget, published in November 2018, showed a General Fund budget gap of about \$623 million. After the November 2018 election, the gap was recalculated to be \$647 million due to changes in the state's revenues in the December 2018 forecast. The gap was recalculated again after the March 2019 economic and revenue forecast at \$585 million. It was at this point that the Co-Chairs released the Multi-Biennial Budget Plan for the 2019-21 biennium. The Multi-Biennial Plan provided a

summary of General and Lottery Fund target expenditures in each program area for the 2019-21 biennium and also provided tentative forecasts of future biennial budgets based on the 2019-21 budget.

The Co-Chair plan provided each of the Joint Committee on Ways and Means Subcommittees a starting point for determining final budget decisions by program area. For the Target Reduction Lists, the Co-Chairs directed the Subcommittees to review prioritized program lists and reduction options to come up with plans to achieve each Subcommittee target. This approach was also intended to help spread and identify areas for enhancement and reduction in agency costs sufficient to balance to forecasted resources and to make strategic investments and set priorities.

For the 2019-21 biennium, the Co-Chairs, in their Multi-Biennial Budget Plan, set an initial General Fund and Lottery Funds budget of \$23.2 billion, with a \$519.2 million planned ending balance. In terms of actual dollar amounts, this is the largest General Fund/Lottery Funds ending balance that has been recorded in Oregon and represents 2.3% of expenditures.¹ The ending balance at close of session has not been at 2% or more since the 2009-11 biennium.

The approved ending balance allows for the 1% ending balance that is statutorily required for deposit into the Rainy Day Fund and another 1% as a reserve to protect against potential revenue declines and to provide some protection from unsustainable growth in future biennia of programs approved in 2019.

The revenue assumption of \$23.7 billion General Fund and Lottery Funds used to build the Co-Chair plan was from the March 2019 economic and revenue forecast. Projected resources for 2019-21 increased by \$900 million in the May 2019 economic and revenue forecast, at which time final budget adjustments were made. The May forecast included General Fund increases for both the 2017-19 biennium and the 2019-21 biennium. The change for the 2017-19 biennium resulted in an anticipated “kicker” in the amount of \$1.4 billion. The net change was an additional \$887 million in available General Fund resources for the 2019-21 budget as compared to the March 2019 forecast.

The total funds adopted budget is \$5.5 billion more than the 2019-21 current service level calculation, including the adopted General Fund and Lottery Funds budget at \$23.7 million (or 0.6%) below the calculated 2019-21 current service level budget. This reduction from the current service level was due to the use of new Other Fund resources in lieu of General Fund. General Fund and Lottery Funds comparisons by program area can be found in the following table.

¹ There were legislatively approved budgets with larger ending balances from a percentage perspective. For example, the 1989 legislatively approved budget left a General Fund ending balance of 2.5% of expenditures, equaling \$118.7 million General Fund.

| General Fund and Lottery Funds | | | | | | | |
|--|-----------------|--------------------------------|-------------------------------|-------------------------------|---|--|---|
| (\$ in millions) | | | | | | | |
| PROGRAM AREA | 2015-17 Actual | 2017-19 Legislatively Approved | 2019-21 Current Service Level | 2019-21 Legislatively Adopted | | % Change 2019-21 Adopted from 2017-19 Approved | % Change 2019-21 Adopted from 2019-21 CSL |
| State School Fund | 7,352.5 | 8,118.6 | 8,686.3 | 8,248.8 | * | 1.6 | (5.0) |
| Education – Post Secondary | 1,805.1 | 2,016.2 | 2,185.5 | 2,288.9 | | 13.5 | 4.7 |
| Education – Other | 622.1 | 871.1 | 1,053.2 | 939.6 | | 7.9 | (10.8) |
| Human Services – OHA | 2,163.5 | 2,175.4 | 3,190.0 | 2,736.5 | | 25.8 | (14.2) |
| Human Services – DHS | 2,714.0 | 3,203.1 | 3,723.1 | 3,855.1 | | 20.4 | 3.5 |
| Human Services – Other | 11.3 | 13.0 | 14.8 | 17.6 | | 35.2 | 18.9 |
| Public Safety | 2,368.6 | 2,587.8 | 2,716.6 | 2,773.0 | | 7.2 | 2.1 |
| Judicial Branch | 717.4 | 764.8 | 850.1 | 862.4 | | 12.8 | 1.5 |
| Economic Development | 173.1 | 273.3 | 260.9 | 373.8 | | 36.8 | 43.3 |
| Natural Resources | 417.5 | 518.5 | 485.3 | 518.5 | | 0.0 | 6.8 |
| Transportation | 129.5 | 137.1 | 164.2 | 140.9 | | 2.8 | (14.2) |
| Consumer/Business Services | 14.4 | 13.5 | 14.3 | 16.4 | | 22.2 | 14.7 |
| Administration | 254.0 | 286.0 | 282.4 | 414.3 | | 44.9 | 46.7 |
| Legislative Branch | 89.2 | 127.6 | 127.6 | 142.3 | | 11.5 | 11.5 |
| Emergency Fund | 0.0 | 0.0 | 56.0 | 340.8 | | NA | 508.7 |
| TOTAL | 18,832.2 | 21,105.8 | 23,810.1 | 23,668.9 | | 12.1 | (0.6) |
| * State School Fund with Other Funds totals \$9.0 billion in 2019-21 | | | | | | | |

The final legislatively adopted budget is summarized in the following table. It is broken into three sections – resources, expenditures, and ending balance. An explanation of each of these sections follows the table.

| 2019-21 Legislatively Adopted Budget | | | | |
|---|-----------------|-----------------------|-------------------|-----------------|
| May 2019 Forecast Revenues (millions) | General Fund | Lottery Discretionary | Lottery Dedicated | TOTAL |
| Revenues | | | | |
| Beginning Balance | 2,321.6 | 65.3 | 58.3 | 2,445.3 |
| Beginning LF Debt Service Balance | - | 1.3 | - | 1.3 |
| Beginning Balance - HECC Opportunity Grants | - | 7.3 | - | 7.3 |
| 1% Appropriation to Rainy Day Fund | (199.5) | - | - | (199.5) |
| Adjustments | | | | |
| <i>Projected TANS interest costs for 2017-19</i> | (10.4) | - | - | (10.4) |
| Projected Revenues | 21,165.5 | 1,219.0 | 240.9 | 22,625.3 |
| <i>Shared Services Fund (Gain Share)</i> | (45.3) | - | - | (45.3) |
| <i>Lottery Interest Earnings (Forecast)</i> | - | 2.0 | - | 2.0 |
| <i>Lottery ESF Interest Earnings</i> | - | 40.0 | - | 40.0 |
| <i>Lottery Fund Reversions</i> | - | 3.7 | - | 3.7 |
| <i>OBDD LF Beginning Balance (Committed)</i> | - | 3.8 | - | 3.8 |
| Distributions: Education Stability Fund/Counties | | | | |
| <i>Education Stability Fund</i> | - | (262.8) | - | (262.8) |
| <i>County Economic Development</i> | - | (50.2) | - | (50.2) |
| Forecast Revenues | 23,232.0 | 1,029.4 | 299.2 | 24,560.6 |
| Revenue Enhancements/(Reductions): | | | | |
| <i>Tax Expenditures - Sunset Renewal/New (HB 2164)</i> | (70.5) | - | - | (70.5) |
| <i>Corporate Activity Tax - Student Success (HB 3427)</i> | (423.0) | - | - | (423.0) |
| <i>OLCC Fees (SB 248)</i> | 5.2 | - | - | 5.2 |
| <i>DOC Inmate Collections (SB 980)</i> | 0.5 | - | - | 0.5 |
| <i>Court Filing Fees (HB 3447)</i> | 3.1 | - | - | 3.1 |
| <i>DOR Tax Compliance Auditors (HB 5033)</i> | 0.5 | - | - | 0.5 |
| <i>Rural Medical Provider Tax Credit (HB 2847)</i> | (0.2) | - | - | (0.2) |
| <i>DOR Debt Collection Pilot (SB 523)</i> | 2.0 | - | - | 2.0 |
| <i>DAS Operating Fund Transfer (HB 2377)</i> | 50.9 | - | - | 50.9 |
| <i>DAS OSCIO Operating Fund Transfer (HB 2377)</i> | 26.5 | - | - | 26.5 |
| <i>DAS Insurance Fund Transfer (HB 2377)</i> | 10.0 | - | - | 10.0 |
| <i>DOJ Protection and Education Account Transfer (HB 2377)</i> | 46.0 | - | - | 46.0 |
| <i>DCBS Health Insurance Exchange Fund Transfer (HB 2377)</i> | 3.8 | - | - | 3.8 |
| <i>Oregon Medical Board Transfer (HB 2377)</i> | 5.0 | - | - | 5.0 |
| <i>OHA Public Employees' Revolving Fund Transfer (HB 2377)</i> | 15.0 | - | - | 15.0 |
| <i>DSL Portland Harbor Cleanup Fund Transfer (HB 2377)</i> | 3.0 | - | - | 3.0 |
| <i>OJD Legal Aid Account Directed to GF (HB 2377)</i> | 11.9 | - | - | 11.9 |
| <i>Central Government Service Charge Redirection (HB 2377)</i> | (0.5) | - | - | (0.5) |
| <i>CFA Transfer to GF from LAB Actions and Revised Forecast</i> | 13.2 | - | - | 13.2 |
| 2017-19 Rebalance Issues | | | | |
| <i>SB 5544 (OHA)</i> | 3.7 | - | - | 3.7 |
| <i>SB 5511 (DOGAMI)</i> | (0.7) | - | - | (0.7) |
| <i>HB 5019 (ODF)</i> | (3.2) | - | - | (3.2) |
| <i>HB 5050 (DOC)</i> | (3.0) | - | - | (3.0) |
| TOTAL RESOURCES | 22,931.1 | 1,029.4 | 299.2 | 24,259.8 |
| 2019-21 Program Area Expenditures | | | | |
| Education - State School Fund | 7,718.7 | 530.1 | - | 8,248.8 |
| Education - Post-Secondary | 2,184.1 | 144.4 | - | 2,328.5 |
| Education - Other | 899.3 | 0.7 | - | 900.0 |
| Human Services - Oregon Health Authority | 2,719.4 | 14.6 | 2.5 | 2,736.5 |
| Human Services - Department of Human Services | 3,855.1 | - | - | 3,855.1 |
| Human Services - Other | 17.6 | - | - | 17.6 |
| Public Safety | 2,762.5 | - | 10.6 | 2,773.0 |
| Judicial Branch | 862.4 | - | - | 862.4 |
| Economic & Community Development | 204.0 | 149.2 | 20.6 | 373.8 |
| Natural Resources | 274.5 | 15.4 | 228.5 | 518.5 |
| Transportation | 25.3 | 115.6 | - | 140.9 |
| Consumer & Business Services | 16.2 | - | 0.3 | 16.4 |
| Administration | 387.8 | 26.5 | - | 414.3 |
| Legislative Branch | 142.3 | - | - | 142.3 |
| Emergency Board | 340.8 | - | - | 340.8 |
| TOTAL 2019-21 BUDGETED EXPENDITURES | 22,410.0 | 996.6 | 262.4 | 23,668.9 |
| PROJECTED ENDING BALANCES | 521.2 | 32.9 | 36.8 | 590.9 |

Resources

- Resources are based on the May 2019 forecast but are adjusted to account for beginning balances and agency-specific interest earnings that are ultimately included in the budget.
- The General Fund resources from the forecast are adjusted by the estimated amount of interest costs for the use of Tax Anticipation Notes by the Treasury.
- Lottery Funds are reduced by projected distributions for county economic development and transfers to the Education Stability Fund, which are not part of the adopted budget.
- Additional resources approved by the Legislature during the session are identified.
- The amounts of additional tax credits beyond current law as approved by the Legislature are included.
- Actual final resources will be presented in the close-of-session forecast in September.
- Resources also include various expenditures for the 2017-19 biennium that result in a reduction of the projected beginning balance for the 2019-21 budget.

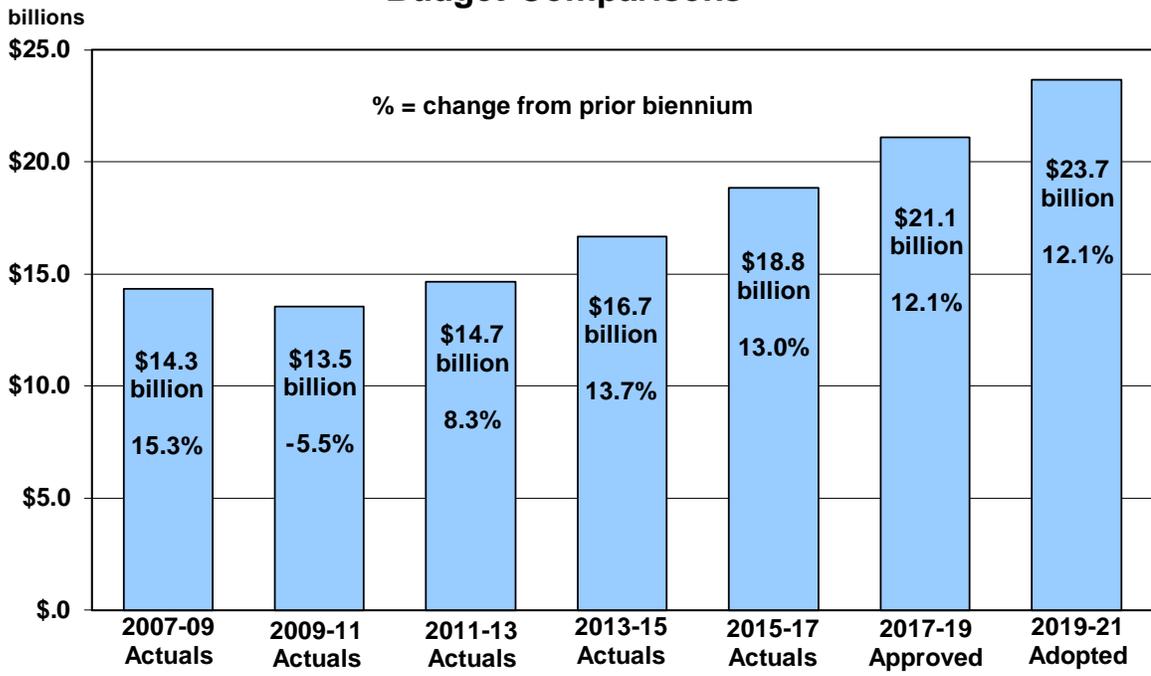
Expenditures

Expenditures are identified as approved by budget actions taken by the Legislature during the 2019 regular session for the 2019-21 biennium, both from agency budget bills and appropriations included in various policy bills. Expenditures do not reflect the effect of the Governor's post-session vetoes as the Legislature must take action on the vetoes during the 2020 session.

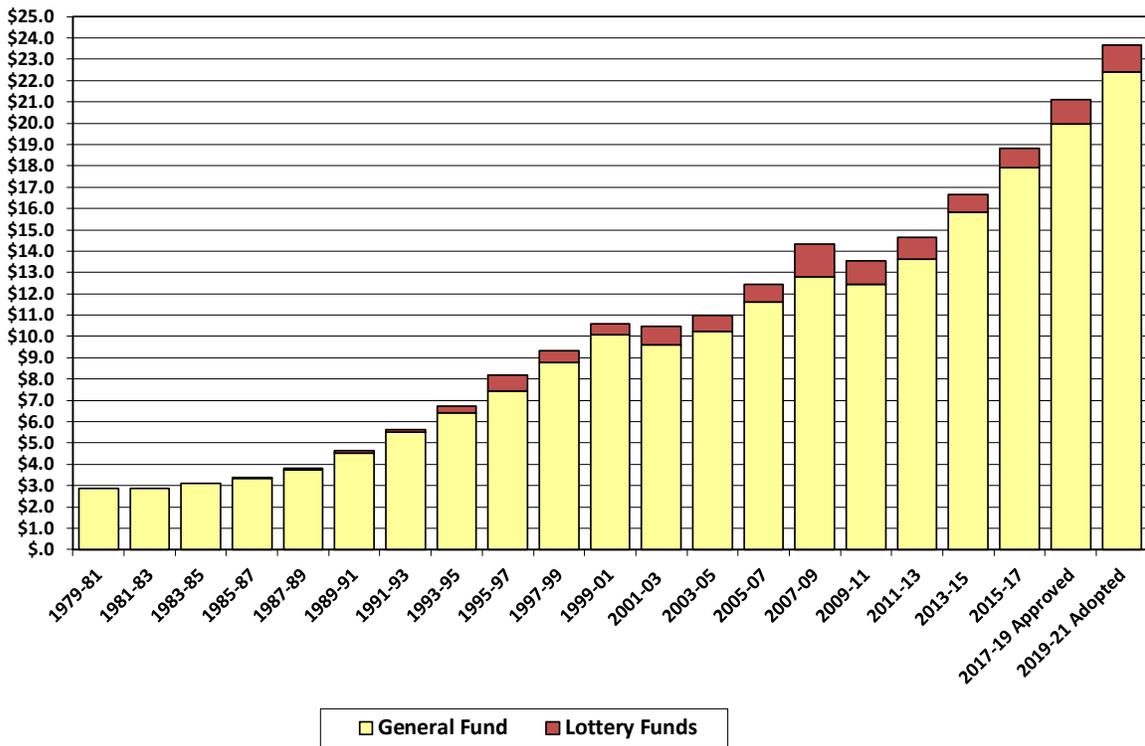
Ending Balance

- Ending balances include \$521.2 million General Fund and \$69.7 million Lottery Funds (including both discretionary and dedicated Lottery Funds); the Lottery Funds ending balance is for salary and benefit adjustments, to protect against allocation reductions in case of future lottery revenue declines, and for other dedicated purposes.
- The General Fund ending balance includes 1% of projected expenditures for deposit into the Rainy Day Fund and another 1% of projected expenditures as a reserve to protect against revenue declines and to assist with future current service level growth. The Rainy Day Fund deposit will occur at the end of the 2019-21 biennium if a sufficient ending balance exists at that time to complete the transfer; under the current projection, one-half of the ending balance would be transferred.
- The General Fund adopted ending balance is the largest in total dollar terms since at least the 1995-97 biennium and the highest in percentage terms since at least the 2011-13 biennium. It should be noted that the 2011-13 ending balance was the highest in percentage terms since at least the 1995-97 biennium.
- Not included in the General Fund ending balance is a larger than usual general purpose Emergency Fund of \$75 million rather than the recent norm of \$30 to \$50 million.
- Projected ending balances are not static and change throughout the biennium with revenue forecast changes; with the September 2019 revenue forecast, the projected General Fund ending balance for the biennium is now \$817.3 million.

General Fund and Lottery Funds Expenditures Budget Comparisons



Oregon Budget History – General Fund and Lottery Funds (\$ in billions)



Lottery Resources and Expenditures

Lottery game earnings are forecast to grow 3.7% over the 2017-19 biennium level. The broader measure of total Lottery resources, however, which includes the beginning balance and reversions, is forecast to total \$1.531 billion in the 2019-21 biennium, a \$19.5 million (or 1.3%) increase over the 2017-19 biennium level. This represents a continued increase in biennial lottery resources that began in the 2015-17 biennium, following three biennia of declines. After a period of rapid growth earlier in the decade, lottery resources declined by 22.4% during the 2009-11 biennium, followed by smaller declines in the 2011-13 and 2013-15 biennia (0.4% and 1.7%, respectively). Lottery resources returned to pre-recession levels in the 2017-19 biennium and exceeded the 2007-09 peak by 7.8%. Although the Office of Economic Analysis anticipates that lottery resources will continue to grow going forward, it is not forecasting a return to the rapid growth rates that occurred when video lottery games were first added.

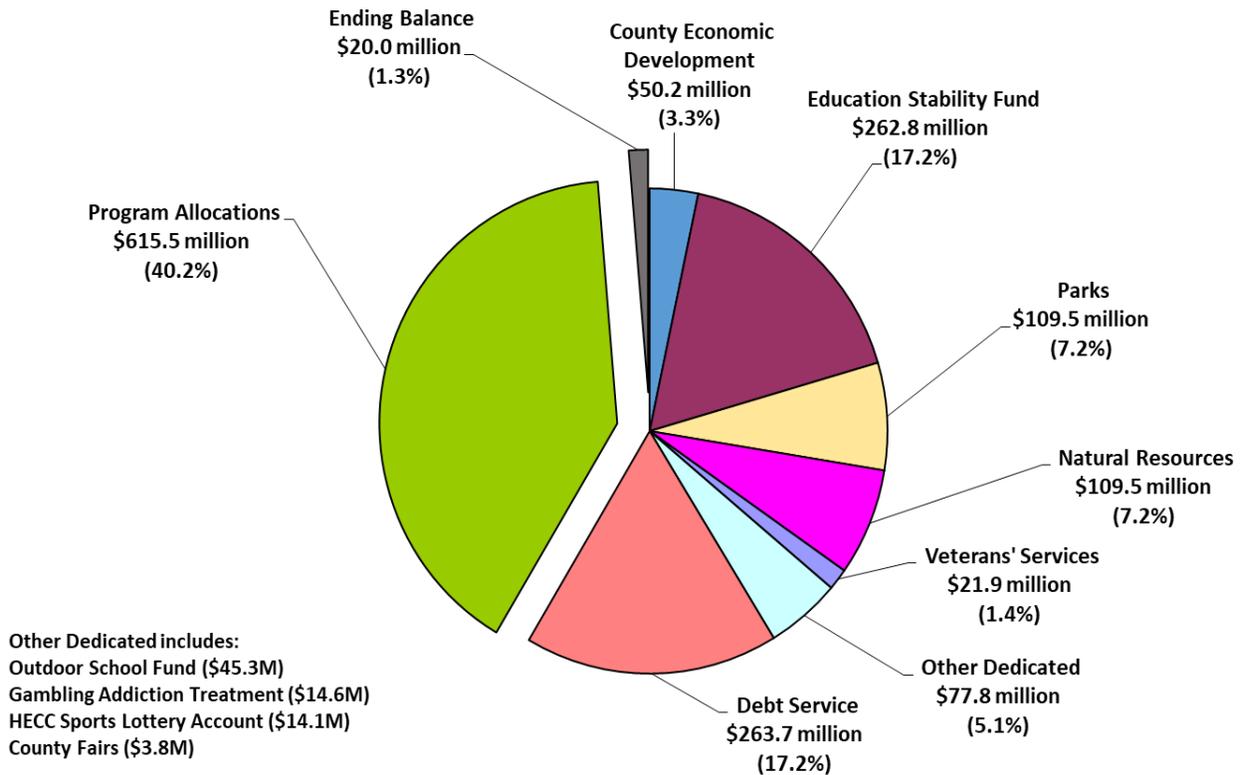
| | 2015-17 Actuals | 2017-19 Legislatively Approved | 2019-21 Legislatively Adopted | Difference 2017-19 to 2019-21 |
|--------------------------------|----------------------------|---|--|--|
| Lottery Game Earnings | \$1,234.4 | \$1,408.4 | \$1,459.8 | \$51.4 |
| Beginning Balance & Reversions | 27.9 | 53.2 | 69.1 | 15.9 |
| Administrative Actions | 0.9 | 47.8 | 0.0 | (47.8) |
| Interest Earnings | 2.0 | 2.0 | 2.0 | 0.0 |
| Total Lottery Resources | \$1,265.3 | \$1,511.4 | \$1,530.9 | \$19.5 |

During the 2017 session, the Legislature anticipated \$1.33 billion of total lottery resources, and adopted a budget that authorized \$1.31 billion of these resources for transfer and allocation, retaining an ending balance of \$19.1 million in the Administrative Services Economic Development Fund (EDF). Actual 2017-19 biennium lottery resources, however, came in approximately \$179.5 million above the level projected during the 2017 session. After the constitutionally-established distributions to the Education Stability Fund and the Parks and Natural Resources Fund, and the EDF allocation adjustments made during the 2018 session, a 2017-19 biennium EDF ending balance of approximately \$65.3 million remained, which was available for the 2019-21 biennium budget.

Total lottery resources are used for four general purposes in the budget: Dedicated Transfers, Debt Service payments, Program Allocations, and the Ending Balance. EDF ending balances (including the \$65.3 million ending balance for 2017-19) are carried forward and become a resource for the next biennium's budget. Beginning in the 2015-17 biennium, Lottery Funds allocations that are unspent and uncommitted at the end of the prior biennium revert to the EDF and become available for re-allocation. During the 2019-21 biennium, \$3.7 million of prior-biennium Lottery Funds allocations to the Oregon Business Development Department that are projected to be unspent and uncommitted at the close of the 2017-19 biennium are forecast to revert to the EDF.

The following chart shows the allocation of lottery resources to dedicated transfers, debt service, program allocations, and the ending balance in the 2019-21 legislatively adopted budget.

Over 58% of Lottery Funds Are Used for Dedicated Transfers and Debt Service



Dedicated Transfers

Certain portions of total lottery resources are dedicated to specific uses by either the Oregon Constitution or by statute. The Legislature, therefore, cannot use these funds for other purposes within the regular budget process. The statutory dedications, however, can be modified by legislation.

There are three constitutionally dedicated transfers and five statutorily dedicated transfers. These dedicated transfers are projected to total \$631.7 million (or 41.3% of total lottery resources) during the 2019-21 biennium, a 6.7% increase over the prior biennium level. The constitutionally dedicated transfers include:

- Education Stability Fund – In 1996, voters dedicated 15% of total net lottery proceeds and administrative action transfers to the Education Endowment Fund. In 2002, in another vote, this fund was renamed the Education Stability Fund (ESF), and the percentage of proceeds transferred to the ESF was increased to 18%. The Constitution limits the balance of the ESF to an amount equal to no more than 5% of General Fund revenues in the prior biennium.

When the ESF balance reaches this limit, transfers into the Fund are suspended. During this suspension, a temporary transfer equal to 15% of net lottery proceeds and administrative actions is transferred to the School Capital Matching Fund to be used to match designated school district capital expenditures. The ESF balance has never exceeded 5% of prior biennium General Fund revenues to date. Dedicated transfers to the ESF are projected to total \$262.8 million in the 2019-21 biennium (up 0.2% from the \$262.1 million transferred in 2017-19).

Of the amount deposited in the ESF, 10% goes into the Oregon Growth Account, which is a subaccount within the ESF. These deposits, which are allocated to illiquid investments, become unavailable for other budget purposes until earnings are declared on the invested funds. After accounting for the Oregon Growth Account deposit, \$236.5 million of Lottery Funds will be transferred to the ESF in the 2019-21 biennium and be available, if needed, for expenditure.

The Lottery Funds transferred to the ESF cannot be spent unless approved by a 3/5 vote in both houses of the Legislature. Certain conditions must be met, however, before such a vote can even take place, which include: the state experiences non-farm payroll employment declines extending for two or more consecutive quarters; the projected General Fund declines exceed levels established in the Constitution; or the Governor declares an emergency to exist.

The conditions allowing expenditure of ESF funds on approval of 3/5 votes without the need for a gubernatorial declaration of emergency were met during the 2009, 2010, and 2011 legislative sessions. During these three sessions, the Legislature approved transferring most of the ESF balance to the State School Fund. During the 2009 session, the Legislature transferred the 2007-09 ESF ending balance of \$393.8 million to the State School Fund to rebalance the 2007-09 biennium budget. During the 2010 and 2011 sessions, a total of \$180.7 million was transferred from the ESF to the State School Fund to rebalance the 2009-11 biennium budget, and a total of \$182.2 million was transferred to the State School Fund in 2011-13. The conditions allowing ESF expenditures without a gubernatorial declaration of emergency have not existed since the 2013 session, and no transfers to the State School Fund have been made during this period. As a result, deposits into the Fund will be retained, and the 2019-21 biennium ESF ending balance is forecast to equal \$856.2 million, a 38.2% increase over the 2017-19 ESF ending balance.

The investment earnings of the ESF, unlike the Fund's corpus, are distributed for expenditures on a regular basis. Investment earnings are distributed as follows: 75% to finance debt service costs on bonds that the Legislature approved for schools in the 1997 and 1999 sessions, and 25% for need-based college scholarships awarded through the Oregon Opportunity Grant program. The Legislature changed the distribution in 2015 to allow any funds dedicated to debt service, but not needed for that purpose, to be redirected to Opportunity Grants instead. As a result, \$39.3 million of earnings that are not needed for debt service will be available for Opportunity Grants in the 2019-21 biennium.

Funds available for these distributions had declined when ESF moneys were transferred to the State School Fund and interest rates fell. During the 2015-17 biennium, earnings distributions for debt service and Opportunity Grants totaled only \$738,000 and \$246,000, respectively. Earnings are increasing again as the ESF balance has grown. Earnings distributions are in addition to the total lottery resources figures noted previously.

- Parks and Natural Resources Fund – The second constitutionally-mandated transfer requires 15% of total lottery net lottery proceeds and administrative actions be dedicated to parks and natural resources. This dedication was established when voters approved Ballot Measure 66 in 1998 and extended and modified the dedication with the approval of Ballot Measure 76 in 2010. A total of \$219 million is forecast to be available for parks and natural resources in the 2019-21 biennium from this dedicated transfer, an increase of 0.2% over the prior biennium. An additional \$49.4 million is carried forward from prior biennium distributions and \$4 million of interest earnings

on dedicated balances are projected during the biennium. The 2019-21 legislatively adopted budget includes \$238.5 million of expenditures using Ballot Measure 76 lottery funds.

- Veterans' Services Fund – The third constitutionally-mandated transfer requires 1.5% of total net lottery proceeds and administrative actions be dedicated to services for the benefit of veterans. This dedication was established when voters approved Ballot Measure 96 in 2016. A total of \$21.9 million is forecast to be available for veterans' services in the 2019-21 biennium from this dedicated transfer, an increase of 0.2% over the prior biennium. An additional \$4.9 million is carried forward from prior biennium distributions. The 2019-21 legislatively adopted budget allocates \$23.9 million from the Veterans' Services Fund to the Department of Veterans' Affairs (\$20.6 million), Bureau of Labor and Industries (\$250,000), Criminal Justice Commission (\$555,000), and Oregon Health Authority (\$2.5 million), retaining a \$3 million ending balance as a reserve against revenue fluctuations and future program needs.

The 2019 Legislature approved temporary, one-biennium changes to all five of the statutorily-dedicated transfers in the 2019-21 biennium budget. The statutory transfer amounts and their modifications for the 2019-21 biennium are:

- 4% of total lottery transfers, but not more than \$5.5 million per quarter adjusted for inflation, is distributed to the Outdoor School Education Fund. The Fund supports the Outdoor School program and is managed by the Oregon State University Extension Service. The Legislature, however, established a fixed allocation of \$45.3 million for the 2019-21 biennium, in lieu of the formula distribution. The allocation is an 88.8% increase over the prior biennium level.
- 1% of total lottery transfers is dedicated to gambling addiction treatment programs operated by the Oregon Health Authority. In lieu of that formula-determined amount, the Legislature fixed the 2019-21 biennium allocation at the 1% of resources figure and approved an allocation of \$14.6 million. This amount will not vary with the level of lottery revenues. The allocation is a 16.8% increase over the prior biennium level.
- 1% of total lottery transfers is dedicated to the public universities for athletic programs and graduate student scholarships. The Legislature approved a fixed allocation of \$14.1 million for the 2019-21 biennium, rather than the percentage distribution. The allocation is a 71.1% increase over the prior biennium level.
- 2.5% of video lottery earnings (not of total lottery resources) is dedicated to counties for economic development programs. The distribution of 2.5% of video lottery earnings to counties is the state's primary shared revenue supporting local economic development programs. In lieu of this transfer, the Legislature established a fixed allocation amount of \$50.2 million for the 2019-21 biennium. This amount represents the forecasted level of the transfer at the full 2.5% rate, with a subtraction to finance one-half of the allocation made to the Governor's Office to support Regional Solutions positions. The allocation to counties is a 21.7% increase over the prior biennium level.
- 1% of total lottery transfers, not to exceed \$1.53 million annually, is dedicated to the County Fair Account for distribution to counties. The maximum amount is adjusted each biennium pursuant to changes in the Consumer Price Index. The Legislature instead, however, established a fixed allocation of \$3.8 million for the 2019-21 biennium. The allocation is equal to the prior biennium level.

Debt Service

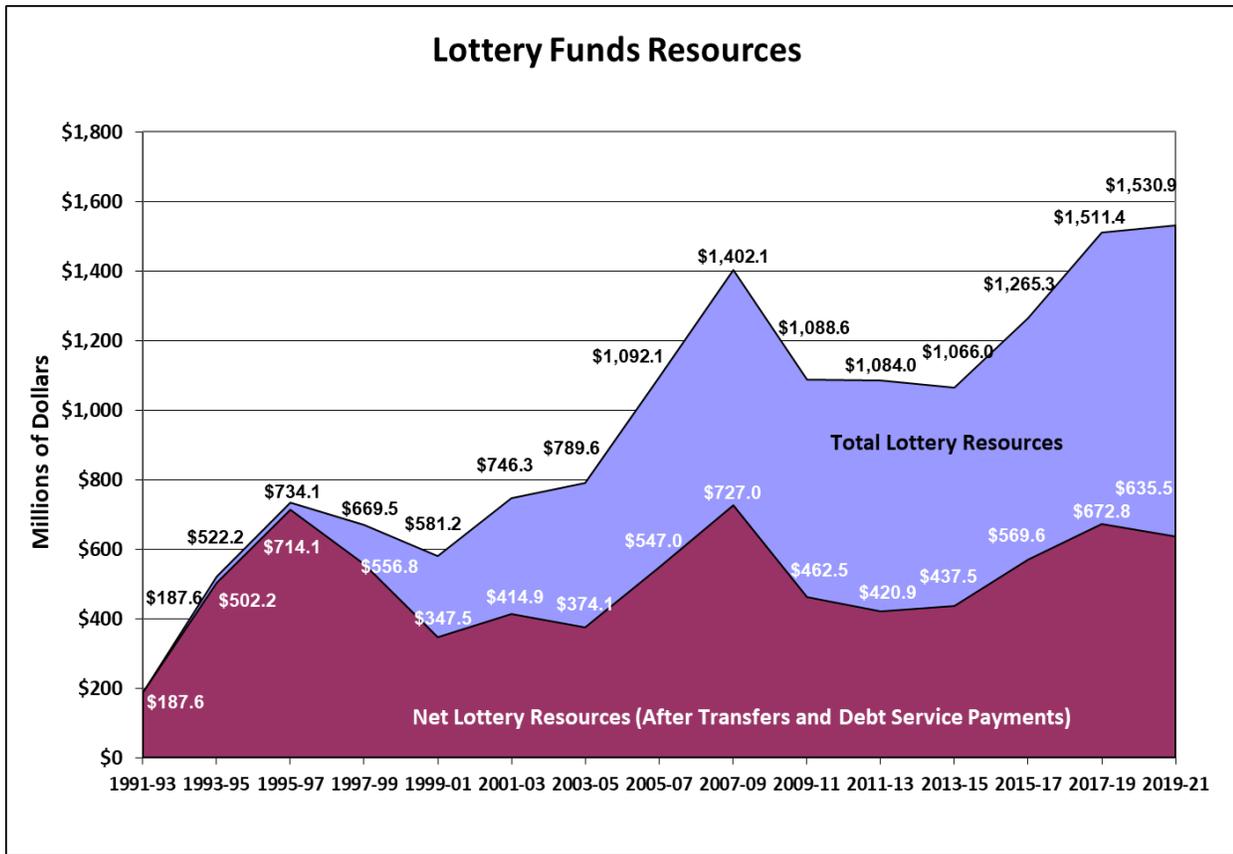
The second categorical use of lottery resources in the budget is to finance debt service costs associated with lottery revenue bonds. The state has issued lottery revenue bonds for a wide number of programs

and projects that support public education or economic development. The state's lottery bond program includes covenants with bondholders guaranteeing that these obligations will be given priority over other uses. For example, the state guarantees that it will not reduce debt service payments on lottery bonds when resources are insufficient to finance all Lottery Funds-financed expenditures in the budget. In such circumstances, the state allocates the full amount of any necessary expenditure reductions to the ending balance and to dedicated transfers or program allocations instead.

The legislatively adopted budget allocates \$263.7 million for debt service costs on outstanding lottery revenue bonds. This amount is equal to 17.2% of total lottery resources and is a 7% increase over the amount allocated for debt service in the prior biennium. Although the budget also supports issuing \$302.5 million of new lottery revenue bonds in the 2019-21 biennium, these bonds will not be issued until spring 2021, with no debt service costs due on the new bonds in the 2019-21 biennium. Debt service on the new bonds is projected to total \$48.3 million in 2021-23, when debt service payments will first become due.

The debt service allocation in the 2019-21 budget supports debt service costs for lottery revenue bonds issued for the Department of Transportation (\$115.1 million), the Oregon Business Development Department (\$48.1 million), public universities and community colleges (\$44.7 million), the Housing and Community Services Department (\$21.7 million), the Department of Administrative Services (\$18.7 million), the Water Resources Department (\$7.6 million), the Department of Energy (\$3 million), the Department of Forestry (\$2.5 million), and the Parks and Recreation Department (\$2.3 million).

In the 2007-09 biennium, debt service payments were equal to 11.5% of total lottery resources. In the 2019-21 biennium, debt service payments equal 17.2% of total lottery resources, which is up slightly from 16.1% in 2017-19. A general bond covenant incorporated in the state's lottery revenue bonds requires the state to restrict debt service costs to no more than 25% of total lottery resources. The State Debt Policy Advisory Commission calculates the capacity for the state to issue additional lottery revenue bonds on this basis.



Net Lottery Resources after Dedicated Transfers and Debt Service

Dedicated transfers and debt service payments have priority claims to lottery resources in statute and in the state Constitution. The resources remaining net of these purposes represent the funds available for two other uses: to be spent as program allocations to support education or economic development programs *in lieu* of General Fund, or to be saved in an ending balance. The amount of net resources available for these purposes is projected to total \$635.5 million in the 2019-21 biennium. This is equal to a \$37.3 million (or 5.5%) decrease from the prior biennium level. The decrease is primarily attributable to the increased 2019-21 allocation to the Outdoor School Education Fund to cover the biennial cost of the program. The dedicated Outdoor School transfer was established in the 2017-19 biennium through the passage of Ballot Measure 99 (2016), but the initial allocation was approved at approximately 55% of the statutory authorization to phase-in the program over its first two years. Additionally, dedicated transfers for county economic development programs and public university sports programs and scholarships were approved at higher amounts in the 2019-21 budget, and the percentage of lottery resources dedicated to debt service also increased.

The \$615.5 million of approved program allocations is a 1.3% increase over the prior biennium level. The allocations are as follows:

- \$530.1 million to the State School Fund.
- \$81.5 million to the Oregon Business Development Department for program and operating costs.
- \$3.9 million to the Governor’s Office for Regional Solutions positions.

A total of \$20 million remains unallocated from the Economic Development Fund and will be retained in the 2019-21 biennium ESF ending balance. The table on the following page compares 2017-19 and 2019-21 Lottery Funds resources and allocations.

LOTTERY FUNDS CASH FLOW SUMMARY

| | 2017-19 Legislatively Approved Budget ¹ | 2019-21 Legislatively Adopted Budget ² |
|---|--|---|
| ECONOMIC DEVELOPMENT FUND | | |
| RESOURCES | | |
| Beginning Balance | \$ 49,016,803 | \$ 65,339,501 |
| Lottery Funds Reversions under ORS 461.559 | 4,174,452 | 3,730,702 |
| REVENUES | | |
| Transfers from Lottery | | |
| Net Proceeds | 1,408,416,655 | 1,459,844,118 |
| Administrative Actions | 47,813,925 | - |
| Other Revenues | | |
| Interest Earnings | 2,000,000 | 2,000,000 |
| Other | - | - |
| Total Revenue | 1,458,230,580 | 1,461,844,118 |
| TOTAL RESOURCES | \$ 1,511,421,835 | \$ 1,530,914,321 |
| DISTRIBUTIONS / ALLOCATIONS | | |
| Distribution to Education Stability Fund | (262,121,504) | (262,771,941) |
| Distribution to Parks and Natural Resources Fund | (218,434,587) | (218,976,618) |
| Distribution for Veterans' Services Fund | (21,843,459) | (21,897,662) |
| Distribution for Outdoor School Fund | (24,000,000) | (45,305,847) |
| Distribution of Video Revenues to Counties | (41,285,992) | (50,231,366) |
| Distribution for Sports Programs | (8,240,000) | (14,099,809) |
| Distribution for Gambling Addiction | (12,498,909) | (14,593,071) |
| Distribution for County Fairs | (3,828,000) | (3,828,000) |
| Allocation to State School Fund | (535,719,907) | (530,146,857) |
| Debt Service Allocations | (246,357,867) | (263,661,510) |
| Other Agency Allocations | (71,752,109) | (85,401,640) |
| TOTAL DISTRIBUTIONS / ALLOCATIONS | \$ (1,446,082,334) | \$ (1,510,914,321) |
| ENDING BALANCE | \$ 65,339,501 | \$ 20,000,000 |
| EDUCATION STABILITY FUND | | |
| (not including the Oregon Growth Account balances) | | |
| RESOURCES | | |
| Beginning Balance | \$ 383,759,084 | \$ 619,668,217 |
| Revenues | | |
| Transfer from the Economic Development Fund | 235,909,354 | 236,494,747 |
| Interest Earnings | 22,366,297 | 40,012,241 |
| Oregon Growth Account Earnings Distributions | 5,184,729 | - |
| Total Revenue | \$ 263,460,380 | \$ 276,506,988 |
| TOTAL RESOURCES | \$ 647,219,464 | \$ 896,175,205 |
| DISTRIBUTIONS | | |
| Oregon Opportunity Grant Program | (26,904,035) | (39,340,946) |
| Debt Service Allocations to Department of Education | (646,991) | (671,295) |
| Treasury Account Fees | (221) | |
| TOTAL DISTRIBUTIONS | \$ (27,551,247) | \$ (40,012,241) |
| ENDING BALANCE | \$ 619,668,217 | \$ 856,162,964 |

1. The 2017-19 Legislatively Approved Budget is based on the May 2019 forecast of 2017-19 resources.

2. The 2019-21 Legislatively Adopted Budget is based on the May 2019 forecast of 2019-21 resources with the adjustments shown for lottery reversions and administrative actions.

3. 2019-21 beginning balance is equal to 2017-19 ending balance.

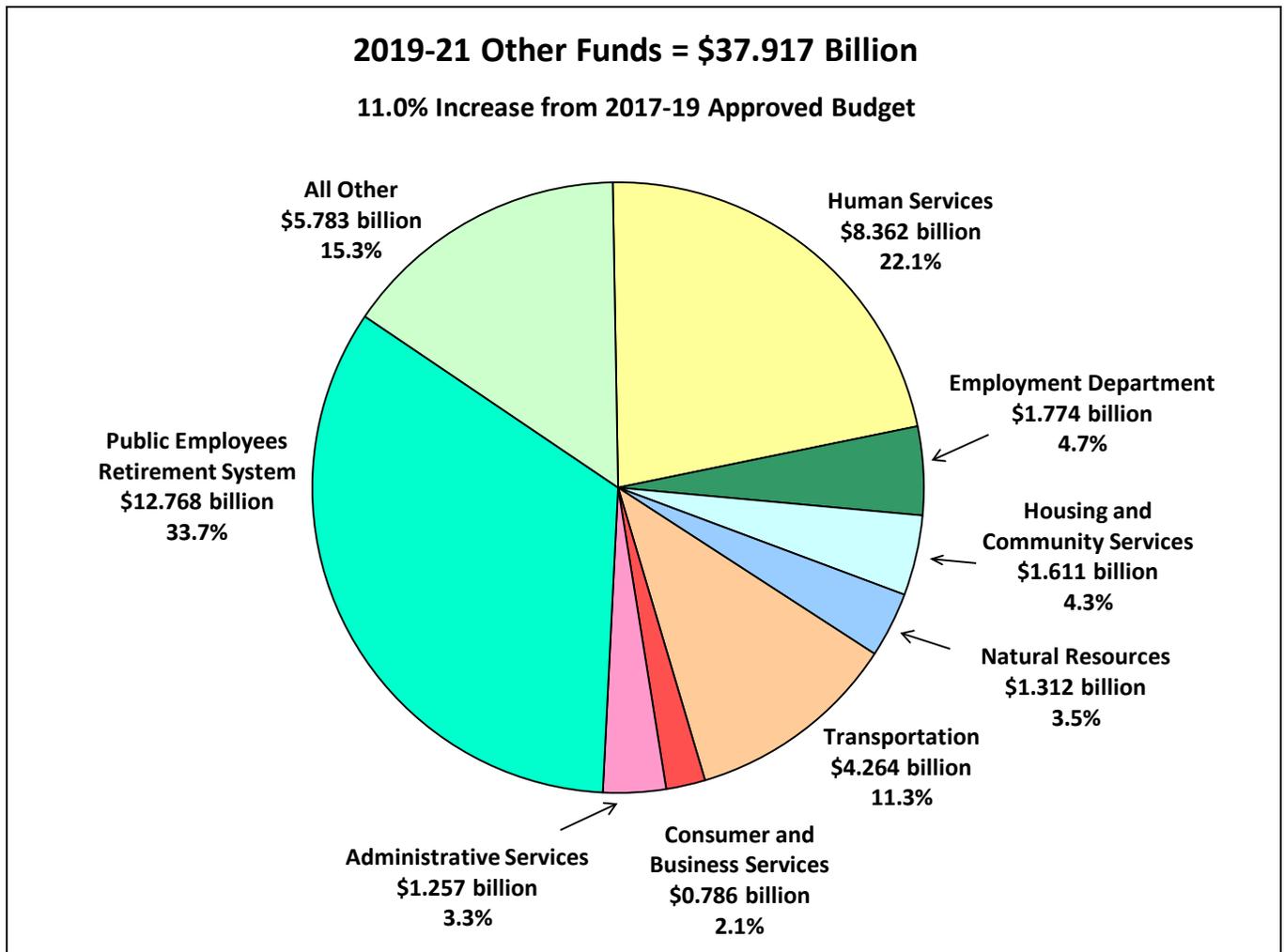
4. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included.

5. Only includes transfers to the main Education Stability Fund account, and not the 10% transferred to the Oregon Growth Account.

Other Funds Expenditures

The 2019-21 legislatively adopted budget provides for the expenditure of \$37.9 billion in Other Funds resources. Other Funds are revenues received by a state agency other than General Fund, Lottery Funds, or Federal Funds that are restricted to defined purposes. Examples include revenue from licenses and fees; charges for service; fines, rents and royalties; interest earnings; bond sale proceeds; sales income; donations and contributions; loan repayments; and certain funds received from the federal government.

Other Funds comprise three categories of expenditures: Limited, Nonlimited, and Non-Adds. Limited Other funds represent agency resources, excluding General Fund and Federal Funds, which are subject to a limitation on how much the agency may spend (referred to as “expenditure limitation”). Nonlimited Other Funds are more difficult to precisely estimate, and must be paid by law, such as trust fund payments. Consequently, no expenditure limitation is placed on agencies when Nonlimited expenditures are authorized. An example of a Nonlimited expenditure is unemployment insurance benefit payments, the level of which is dependent on external factors such as state and national economic conditions. Non-Adds reflect funds that are spent twice within the state’s accounting system. An example is assessments charged against one agency for services provided by a second agency.



The 2019-21 legislatively adopted Other Funds budget is an increase of \$3.77 billion (or 11.03%) over the 2017-19 legislatively approved budget. Significant changes in Other Funds expenditure limitation include the following:

Education

The \$9 billion State School Fund includes \$751.2 Other Funds, an eight-fold increase over the \$85.2 million in 2017-19. The primary reason for this increase is the \$643 million contribution from the new Fund for Student Success. This amount includes \$423 million to offset decreases in projected General Fund revenues because of the lower income tax rates and other revenue changes in HB 3427, a \$20 million increase in the amount for High Cost Disability account, and \$200 million for general distribution to school districts and Education Service Districts (ESDs). The amount of marijuana tax revenues dedicated to the State School Fund is \$103.8 million, an increase of over \$22 million over the amount dedicated in 2017-19.

The major increase in the Other Funds budget for the Department of Education (ODE) is from the new Fund for Student Success established in HB 3427. Almost \$909 million is directed to ODE, including \$472.7 million for Student Investment grants made to school districts beginning in the second year of the biennium. Another \$171.1 million Other Funds is designated for early learning related programs including Early Intervention, Early Childhood Special Education, Oregon Pre-Kindergarten, Preschool Promise, Relief Nurseries, early childhood professional development, a new Equity Fund for early learning programs for underserved populations, and Early Head Start. Finally, \$245.3 million is directed to K-12 programs including nutritional programs (e.g. school lunch program); High School Student Success grants (Ballot Measure 98); summer learning grants; student re-engagement grants, grant and development funds for educational programming for specific populations including Native Americans, Latino students and Black American students; and professional development funds for K-12 educators. This amount also includes funding for assisting districts which are experiencing challenges in meeting student performance goals. Overall, the funding includes resources for 72 new positions in ODE to administer these grants and other programs. Other notable changes in Other Funds for ODE include:

- Transfer of funding for professional development from the former Network for Quality Teaching and Learning to the new Educator Advancement Council, including \$35.8 million Other Funds for grants to Regional Educator Networks across the state.
- \$125 million in proceeds from the issuance of Title IX-P bonds for matching grants to school districts that have passed voter-approved local bonding for new construction or improvements for district facilities. Also included in the budget is \$1.1 million Other Funds for issuance costs for these bonds.

Notable Other Funds changes for the Higher Education Coordinating Commission (HECC) include:

- The Oregon Opportunity Grant program is partially funded with \$14.5 million of the proceeds from the auction of tax credits for the program. This program also relies on \$40 million in investment earnings (Lottery Funds) from the Education Stability Fund.
- An increase of \$2.4 million Other Funds is for staffing and other costs for the education-related Statewide Longitudinal Data System (SLDS) which is transferred to HECC from the Chief Education Office which sunset on June 30, 2019. Funding is from a transfer from ODE with resources from the Fund for Student Success.
- Other Funds limitation is provided for debt service costs on previously-issued bonds, including \$4.9 million for public universities, \$3.1 million for community colleges, and \$48,365 for the Oregon Health and Science University (OHSU). These Other Funds resources are available from excess

proceeds and interest earnings that may be applied to debt service payments that offset the need for General Fund and Lottery Funds.

- Capital construction limitation of \$77.7 million is authorized for two public university projects: \$65 million for capital improvement and renewal projects at all seven public universities and \$12.7 million for a building and research equipment the Oregon Manufacturing Innovation Center (OMIC) R&D campus. Other Funds limitation for public university capital construction projects represents an 80.5% decrease from the 2017-19 legislatively approved budget due to the deferral of remaining projects pending HECC's completion of a 10-Year Strategic Capital Plan for public universities.
- A total of \$24.9 million in capital construction limitation was approved for four projects at community colleges.
- Issuance costs of \$2.2 million Other Funds is also included for the above public university and community college capital projects.

The budget for the Teacher Standards and Practices Commission is increased by almost \$300,000. It is assumed that this increase as well as the use of the ending balance in past biennia will require a fee increase of at least 20%.

Human Services

The Other Funds budget in the Oregon Health Authority reflects a decrease of 2.1% (or \$163.3 million) from 2017-19, but an increase of 11% (or \$758.5 million) from the 2019-21 current service level (CSL) budget. Major Other Funds budget components or actions include:

- The largest Other Funds changes in OHA result from adjustments to provider assessments. HB 2010 (2019) reinstates the insurer assessment at 2% and expands it to include stop-loss insurance premiums. The budget also increases the assessment for diagnostic related group (DRG) hospitals from 5.3% to 6% and the assessment for Type A and B rural hospitals from 4% to 5.5%, both under the fully reimbursable assessment model. Taken together, these changes generate an estimated \$507 million in revenue to support the Oregon Health Plan, inclusive of the amounts necessary to repay DRG and rural hospitals for their share of the assessments.
- The budget makes multiple adjustments to the OHSU intergovernmental transfer agreement (IGT) resulting in increased Other Funds of \$165.7 million and related General Fund savings of \$141 million. First, OHSU's IGT contribution is increased by \$25 million to support the Oregon Health Plan. The remaining Other Funds increase is due to updated revenue estimates consistent with program growth, the use of ongoing IGT revenue initially identified as contingency revenue prior to the program's full biennial roll-out in 2019-21, and an adjustment to reflect the expected level of quality directed payments made by the program.
- \$63.25 million in Other Funds expenditure limitation is removed from the budget to reflect the use of one-time Tobacco Master Settlement Agreement (MSA) revenue in 2017-19, which is not available in 2019-21. The budget also includes a net \$7.1 million decrease to reflect declines in the ongoing level of MSA revenue.
- Due to forecasted changes in the amount of tobacco tax revenue available for Oregon Health Plan and non-Medicaid mental health services, the budget includes a net decrease of \$10.6 million Other Funds. These reductions are backfilled with General Fund to maintain the existing level of services.
- Due to the suspension of the Oregon Common Credentialing Program, the budget removes \$13.8 million Other Funds, which represented anticipated fee revenue had the program continued.
- Other Funds increased by \$14.2 million as a result of increasing retail marijuana tax revenue, which will continue to support non-Medicaid behavioral health services.

- Other Funds in the Public Employees' Benefit Board (PEBB) and the Oregon Educators Benefit Board (OEBB) total almost \$3.9 billion, which reflect a combined increase of \$100.2 million from 2017-19. This change includes an increase of \$17.2 million to pay for PEBB's share of the 2% insurer assessment.

At \$673.9 million Other Funds, the 2019-21 legislatively adopted budget for the Department of Human Services is \$7.1 million (or 1.1%) higher than the 2017-19 funding level. Noteworthy Other Funds budget elements include:

- A total of \$169.1 million from the long term care facility provider assessment, which helps pay for care in nursing facilities. This amount includes \$32.2 million of one-time funding available from 2017-19; the carryforward is used in lieu of General Fund.
- One-time revenue of \$43.9 million in proceeds from Article XI-Q bonds to support the ONE Integrated Eligibility and Medicaid Eligibility project is also part of the agency budget.
- The budget for the Employment Related Day Care (ERDC) program, which helps low-income families pay for child care, includes a total of \$114.3 million Other Funds; this amount supports 63.6% of program costs. While spent as Other Funds, the revenue originates as federal Child Care Development Fund dollars and are passed to the agency from the Oregon Department of Education.

Public Safety and Judicial Branch

The Criminal Justice Commission's Other Funds budget more than quintupled from its 2017-19 legislatively approved amount. Significant changes include:

- Phase-in of marijuana tax revenues (\$1.3 million) to support the Illegal Marijuana Market Enforcement Grant Program created by SB 1544 in 2018.
- A one-time Racial Profiling Data Collection formula grant (\$0.6 million) from the National Highway Transportation Safety Administration, for the Statistical Transparency of Policing (STOP) program.
- A grant from the Laura and John Arnold Foundation (\$0.3 million), for gathering and establishing baseline data on Oregon's pretrial detention system and pretrial jail population.
- Creation of the \$10 million Improving People's Access to Community-based Treatment, Supports, and Services Account, from which the Commission will award grants to counties for behavioral health justice reinvestment initiatives. The fund is capitalized on a one-time basis with \$10 million General Fund.

The Department of Corrections has several significant changes in its Other Funds budget:

- \$47.1 million in Article XI-Q bond proceeds for deferred maintenance projects, camera upgrades and replacements, and radio system upgrades.
- Other Funds expenditure limitation was established for \$0.7 million in cost of bond issuance.
- Fourteen positions were added, and Other Funds expenditure limitation was increased by \$3 million to establish ten work crew leaders, 3 positions to manage the communications system used by adults in custody, and one accountant to manage prison industry and club accounts in the Inmate Welfare Fund.

Other Funds expenditures for the Judicial Branch program area total \$221.9 million, a decrease of \$46 million (or 17.2%) compared to the 2017-19 legislatively approved budget. This decrease reflects the fact that Other Funds for the county share of courthouse construction project costs was not included in the adopted budget. The Judicial Department will seek limitation for the local share of costs later in the biennium. Major changes include:

- \$135 million Other Funds for the state share of courthouse replacement project costs in Clackamas (\$31.5 million), Linn (\$15.9 million) and Lane (\$87.6 million) counties. This brings total state bonding for the Lane and Linn county projects to \$94 million and 32.7 million, respectively. Future requests are anticipated for all three projects.
- \$27.8 million Other Funds for renovation of the Oregon Supreme Court building, including seismic updates, energy efficiency improvements, and various systems and safety code upgrades, bringing the two-biennium total Article XI-Q bond proceeds for this project to \$33.8 million. (The budget also provides \$5.3 million General Fund for project costs that cannot be financed with bonds.)
- \$8.5 million Other Funds to purchase state-owned furniture and equipment for the new Multnomah County Courthouse, bringing the total costs for state-owned furniture, fixtures, and equipment at the facility to \$17.4 million.
- \$6.7 million Other Funds for activities funded from the State Court Facilities and Security Account, including emergency preparedness, court security training, and courthouse capital improvements.

Other Funds expenditure limitation totaling \$2.1 million was added to the Judicial Department budget for the costs of issuing the bonds identified above. These costs will be financed from bond proceeds.

Other Funds expenditures for the Department of Justice total \$351.8 million and are \$19 million (or 5.7%) higher than the 2017-19 legislatively approved budget. Major changes include:

- \$16.7 million for the final statewide expansion of enhanced juvenile dependency representation.
- \$6.9 million to reconcile the intra-agency line item reflecting charges for administrative expenses.
- \$6.3 million reduction to eliminate most double-budgeting of Criminal Justice Division expenditures.
- \$5.6 million for information technology costs, including reinitiating the Legal Tools project.
- \$6 million for additional legal services to state agencies.
- \$4.8 million reduction in the Child Support Division for a revenue shortfall in Temporary Assistance for Needy Families.
- \$3.7 million for the final phase of the Child Support Division's Child Support Enforcement Automated System information technology project.
- \$3.1 million reduction to remove excess or unneeded expenditure limitation, primarily in the Civil Enforcement Division and the Mortgage Mediation program.
- \$2.2 million for child support enforcement legal services.
- \$1.1 million reduction due to the elimination of vacant positions and associated services and supplies.

Other Funds expenditure limitation is increased in the Military Department by:

- \$21.9 million in Article XI-Q bond proceeds for Salem and Pendleton Army Aviation Facilities upgrades, Salem and Anderson Readiness Center renovations, an Armory Service Live Extension Project at the Jackson Armory in Portland, and to construct exhibition spaces at the Oregon Military Museum in Clackamas, Oregon.
- \$0.3 million for the cost of bond issuance.
- \$0.3 million for the Youth Challenge Program.
- \$0.2 million to leverage \$2.5 million of Federal Funds and support the establishment and/or reclassification of 11 positions at armory locations throughout the state.
- \$0.3 million of Other Funds expenditure limitation for the Fuel Storage Facility Compatibility Grant program.

The Public Defense Services Commission Other Funds expenditures were increased by \$305,853 to allow expenditure of revenues from the Application Contribution Program for contracted public defense costs. The funds will be used to restore a position in the Application Contribution Program.

In the Department of Public Safety Standards and Training:

- Two full-time training positions (1.50 FTE) and \$0.3 million Other Funds expenditure limitation were added to the Statistical Transparency of Policing (STOP) program.
- One ongoing position and \$0.2 million of Other Funds expenditure limitation was added to the Private Security and Investigators program.
- Four basic police training classes are reduced, eliminating 8 positions and \$2.6 million in Criminal Fines Account funding.
- Deferred maintenance projects at the Public Safety Campus will be addressed with \$0.4 million Other Funds from the Criminal Fines Account.
- A one-time reduction of \$2.3 million was taken from the agency's Criminal Fines Account allocation for the agency to spend down its fund balance in the 2019-21 biennium.

The Other Funds budget for the Department of State Police increased by 4.1% over the 2017-19 legislatively approved budget, due in part to a fund shift of \$8.5 million from General Fund to marijuana tax revenues. Additionally:

- \$2 million Other Funds expenditure limitation and 5 positions (5.00 FTE) are added for the fee-supported Ignition Interlock Device Program, which was transferred from the Department of Transportation to the Department of State Police as of July 1, 2019.
- \$2.4 million and 5 positions (5.00 FTE) are added from the Department of Fish and Wildlife (ODFW) Anti-Poaching Initiative. Funds are transferred from ODFW for the program.
- \$2 million of Other Funds expenditure limitation is provided to correct imbalances between revenues and expenditures in various agency programs.
- Expenditure limitation is increased by \$3.6 million to allow the Regional Hazardous Materials Emergency Response Team to spend accumulated fund balance on vehicle and equipment replacements, and to accommodate a Petroleum Load Fee increase expected to generate an additional \$840,000 in revenue to support the program in 2019-21.

A total of \$6.4 million of Other Funds expenditure limitation was approved for the Oregon Youth Authority's Capital Construction program to renovate medical and dental clinics at the Tillamook, MacLaren, and Oak Creek youth correctional facilities, and to renovate control rooms at OYA facilities throughout the state. Other Funds expenditure limitation was increased by \$0.8 million for the cost of bond issuance on \$34.4 million of Article XI-Q bonds for the projects noted above and for projects authorized in 2017-19.

Economic and Community Development

Other Funds expenditure limitations for the Oregon Business Development Department increased by \$213.2 million (or 34.2%) over the 2017-19 legislatively approved budget. Significant increases are primarily related to bond proceeds authorized for the Department's programs, including:

- \$120 million of general obligation bonds for seismic rehabilitation grants to schools and emergency services facilities.
- \$50 million of lottery revenue bond proceeds to capitalize the Special Public Works Fund (\$30 million), Levee Project Grant Fund (\$15 million), and Brownfields Redevelopment Fund (\$5 million).

- \$38.4 million of lottery revenue bond proceeds for legislatively-identified infrastructure projects.
- \$15 million of lottery revenue bond proceeds to reauthorize the Port of Coos Bay Channel Deepening Project.
- \$3 million of lottery revenue bond proceeds for cultural organization capital projects.
- \$3.4 million for bond costs of issuance, which are financed from bond proceeds.

In addition to bond related expenditures, \$10 million of Other Funds limitation was also established for distribution of grants from the new University Innovation Research Fund.

The 2019-21 Other Funds legislatively adopted budget for the Employment Department increased by 25.8% from the 2017-19 legislatively approved budget. The increase in Other Funds expenditures is primarily due to the following Other Funds investments:

- Statewide roll out of three job placement programs for clients of the Department of Human Services (\$9.4 million Other Funds, and 41 positions [41.00 FTE]).
- Continuing efforts to modernize the Department's information technology systems (\$13.7 million Other Funds, and 37 positions [28.63 FTE]). Deliverables include the initiation and procurement of a replacement system for Unemployment Insurance tax and benefits administration.

Other Funds Nonlimited expenditures increased 11% over the prior biennium. This expenditure represents the projected amount of unemployment insurance benefit payments to be made during the 2019-21 biennium.

Increases in Other Funds expenditure limitation for the Housing and Community Services Department (HCSD) was the result of additional funding for several new and existing programs. Other Funds expenditures approved for HCSD were 70.8% higher than the 2017-19 legislatively approved budget due, in part, to significant additional investments funded through bond proceeds, which require Other Funds expenditure limitation. Other Funds expenditures of note include the following:

- \$150 million plus cost of issuance associated with the approval to issue Article XI-Q bonds for the Local Innovation and Fast Track Housing program which is projected to finance 2,168 rental units for low income Oregonians.
- \$50 million plus cost of issuance for Article XI-Q bonds to finance an estimated 500 units of permanent housing with social service supports for populations that are likely to suffer chronic homelessness. It is assumed that 200 of those units will be available by the end of the biennium.
- Expenses related to rental assistance payments on 200 units of permanent supportive housing, totaling \$2.9 million, transferred to HCSD by the Oregon Health Authority.
- \$15.3 million related to lottery bond proceeds that will seed a revolving loan fund to finance the acquisition of market rate, naturally occurring affordable housing, keeping these properties available to low and median income Oregonians.
- \$25.4 million associated with preservation of an estimated 400 units of existing affordable housing and manufactured dwelling parks.
- Additional staffing to effectively manage, administer, and report on additional housing investments totaled \$8 million for 38 (39.50) positions.
- New federal rules require additional inspection of housing units with affordability contracts, resulting in \$2.7 million in additional Other Funds expenditure limitation and 7 (6.16 FTE) additional positions.
- Deploying remaining Troubled Asset Relief Program awards associated with the Hardest Hit program totals \$3.9 million Other Funds and 20 positions (17.25 FTE).

- The Document Recording Fee is expected to generate \$88.8 million in the 2019-21 biennium (compared to an estimated \$61.4 million in 2017-19) and will be utilized to fund emergency housing services and to finance multifamily and single-family low-income housing. Per statute, 25% of this source of revenue is dedicated to services and housing for veterans.
- Temporary Assistance to Needy Families funding transferred from the Department of Human Services for rental assistance and services for families with children who are homeless or at risk of homelessness is budgeted at \$15.5 million for the 2019-21 biennium. Of this amount, \$5 million is associated with Housing and Community Services' Housing Stabilization Program and \$10.5 million is associated with a pilot program which will award funding to collaborative partnerships, as outlined in HB 2032 (2019).

Other Funds limited expenditures for the Department of Veterans' Affairs total \$108.5 million and are \$8.4 million (or 7.2%) less than the 2017-19 legislatively approved budget. This reduction is mainly due to the phase-out of capital construction limitation (\$16.4 million) provided in the 2017-19 biennium for capital improvements at The Dalles and Lebanon Veterans' Homes and construction of the Roseburg Veterans' Home. The decrease is net of \$5.3 million Other Funds expenditure limitation added in the 2019-21 budget for new investments, including:

- \$4.1 million in lottery bond proceeds for a grant to the YMCA of Marion and Polk Counties to construct veterans' affordable housing in Salem and associated bond costs of issuance.
- \$500,000 for improvements to the Department of Veterans' Affairs' office building.

Other Funds Nonlimited expenditures for the Department of Veterans' Affairs total \$408.8 million and are \$38.8 million (or 8.7%) less than the 2017-19 legislatively approved budget due to limitation that was administratively added to the 2017-19 budget to accommodate increased veterans' home loan originations in that biennium.

Consumer and Business Services

The Other Funds budget for the Department of Consumer and Business Services (DCBS) increased by \$123.4 million (or 27.1%) to \$578.5 million in the 2019-21 biennium as compared to the 2017-19 biennium. The largest single item included in the DCBS budget is one-time expenditure limitation of \$101.3 million Other Funds to allow the Department to make payments to insurers under the Oregon Reinsurance Program established by HB 2391 (2017). Significant additional Other Funds limitation increases include \$1.7 million for contracted professional information technology services and the establishment of a permanent manager position in the Workers' Compensation Division to continue planning efforts to modernize the agency's workers' compensation claims information technology system, and \$1.15 million to support ongoing payments of insurance premiums and out of pocket expenses for qualified program participants in the Compact of Free Association (COFA) Islander health insurance premium assistance program.

The Bureau of Labor and Industries (BOLI) Other Funds budget of \$14 million represents an 11% increase over the 2017-19 legislatively approved budget, due primarily to the addition of an accounting position (1.00 FTE) in the Wage and Hour division which will be paid with revenue from the Wage Security Fund. A new part time Office Specialist position was also approved (0.25 FTE) and is intended to be supported by fees assessed to property service (janitorial) contractors.

The Other Funds budget for the Public Utility Commission increased \$3.3 million (or 7.2%) over the 2017-19 legislatively approved budget. Increases include:

- \$2 million and seven permanent full-time positions (5.25 FTE) to address workload in the Utility Regulation and Policy and Administration programs.
- \$0.8 million and two permanent full-time positions (2.00 FTE) to address workload at the Board of Maritime Pilots.
- \$0.3 million for increased attorney general costs resulting from increased dockets and docket complexity.

Natural Resources

The Department of Agriculture Other Funds budget increased by \$6 million over 2017-19 due largely to shifting General Fund support for the Pesticide Analytical Response Center to pesticide license fees; additional staffing in the Shipping Point, Plant, and Fertilizer Registration programs; vendor hosting fees for the laboratory databases; and distribution of Farm-to-School grants.

The Department of Environmental Quality Other Funds budget is \$27.3 million (14%) higher than the 2017-19 legislatively approved budget. This is because of the following adjustments:

- Fee increases to support additional position authority in the Air Quality and Water Quality permit programs.
- \$5.7 million and 1 position to oversee the Electric Vehicle Rebate program.
- \$2.6 million and 11 positions (11.00 FTE) to implement the Air Toxics Permitting program known as Cleaner Air Oregon.
- \$3.1 million for solid waste orphan site cleanup.
- \$7.5 million for the Environmental Data Management System.
- \$685,491 related to oil spill prevention through transport vessels or high hazard rail.
- \$500,000 to contract for a business analyst to work on the Clean Water State Revolving Loan Fund loan management software system procurement.

An Other Funds increase of \$7.4 million in the Department of Fish and Wildlife was mostly caused by the addition of \$1.3 million for operation of Leaburg Hatchery, fund shifting \$1.9 million of program costs from General Fund to Other Funds, \$1 million for increased Pittman-Robertson apportionment, and \$4.5 million for culvert fish passage in partnership with the Department of Transportation.

The Department of Energy Other Funds limited budget is \$2.8 million lower than the 2017-19 legislatively approved budget. The decrease is due largely to the phase-out of energy incentive programs and reductions to lessen reliance on the Energy Supplier Assessment. There is also a \$2 million increase for the distribution of rebates related to the installation of solar electric systems. Other Funds Nonlimited expenditures for the Department of Energy are \$78.2 million (or 65.6%) less than the 2017-19 legislatively approved budget. The decrease is due to the phase out of \$78.2 million of expenditure limitation associated with the Small-Scale Energy Loan Program (SELP) to reflect reduced activity in the program and no new bonding authority.

The Other Funds budget for the Department of Forestry totals \$260.1 million, an \$80.5 million reduction from the 2017-19 legislatively adopted budget. Much of the reduction is due to the phase-out of \$100 million of bond-funded expenditure authority related to the partial decoupling of the Elliott State Forest from the Common School Fund. Other Funds savings were also realized through operational

reorganizations in the State Forests Division. These reductions were offset slightly by a \$12 million Other Funds increase in the State Forests Division to accommodate expanded use of log sort sales. The Department of Land Conservation and Development budget includes an additional \$846,294 Other Funds in conjunction with \$515,074 Federal Funds expenditure limitation and the authority to establish five limited duration positions (5.00 FTE) for updates to Oregon's Climate Change Adaptation Framework, natural hazard mitigation planning, and to assist local communities in working with the National Flood Insurance Program.

The Marine Board's 2019-21 legislatively adopted budget for 2019-21 includes Other Funds expenditure limitation of \$28,328,774, supported by license and fee revenue and motor boat fuel tax revenues. Fee increases for Vessels, Boat Certificate of Title, and Mandatory Boater Education Card fees amounting to an additional \$3.1 million in Other Funds revenue were approved. New fees were established via policy bills, creating a nonmotorized boat Waterway Access Fund and a Towed Watersports Program for public safety law enforcement in Newberg, generating \$1 million and \$124,000 Other Funds, respectively.

The Other Funds budget for the Parks and Recreation Department totals \$130.7 million, a \$29 million (or 28.6%) increase from the legislatively approved budget for 2017-19. Although a flexible camping fee schedule was adopted by the Parks Commission, the impact on Other Funds revenue is nominal since the agency is only implementing the fee changes as a pilot project to allow the agency to develop long-term pricing strategies dependent on the sensitivity to demand. The majority of the additional Other Funds expenditures are on a one-time basis, allowing the agency to fund needed activities using excess fund balances. Other Funds investments include:

- State grant funding for recreational and economic development, \$6.3 million.
- Evaluation of needed repairs at the Capitol State Park, \$400,000.
- Replacement of a fish ladder and development of a bypass channel at Bates State Park, \$3 million.
- Significant investments in accessibility improvements, facilities maintenance, and development of existing parks and trail systems, \$11.25 million.
- Funding for inclusivity programs to address recreation and service needs of under-represented and non-traditional park users, \$300,000.
- Increased funding for operational costs and contracted services, \$1.9 million.
- Initial reservation system planning, \$256,100.
- Support for ongoing work related to the Salmonberry Trail, \$500,000.
- Increased expenditure limitation is provided for Parks to distribute increased funding available for all-terrain vehicle recreational opportunities due to the increase in fuel taxes, \$3 million.

The Water Resources Department Other Funds budget increased \$32.3 million (or 48.3%) in the 2019-21 budget as compared to the 2017-19 biennium. Much of the budget increase is due to the provision of Other Funds expenditure authority for lottery revenue bond proceeds. Although \$22.9 million of a total \$53.6 million in Other Funds expenditure authority approved for bond-funded projects in the 2017-19 biennium was scheduled to be phased-out of the 2019-21 biennium budget, the adopted budget carried-forward \$42 million in expenditure authority from the 2017-19 budget to the 2019-21 biennium and added another \$43.8 million for projects funded from lottery revenue bonds in the current biennium. New bond-funded projects include:

- City of Newport for the planning, environmental permitting, and design costs of replacing the Big Creek Dams, \$4 million.
- Wallowa Lake Irrigation District for rehabilitation of the Wallowa Lake Dam, \$14 million.

- Water Supply Development Fund grants and loans, \$15 million.
- Deschutes Basin Board of Control irrigation piping project, \$10 million.

Transportation

Other funds expenditure limitation for the agencies in the Transportation program area increased by \$410.1 million (or 10.7%) from the 2017-19 legislatively approved budget. Increases include:

- \$187.5 million (7.4% increase) for the Department of Transportation (ODOT) transportation projects and highway operations and maintenance. The increase supports 55 positions (54.50 FTE) for HB 2017 (2018) project delivery.
- \$161.2 million (189% increase) for ODOT public transit programs to increase bus service frequency, expand bus routes, and reduce bus fares.
- \$14.9 million (6.4% increase) for DMV operations, includes 123 positions (63.96 FTE) for DMV field offices to begin issuance of REAL ID driver license and identification cards on July 1, 2020, and to implement HB 2015 (2019) which allows individuals without proof of legal presence to obtain regular – non-REAL ID – driver license and identification cards.
- \$20 million in Capital Construction for the design and land purchases associated with highway maintenance station replacement projects in Lincoln and Coos counties.
- \$9.5 million in Capital Improvement for state radio system hardware replacement.

The Department of Aviation’s 2019-21 budget included an increase of \$9.3 million Other Funds for aviation system grants to assist airports in meeting federal match requirements, as well as to support safety improvements and infrastructure projects at public-use airports.

Administration

Other Funds limited expenditures for the Department of Administrative Services (DAS) are \$107 million higher than the 2017-19 legislatively approved budget. Significant increases include:

- \$100.5 million for special payments to accommodate grants for various community development projects, including \$27.4 million for payments from bonds issued in previous biennia.
- \$58.1 six-year expenditure limitation for numerous deferred maintenance projects, three major capital renewal projects, and the purchase of a building in Wilsonville.

The budget for the Oregon Liquor Control Commission (OLCC) consists entirely of Other Funds; the 2019-21 legislatively adopted budget for OLCC totals \$247,046,671, a 14.6% increase from the 2017-19 legislatively approved budget. Revenue is derived from the licensing fees for producers and sellers of alcohol and marijuana, privilege tax on beer and wine, and sales of distilled spirits. Expenditure limitation related to liquor store and distiller’s agent compensation comprises 54.8% of total expenditures. Regulatory expenses related to recreational and medical marijuana production and sales total \$25.4 million and 91 direct employees (10.3% of expenditures). In total, the Legislature approved budget enhancements of \$20.4 million above the agency’s current service level, adding 37 positions (37.00 FTE) to promote the following:

- Increased licensing and public safety capacity, reflecting population increases and the number of new alcohol-related licensees, and to bolster marijuana program enforcement.
- Enhanced dispatch capabilities for regulatory personnel, to improve coverage and safety.
- Information services improvements to alcohol and marijuana licensing systems, the distilled spirits supply chain, and procurement and implementation of an on-line privilege tax system.
- Roof repairs for the main distilled spirits warehouse facility.

- Additional administrative support for accounting, communications, bottle bill regulation, and human resources functions, and position reclassifications to maximize the utilization of existing positions and personnel.

Other Funds expenditures for the Public Employees Retirement System total \$263.3 million and are \$161.6 million (or 159%) higher than the 2017-19 legislatively approved budget. Major changes include:

- \$100 million for SB 1049 (2019) to serve as 25% matching funds for eligible employer contributions.
- \$40 million for the implementation of SB 1049 (2019).
- \$11.5 million for School District Unfunded Liability Fund due to a transfer of revenue from the Common School Fund under SB 1566 (2018).
- \$2.3 million for prior Emergency Board actions related to the Oregon Growth Savings Plan; investment accounting; and cybersecurity, business continuity, and disaster recovery.
- \$1.7 million for the agency's relocation to the state's data center.
- \$1.3 million for additional operational and information technology staff.
- \$1.2 million for deferred maintenance.
- \$638,291 for cybersecurity, business continuity, and disaster recovery.
- \$631,523 reduction due to the elimination of vacant positions.

The Racing Commission's 2019-21 legislatively adopted budget represents a \$2.5 million (or 39%) decrease from the 2017-19 legislatively approved budget. The assumed sale of the venue for Oregon's only commercial horse racing meet is likely to result in fewer race days and the need for fewer, full-time staff. The legislatively adopted budget for the Racing Commission of \$3,899,658 is based on approximately one year of operating expenses. The agency is directed to report to the February 2020 Legislative Assembly with a plan for expenditures for the 2020-21 fiscal year, based on workload, resources, and the number of assumed licensees.

Other Funds expenditures for the Department of Revenue total \$126.1 million and are \$3.8 million (or 3%) less than the 2017-19 legislatively approved budget, which is due primarily to the elimination of one-time funding for the Core [tax] Systems Replacement information technology project and capital improvements. Other major changes include:

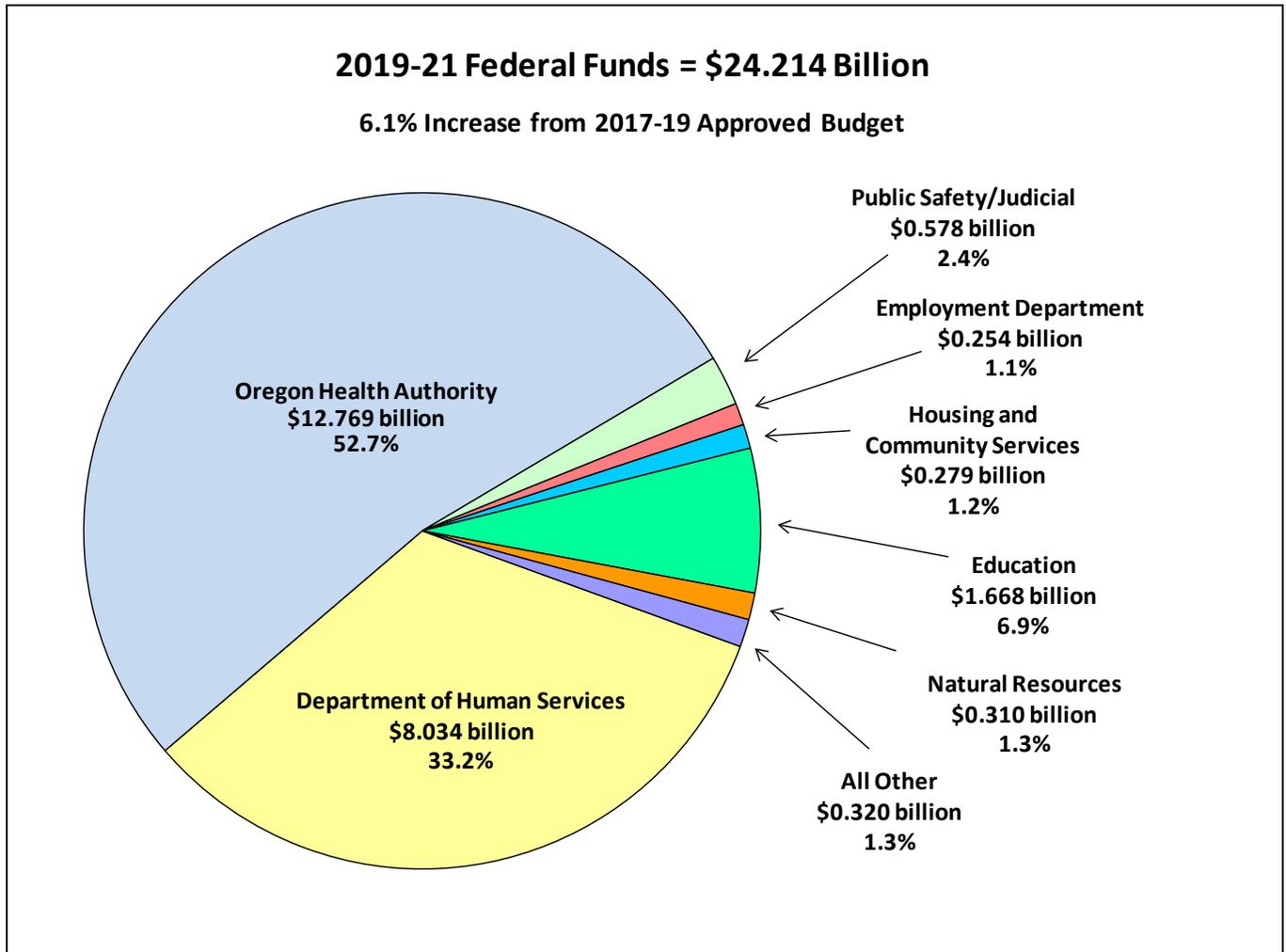
- \$1.5 million for the ongoing implementation of transportation taxes.
- \$876,361 for the for the ongoing implementation of the Heavy Equipment Rental Tax.
- \$808,251 reduction due to the elimination of vacant positions and associated services and supplies.
- \$734,343 for auditing of marijuana and lodging tax filings.
- \$724,252 reduction in the Property Tax Division for a comprehensive reconciliation of position funding and a revenue shortfall.
- \$574,533 to support enhanced state and local lodging tax compliance.
- \$564,254 for increased vendor support of the post-implementation Core [tax] Systems Replacement information technology project.

Other Funds expenditures for the Office of the State Treasurer total \$92.7 million and are \$10.7 million (or 13%) higher than the 2017-19 legislatively approved budget. Major changes include:

- \$3 million for the Oregon Savings Network.
- \$1.5 million for the expansion of Investment Division staff.
- \$780,691 for one-time costs for cybersecurity.
- \$212,877 reduction due to the elimination of a vacant position.

Federal Funds Expenditures

The 2019-21 legislatively adopted budget authorizes the expenditure of \$24.214 billion Federal Funds. This is revenue from the federal government that is sent to state agencies to pay for specific programs and activities. Examples include competitive grants, matching funds, block grants, pass-through funds, or special payments. The 2019-21 legislatively adopted Federal Funds budget represents an increase of \$1.59 billion, (or 8%) from the 2017-19 legislatively approved Federal Funds level.



Significant increases in Federal Funds budgeted expenditures are described below.

Education

Two major Federal Funds-related changes in the Department of Education for the 2019-21 legislatively adopted budget included both increases and decreases of note.

- A continued increase (begun in 2017-19) and expansion of the Child Care Development Block Grant, to fund the following:
 - Baby Promise pilot program (\$8.3 million).
 - Support for childcare providers through the Child Care Resource and Referral programs (CCR&Rs – \$12.9 million).
 - A \$20 million increase for transfer to the Department of Human Services' Employment Related Day Care (ERDC) program.

- Utilizing \$8.9 million of federal block grant funds to continue 35 limited duration positions and seven new positions in the Early Learning Division, primarily related to child care inspection and compliance.
- Decreased or discontinuation of various other grants:
 - For the 2019-21 K-12 Grant-in-Aid budget, \$35 million of the total of \$881.9 million (before reduction) of Federal Funds expenditure limitation was reduced to bring the amount of limitation in line with the estimated federal revenues.
 - A \$325,000 reduction in the Youth Development Grant-in-Aid budget, also to reconcile expenditure limitation with available federal revenue.

Human Services

In the Oregon Health Authority, Federal Funds expenditure limitation increased by \$921 million (or 7.9%) from 2017-19. This growth is primarily due to the level of federal dollars necessary to pay for Oregon Health Plan caseload changes, particularly related to the Affordable Care Act caseload, which receives a higher federal match rate compared to other caseloads. The budget also includes various other adjustments that increase other Medicaid-reimbursable expenses, such as the planned increase in behavioral health provider rates and changes to provider assessments.

Compared to the 2017-19 legislatively approved budget, Federal Funds expenditure limitation for the Department of Human Services grew by \$244.7 million (or 3.1%). This comparison includes a decrease of \$275 million Federal Funds Nonlimited to account for projected lower benefit payments in the Supplemental Nutrition Assistance Program. If this adjustment is excluded, the growth in federal expenditures is about 6.7% (or \$519.7 million). The budgets for the Aging and People with Disabilities and Intellectual and Developmental Disabilities programs account for \$424.3 million (or 81.6 %) of the increase; costs are driven primarily by caseload forecasts, higher cost per case, and provider rate increases in Medicaid programs.

Public Safety and Judicial Branch

The Criminal Justice Commission's Federal Funds expenditure budget is 35% less than the agency's 2017-19 legislatively approved budget and reflects the end of several federal grants, including the Federal Justice Reinvestment Initiative and the U.S. Department of Justice Sex Offender Registration and Notification Act. Anticipated reductions to the Edward Byrne Memorial Justice Assistance Grant program were restored by the Legislature in anticipation of prior-year federal awards being received in the 2019-21 biennium.

Federal Funds expenditures for the Department of Justice total \$187 million and are \$14.1 million (or 7%) less than the 2017-19 legislatively approved budget, which is due primarily to the elimination of one-time funding for the Child Support Division's Child Support Enforcement Automated System information technology project. Other major changes include:

- \$30.3 million for Victims of Crime Act grant funding.
- \$11.6 million backfill of a Child Support Division revenue shortfall in Temporary Assistance for Needy Families funding.
- \$11.3 million for the final phase of the Child Support Division's Child Support Enforcement Automated System information technology project.
- \$3.1 million reduction due to the elimination of vacant positions and associated services and supplies.

- \$2.7 million for a data center contract with a private vendor for the Child Support Division's Child Support Enforcement Automated System information technology project.
- \$1.9 million in permanent staff support for the Child Support Enforcement Automated System.
- \$1.5 million to reconcile the intra-agency line item for charges for administrative expenses.
- \$1.4 million for child support enforcement legal services.

Federal Funds expenditure limitation is increased in the Military Department's Capital Construction program to reflect the following:

- \$6.2 million to support Salem Armory and Anderson Readiness Center renovations.
- \$12 million for construction of a tactical unmanned aerial vehicle facility at the Naval Weapons Station Training Facility in Boardman.
- \$6 million for a wastewater treatment system and new main water supply line at Camp Umatilla in Umatilla.
- \$4.3 million for an Armory Service Life Extension Project at the Grants Pass armory.

Economic and Community Development

Employment Department Federal Funds expenditure limitation decreased by \$5.3 million (or 3.3%) compared to the 2017-19 legislatively approved budget. Federal administrative grant funding is based on workload projections, which are assumed to decrease due to the healthy state of the economy. The Legislature provided Federal Funds expenditure limitation to expand job retraining and employment services associated with the Federal Trade Act, and to meet to demand for foreign labor certification efforts. These efforts totaled \$1.5 million and 8 additional positions (8.00 FTE). Federal Funds Nonlimited expenditures, which consist of projected unemployment insurance benefits paid to federal employees and trade impacted workers, increased by \$30 million to better reflect expected payments.

The Housing and Community Services Department 2019-21 legislatively adopted budget resulted in an increase in Federal Funds limitation of 3.1%. Federal Funds Nonlimited expenditures increased by 14.2% (or \$18.9 million), primarily due to updated projections for Housing and Urban Development (HUD) project-based housing vouchers. While the total volume of vouchers is not increasing, the value of the payments escalated to keep pace with rising rents.

Federal Funds for the Department of Veterans' Affairs are 79.2% less than the 2017-19 legislatively approved budget. The decrease is primarily due to the phase-out of capital construction limitation (\$6.3 million) provided in the 2017-19 biennium for U.S. Department of Veterans Affairs State Home Construction Grants to upgrade the Veterans' Homes in The Dalles and Lebanon.

Consumer and Business Services

Federal Fund expenditures for the Public Utility Commission increased by \$0.3 million, mostly due to an adjustment in state and federal costs for the Pipeline and Hazardous Materials Safety Program.

The Department of Consumer and Business Services Federal Funds budget for the 2019-21 biennium increased by \$83.9 million, a five-fold increase from the 2017-19 biennium due to the addition of \$84,482,113 Federal Funds to allow the Department to make payments to insurers under the Oregon Reinsurance Program established by HB 2391 (2017). That addition was offset somewhat by Federal Funds budget reductions in the Oregon Occupational Safety and Health Administration program of

\$721,468 and the Senior Health Insurance Benefit Assistance Program of \$636,059 due to federal revenues not keeping pace with program costs.

Natural Resources

Federal Funds expenditure limitation for the Department of Fish and Wildlife was increased by \$8.5 million (or 6.7%) due to an increase in the Pittman-Robertson apportionment that comes from the sale of sporting arms and ammunition, increases for grants through the Volunteer Public Access and Habitat Incentive Program, and limitation and positions to assist landowners in implementation of conservation projects outlined in the Federal Farm Bill.

The Department of Land Conservation and Development budget includes an additional \$515,074 Federal Funds in conjunction with \$846,294 Other Funds expenditure limitation and the authority to establish five limited duration positions (5.00 FTE) for updates to Oregon's Climate Change Adaptation Framework, natural hazard mitigation planning, and to assist local communities in working with the National Flood Insurance Program. This increase is partially offset by a Federal Funds reduction of \$227,796 and elimination of a vacant position (1.00 FTE) designed to act as a coordinator for local governments adopting new natural hazard maps under the federal RiskMAP program.

The 2019-21 legislatively adopted budget for the Marine Board includes Federal Funds expenditure limitation of \$6,317,622, a decrease of \$315,691 (or 4.8%) from the 2017-19 legislatively approved budget.

Transportation

There were no significant Federal Funds expenditure changes of note for agencies in the Transportation program area.

Administration

There were no significant Federal Funds expenditure changes of note for agencies in the Administration program area.

Summary of Legislative Actions Affecting the Budget

Public Employees Retirement System Reform (SB 1049)

SB 1049 was a legislative initiative to primarily address future Public Employees Retirement System (PERS) employer contribution rate increases.

For the 2021-23 biennium, system-wide employer contribution rates had been expected to increase from 18.31% to 24.07% of eligible payroll, or by 5.76%, which would have been 41% higher than the PERS adopted rates for the 2019-21 biennium. This would have resulted in a projected \$1.6 billion increase in employer contributions and been in addition to the \$1.1 billion increase in employer contributions for the 2019-21 biennium.

SB 1049 is expected to reduce system-wide collared employer contribution rates by 5.43% and reduce employer contributions by between \$1.2 to \$1.8 billion a biennium beginning with the 2021-23 biennium and into the future. To achieve these savings, SB 1049 made the following changes:

- Tier 1 and Tier 2 Unfunded Actuarial Liabilities are re-amortized, on a one-time basis, from 20-years to 22-years after which point the amortization schedule for these benefit plans reverts to 20-years. This change is for the 2019 actuarial valuation only.
- Redirects a portion of employee contributions from the employee's defined contribution plan, the Individual Account Program (IAP), to partially fund prospectively an employee's defined benefit or pension plan ("Employee Pension Stability Account") if the PERS funded status is less than 90% funded and if an employee's earnings are more than \$2,500 per month or approximately \$30,000 per year. Redirected funds will lower or offset the employer contribution resulting in employer savings. The redirect for each benefit plan, which begins on July 1, 2020, are as follows: (a) Tier One: 2.5% of eligible salary and wages; (b) Tier Two: 2.5% of eligible salary and wages; and (c) Oregon Public Service Retirement Plan (OPSRP): 0.75% of eligible salary and wages. Employees have the option to voluntarily contribute into their IAP account the amount of redirected funds on an after-tax basis.
- Places a limit on the Final Average Salary, or salary used for pension benefit calculations, of \$195,000 for Tier 1, Tier 2, and OPSRP employees retiring under Formula Plus Annuity and Full Formula benefit plans and for service beginning on or after January 1, 2020. The \$195,000 cap is indexed to inflation on an annual basis.
- Eliminates restrictions on annual hours of employment for retired workers and the exemption on employers paying contributions on retired member payroll, beginning January 1, 2020. Employer's must continue to make employer contributions with regard to a participating retired member; however, such retirees will accrue no additional PERS retirement benefits. The employer contribution will be credited to an employer account as an additional payment above normal contributions. The return-to-work provision sunsets on January 2, 2025.

SB 1049 makes no change to the 2019-21 employer contribution rates previously adopted by the PERS Board and therefore there are no assumed savings in the 2019-21 biennial budget from the measure. Any savings generated during the 2019-21 biennium due to various operative dates in the bill will be used to offset future employer contribution rates beginning with the 2021-23 biennium.

SB 1049 makes other changes to improve PERS system financing, including:

- Appropriating \$100 million of General Fund, on a time-time basis, for expenditure into the Employer Incentive Fund, for the purpose of providing a state 25% match on pre-paid employer contributions, or side accounts, for school districts, community colleges, and public universities, under certain eligibility requirements. The corresponding employer match is up to 75%. The \$100 million appropriation is assumed to generate \$400 million in matching funds for a total increase in PERS assets of \$500 million.
- Adds assets to the system by dedicating all net lottery revenues from sports betting games revenue to the Employer Incentive Fund to fund the state's 25% match on qualifying employer side accounts. The transfer of sports betting proceeds will sunset on December 31, 2041 due to the sunset of the Employer Incentive Fund on July 1, 2042. The corresponding employer match is indeterminate at this time until the amount of sports betting games net lottery revenue deposited into the fund becomes known.
- Allows employers making lump sum or side account payments in excess of \$10 million to choose the starting date for the amortization period to begin offsetting employer contributions. This allows the employer the ability to time the use of side accounts with an anticipated spike in employer contribution rate increases. At least one large public entity anticipates making a \$10 million side account contribution under this authority (Port of Portland).
- Enhanced review of local government Pension Obligation Bond issuances.

SB 1049 also provides Individual Account members a choice in selecting investment options beginning January 1, 2021; requires the PERS Board to report to the Legislature on changes to actuarial methods and assumptions; and makes technical changes to SB 1566 from the Legislative session in 2018. SB 1049 provides for an expedited review by the Oregon Supreme Court.

Of additional note, and apart from SB 1049 or other legislation, is that the State Accident Insurance Fund (SAIF) anticipates making a \$91 million side account deposit to fund SAIF's Unfunded Accrued Liability.

The cost of implementation of SB 1049, as estimated by PERS, totals \$40 million. Such costs are funded by revenue transfers from the retirement trust funds.

Student Success Act (HB 3427 and HB 5047)

The Joint Committee on Student Success held multiple public hearings across the state during 2019, gathering input from a variety of interested parties which resulted in HB 3427. This bill established the Fund for Student Success funded with revenue from a new commercial activities tax which is estimated to raise a net \$1.175 billion for 2019-21 and \$2.111 billion when fully implemented in 2021-23. The Other Funds resources in the Fund for Student Success for 2019-21 are allocated first to the State School Fund as follows: (1) to make up the \$423 million in lost General Fund resources due to income tax rate reductions and other tax related changes included in HB 3427; (2) an increase of \$20 million in the High Cost Disabilities Account; and (3) \$200 million for distribution to districts through the school revenue formula. The remaining amount in the Fund for Student Success is allocated to three accounts: (1) at least 50% to the Student Investment Account; (2) at least 20% to the Early Learning Account; and (3) up to 30% to the Statewide Education Initiatives Account. HB 5047 provided the direction and amount on how the funds in each of these three accounts will be specifically used. Funding will generally be available starting in the second year of the biennium.

The Student Investment Account provides \$472.7 million for grants to school districts that must be used for increasing learning time, decreasing class size, offering a well-rounded education, and for student health and safety. Funds are distributed based on the school revenue formula with an enhanced weighting for poverty. HB 3427 includes the requirements and process districts must use to receive these grants as well as the accountability and performance measures districts must meet. Lower performing districts are eligible for enhanced grants funded from the Statewide Education Initiatives Account discussed below. Districts that cannot meet the performance measures will receive coaching and technical assistance from ODE and contractors.

The Early Learning Account funds a number of existing and new programs for 2019-21 as listed in the following table.

| Program | Millions | Program | Millions |
|--|-----------------|---|-----------------|
| Early Intervention/Early Childhood Special Education | \$37.5 | Early Learning Professional Development | \$12.5 |
| Relief Nurseries | \$2.8 | Local Coordination (Hubs) | \$2.5 |
| Equity Fund | \$10.0 | Coaching for Providers | \$1.9 |
| Oregon Pre-Kindergarten | \$44.4 | Needs Assessments | \$1.0 |
| Preschool Promise | \$30.8 | Monitoring | \$0.6 |
| Early Head Start | \$22.3 | Facilities Management | \$0.7 |
| Healthy Families | \$2.0 | Staffing (11 positions/5.60 FTE) | \$1.3 |
| Parenting Education | \$1.0 | | |

The Statewide Education Initiatives Account is used to fund several K-12 existing and new programs. In addition, the account provides for staffing and technical assistance supporting the Student Investment grants. Detail is provided in the following table.

| Program | Millions | Program | Millions |
|-------------------------------------|-----------------|---|-----------------|
| High School Success Grants | \$133.2 | Student Success Grants | \$12.0 |
| Nutrition Program Expansion | \$41.6 | Coaching and District Capacity Building | \$4.5 |
| Summer Learning Grants | \$3.0 | K-12 Professional Development | \$15.0 |
| Student Re-engagement Program | \$4.0 | Education Service District (ESD) Technical Assistance | \$24.0 |
| School Safety and Prevention System | \$1.7 | Statewide Longitudinal Data System | \$4.2 |
| Native American Education Plan | \$3.2 | Fiscal Transparency | \$1.0 |
| Latino Education Plan | \$1.0 | Early Warning System | \$2.8 |
| Black American Education Plan | \$3.8 | Staffing and Related Costs (61 positions/44.22 FTE) | \$19.8 |

There is \$5.5 million General Fund in the two tables above for staffing and other start-up costs prior to when funding becomes available from the Fund for Student Success.

Paid Family Medical Leave (HB 2005)

A major initiative of the 2019 session was to plan for an efficient and integrated approach for providing employees with protected and paid time off from work to bond with a newborn or newly adopted child, care for a family member who is ill, or recover from a serious illness. A legislative workgroup was convened to examine issues concerning family and medical leave with the goal of establishing legislation for a statewide paid family and medical leave program. HB 2005 creates a paid family and medical leave insurance (FAMLI) program to be administered by the Oregon Employment Department (OED), or a third party contracting with OED, to provide employees compensated time off from work to: [1] care for and bond with a child during the first year of the child's birth or arrival through adoption or foster care (family leave); [2] provide care for a family member who has a serious health condition (family leave); [3] recover from their own serious health condition (medical leave); or [4] seek law enforcement or legal assistance or remedies in connection with domestic violence, stalking, sexual assault or harassment (safe leave). The measure stipulates that rules for the program must be established no later than September 1, 2021; contributions to the program will be collected beginning January 1, 2022; and benefits will be payable beginning January 1, 2023.

The measure appropriates \$15,688,586 General Fund to the Oregon Employment Department for the 2019-21 biennium to pay for the start-up costs of establishing the program. The appropriation is reimbursable to the General Fund, without interest, when the Department determines that the balance in the FAMLI Fund is sufficient, but no later than January 1, 2023. The measure also increases the Department of Justice General Counsel Division's Other Funds expenditure limitation by \$219,016 to support various legal services to agencies related to the implementation of this measure. The General Fund appropriation to the Employment Department includes only those expenditures for the Initial and Expanded Planning Teams for the program. Estimates of revenues, benefits paid, and expenditures for on-going operations beyond 2019-21 will be further evaluated and analyzed by the planning teams.

The measure directs the Employment Department to submit its first report regarding its progress toward implementing this program to the Legislature by February 15, 2020. In addition, the Employment Department is directed in a budget note to conduct a risk assessment of its capacity to plan, manage, and implement this program and report back to the Legislature prior to the 2020 legislative session. The budget note further directs the Employment Department to work closely with, and regularly report information technology system project status to the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO) throughout the lifecycle of the project, reporting to the Legislature as requested, and follow the Joint State OSCIO/LFO Stage Gate Review Process, utilizing all associated reporting and project management protocols throughout the life of the project. In addition to the quantified planning and start-up costs for the Employment Department and the Department of Justice, on-going administrative costs, the cost of FAMLI benefit payments, the costs of contributions for the state as an employer, and other statewide costs are indeterminate until the Department of Employment establishes rules and operational processes for the program. These statewide costs include:

- **Employer Contribution**

The measure authorizes the Employment Department to set the contribution rate that is paid by employees and employers through payroll deduction, and contributions would go into the FAMLI Fund to pay benefits and administrative expenses. The measure stipulates that the contribution rate may not exceed 1% of the employee's wages. The employer would pay up to 40% of that total rate determined by the Director. However, the measure specifies that an employer may elect to pay the required employee contributions in whole or in part, as an employer-offered benefit. Because

contributions will be collected beginning January 1, 2022, state agencies will incur this cost beginning with the 2021-23 biennium. As a frame of reference, based on the 2017-19 approved budget statewide salary expenditures of \$5.4 billion total funds, if the rate is set at the 1% maximum and the state pays 40% of the total rate, the 2017-19 employer contribution for state agencies would have been approximately \$21.5 million total funds.

- **Contribution Collection, Enforcement, and Reporting**
The Department of Revenue (DOR) must ensure that contributions from all employee wages are paid to the FAML I Fund in addition to issuing a matching employer contribution to the FAML I Fund. Additionally, any liquidated and delinquent debts that the Employment Department cannot collect will be transferred to DOR's Other Agency Accounts (OAA) unit for additional collections activity. The amount of liquidated and delinquent FAML I debts transferred may have an impact on OAA's current resources to collect. Although the fiscal impact of this measure to DOR is minimal for the 2019-21 biennium, DOR estimates the fiscal impact for 2021-23 to be \$858,254 Other Funds and 7 positions (5.25 FTE). In addition, although the rulemaking authority on contribution payment and related reporting is granted to DOR, the combined payroll reporting process Oregon businesses use to file reports and make payments for several different taxes and programs is shared by DOR, the Department of Consumer and Business Services (DCBS), and the Employment Department, and will require coordination among the agencies to facilitate how reports will be filed and contributions paid.
- **Human Resource Management**
Each state agency's human resources department will need to engage in a review and revision of personnel policies and conduct training for supervisors who administer rules and policies.
- **Information Technology**
State agencies will incur costs related to human resources, payroll, and other systems modifications. For example, the Oregon Health Authority and the Department of Human Services information technology systems, including the Client Employed Provider (CEP), eXPRS, and Integrated Eligibility (IE) systems will require modification. Furthermore, state agencies will be required to track certain personnel information and report contribution amounts quarterly to DOR. Assuming the Department of Administrative Services (DAS) will assist agencies with the reporting process and develop payroll deduction codes to account for and track both the employee and employer contribution amounts, DAS will potentially need additional staffing and resources to update the Workday HR management system, make changes to the statewide payroll system, and work with the Employment Department to develop the process to deliver the contributions to the appropriate program in charge of the Paid Family and Medical Leave Insurance Fund. This work will need to be integrated with the Oregon State Payroll System replacement project that will begin July 1, 2019. DAS is directed in a budget note to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2020 legislative session on the scope, duration, and cost estimates associated with making HB 2005 required changes to the current Oregon State Payroll System. The report should include a comparison of the operational, financial, and schedule impacts associated with making HB 2005 required changes to the current system and how the issues will be addressed within the new Oregon State Payroll System as it is deployed.

- Leave Benefits**

The measure expands the job-protected family leave time periods currently available to state employees under the Family and Medical Leave Act (FMLA) and the Oregon Family Leave Act (OFLA). Under current law, the majority of state employees are entitled to 12 weeks of job-protected family and medical leave. FMLA/OFLA leave is not required to be paid; however, an employee is required to take any accrued vacation and sick leave before commencing unpaid leave. This measure would increase the total leave time available to a maximum of 18 weeks of job-protected leave per year starting in 2023 and every year thereafter. Although it is difficult to predict the total number of employees who would take paid family leave under this measure, it is reasonable to assume that the number of employees who take leave would increase given that benefits would be paid at a high percentage of the employee's average weekly wage. The measure also expands the definition of family members for whom an employee may take leave to care for, which could increase the number of employees who take paid leave.
- Health Benefits**

The measure requires state agencies to maintain health insurance for an employee during the duration of the leave. Under current practice, the state maintains health insurance for employees who take FMLA/OFLA leave; this measure could increase the duration that the state would be required to maintain health insurance for an employee on leave. State agencies may see an increase in health insurance costs for the state, beginning January 1, 2023 when employees become eligible for leave under the measure.
- Coverage for Employees on Leave**

State agencies will incur expenses associated with covering job duties for employees on leave. Although some employee leave could be covered by existing employees through job rotations, job sharing, overtime, or other coverage, the increased duration of the leave may require state agencies to hire temporary employees, especially if multiple employees in one division simultaneously request leave under the measure. These expenses are difficult to calculate given the range in salaries, job duties, and the practicalities of hiring new employees for a limited duration. The additional number of recruitments needed will be dependent on the length of leave taken, the availability of other employees to perform coverage, and other factors that are difficult to predict. It is anticipated the measure will result in some additional recruitments for temporary employees each year, beginning in 2023 when employees become eligible for leave under the measure. Note that this cost could be substantial for school districts that will need to recruit and hire substitutes for teachers on leave and that the measure includes the Department of Humans Services (DHS) Personal Support Workers and Home Care Workers in the class of eligible employees. In addition to increased leave benefits and healthcare costs, DHS anticipates costs associated with recruiting and enrolling additional in-home providers to cover for workers on leave.
- Bureau of Labor and Industries, Judicial Department, Department of Justice, Office of Administrative Hearings Expenses**

Under the measure, job-protected leave is available to all employees who have been employed by the employer for more than 90 days prior to taking leave. Interference with this right or retaliation for applying for leave or invoking any rights under the measure is an unlawful employment practice. The measure allows an employee who alleges a violation of the job protections provided in the measure to bring a civil action or to file a complaint with the Bureau of Labor and Industries

beginning January 1, 2025. The state could potentially be subject to an indeterminate number of claims or allegations under these provisions which would require additional funds to be spent on legal defense of these claims.

Assumptions

In a typical biennium, various assumptions regarding rates and assessments are made while building the budget. The budget is initially built by taking the previous biennium's budget and adding in these new rates, assessment changes, inflation, and personal services cost increases. These elements of the budget are discussed below.

Inflation

Standard inflation applies to most services and supplies, non-PICS personal services, capital outlay, and some special payment accounts. The standard inflation factor for 2019-21 is 3.8%. Non-state personnel costs (contract providers) were allowed a 4.2% inflation rate. During legislative action on the proposed budgets, most standard inflation was eliminated from agency budgets (with some exceptions) as part of the cost containment effort.

Medical inflation, which includes many human services programs and other programs that utilize trained medical staff, was set at a rate of 4.2%. Inflation rates for certain programs may be higher than the inflation rates listed above. Any exceptions to those rates were approved by the Legislative Fiscal Office analyst assigned to that agency.

Rates

Some of the services and supplies accounts are based on rates charged for services. Inflation is not applied to these accounts. These accounts are adjusted by the rates that will be charged for the services. During budget development, the Department of Administrative Services publishes the Price List of Goods and Services. This document contains all the rates that agencies will be charged by other agencies.

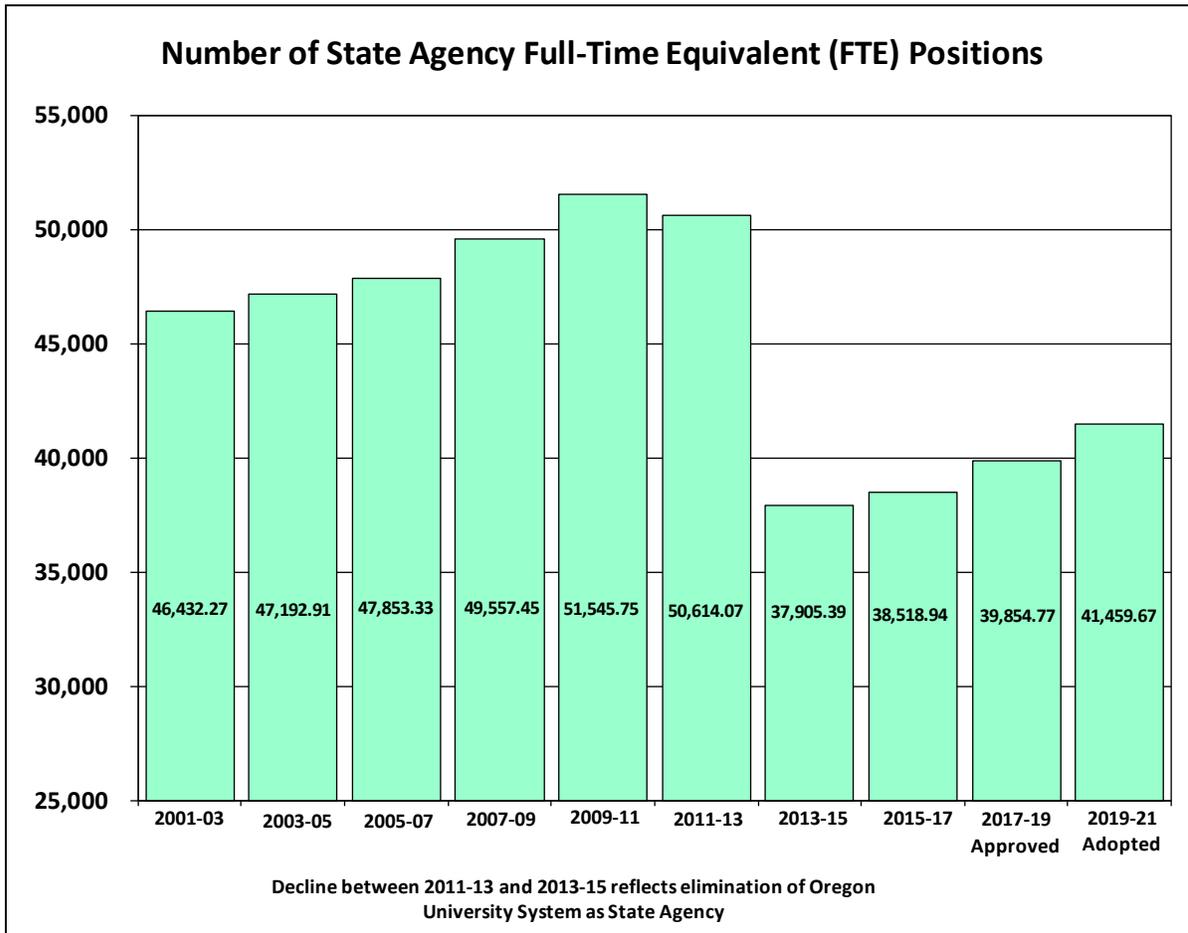
During the 2019 session, decisions were made to lower the rates charged to state agencies from what was anticipated in the Price List; those reductions were included in HB 5050.

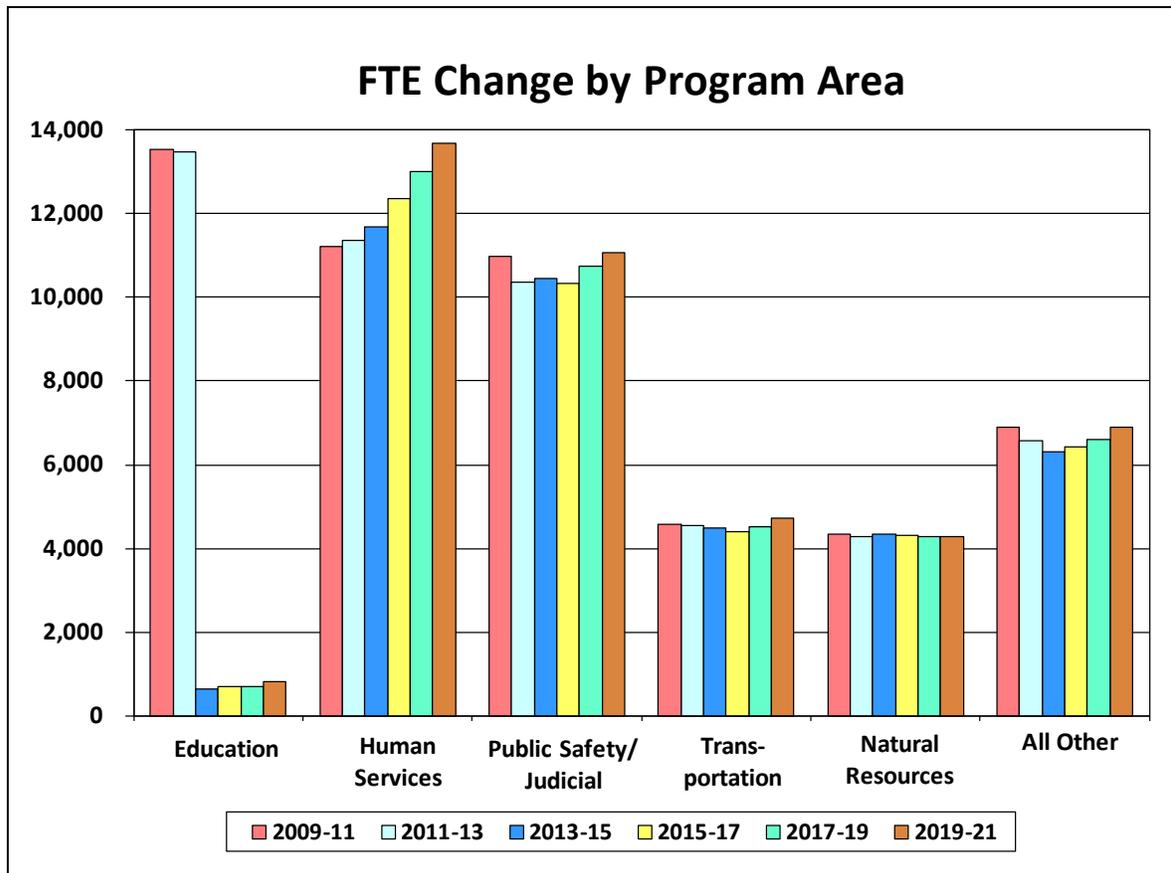
State Employees

Positions and Full-Time Equivalency

The legislatively adopted total funds budget supports 41,459.67 Full-Time Equivalent (FTE) positions. An FTE represents the number of months for which each position is budgeted during the 24-month biennium. State law (ORS 240.185, as amended by SB 1067 in 2017) limits the number of state FTE positions to 1% of the state's population in the previous year. As of July 1, 2018, the state's population was estimated at 4,195,300. The FTE limit at the beginning of the biennium, before exclusions, would be 41,953.30 FTE, slightly higher than the number included in the adopted budget. ORS 240.185 also provides for certain FTE exclusions from the 1% limit, including employees in the legislative and judicial branches, the Offices of the Secretary of State, the Governor, and the State Treasurer, and some positions in the Employment Department. Of the total FTE in the 2019-21 legislatively adopted budget, 55.3% of the approved FTE, or a total of 22,945.50, are in four state agencies (the Oregon Health Authority, and the Departments of Human Services, Corrections, and Transportation).

The number of state positions and FTE increased in the 2019-21 adopted budget by 1,053 positions and 1,604.90 FTE (increases of 2.5% and 4%, respectively). Comparisons to earlier biennia are no longer valid because of the Legislature’s decision to move the Oregon University System (OUS) to a non-state agency status with the passage of SB 242 during the 2011 session. This resulted in a break in the state positions/FTE data series. In the 2011-13 legislatively approved budget, for example, OUS totaled 18,650 positions and 13,015.02 FTE; these are no longer counted in the totals for 2013-15 and subsequent biennia. A complete list of FTE by agency and program area can be found in Appendix C.





Salary and Benefit Actions

The 2019-21 legislatively adopted budget includes \$200 million General Fund for state employee compensation issues and another \$20 million General Fund for non-state employee compensation. Both amounts were appropriated to the Emergency Board as special purpose appropriations to be allocated to the affected entities once final collective bargaining decisions are made. For state employees, collective bargaining resulted in new contracts that generally included the following components (not all collective bargaining units have completed negotiations or ratified the proposed contracts)²: step increases for eligible employees during both years of the biennium; continuation of the 5% employee contribution to the cost of health insurance premiums (with some options); two cost-of-living adjustment, the first 2.15% increase effective July 2019, with a second 3% increase effective October 2020; and a new top step added to all job classifications July 2020. Final numbers have not yet been generated to determine if the \$200 million special purpose appropriation will cover all the General Fund costs of the negotiated contracts for all branches of government; more details will be provided when the Department of Administrative Services makes statutorily required reports on compensation plan changes to the legislative review agency (Joint Committee on Ways and Means or the Emergency Board).

For non-state employees, it is anticipated that the \$20 million special purpose appropriation will help pay for compensation changes driven by collective bargaining, including cost of living rate increases for adult foster home providers. Funding is also expected to address child care and home care contract changes not covered in agency budgets.

² This description reflects the tentative agreement made by the Service Employees International Union (SEIU) and the Association of Federal, State, County, and Municipal Employees (AFSCME).

Agency Organizational Changes

- Within the Department of Revenue (DOR), a number of organizational changes were made: (1) DOR's budgetary structure was realigned to improve the tracking and transparency of the agency's financial activities; (2) a Corporate Tax Division was established for the newly enacted Corporate Activities Tax (HB 3427 and HB 5047); and (3) during the development of the 2019-21 budget, DOR formally established a Collection Division framework by transferring the Business Division's Other Agency Accounts section and staffing into a new divisional structure. The next steps will be to transfer Personal Income Tax and Compliance and Business Division collections budgets and positions into the newly established division. DOR's proposed plan is to undertake this consolidation over the course of the next two biennia, subject to the review and approval by the Legislature.
- The Chief Education Office sunsetted on June 30, 2019. This office was established in 2015, replacing the Oregon Education Investment Board or OEIB. Staff and responsibilities of the Office relating to the Statewide Longitudinal Data System (SLDS) were transferred to the Higher Education Coordinating Commission (HECC), while the staff relating to the Educator Advancement Council will be part of the Oregon Department of Education. The overall coordination and policy development functions of the Office will be the responsibility of the Education Policy Advisors in the Office of the Governor.
- The Legislature created the Joint Committee on Conduct as a standing legislative committee and the Legislative Equity Office as an independent, nonpartisan office of the Legislative Assembly. The measure specifies the duties of the Committee, including adoption of respectful workplace policies and the provision of policy direction and oversight of the Legislative Equity Office. Responsibilities of the Equity Office are specified, including provision of confidential process counseling, respectful workplace training, and contracting with an independent investigator to receive complaints and conduct investigations. The bill includes an appropriation of \$1,393,318 General Fund for the costs of the new legislative office.
- The 2019-21 legislatively adopted budget for the Department of Geology and Mineral Industries totals \$8.3 million and includes 39 positions (19.46 FTE), reflecting a one-year budget for the agency due to financial uncertainty caused by the Department having cash flow issues in both of its programs. The budget includes the elimination of 5 positions in the Geologic Survey program that will provide the General Fund savings necessary to fund two new financial support positions within the agency to provide additional grant and contract oversight. The 2019-21 budget also included a budget note directing the Governor's Office and the Department of Administrative Services to report to the Joint Committee on Ways and Means in the 2020 legislative session on a detailed strategic plan for the future of the agency, including evaluating if the Department should continue to exist as an independent agency or recommendations to abolish the Department and move the individual programs to other entities.

Prioritization Process for Agency Programs

Balancing the state budget necessitates resource allocation decisions concerning public services and programs. To facilitate the process, the Executive Branch adopted the review practice of the Joint Committee on Ways and Means by institutionalizing a program prioritization process in agency budget development. A "Prioritized List" worksheet, previously developed by the Legislative Fiscal Office to help agencies provide data in a consistent format, is now required to be included in agency budget documentation. Information required in the worksheet includes summary information for each activity, purpose and statutory authority, activity costs and source of funds, positions, and expected results (performance measures). The initial prioritization was accomplished by asking agencies to prioritize their

own divisions or programs and this information was then consolidated to develop an agency-wide priority ranking. Agencies were instructed to document the criteria used to establish their priorities.

Performance Measurement and Management

Oregon has a history of performance measurement use that goes back to the late 1960s. Most of the current legal framework governing performance measures was passed by the 1993 Legislature. The 2013 Legislature established the Task Force on State Budget Process, which was charged with reviewing statutes governing the development of the state budget and identifying provisions that are outdated. The 2016 Legislature passed SB 1596, which implemented the changes recommended by the Task Force, including some modification to provisions related to performance measurement and management and made several changes to the budget development process. Under the measure, state agencies continue to be required to develop key performance measures (KPMs) demonstrating progress made towards achieving specified outcomes. During Oregon's budget development process, the Legislature reviews and approves KPMs and related targets for the next biennium. The Legislature may adjust an agency's KPM targets based on the final legislatively approved budget. In addition to providing KPM data, state agencies are responsible for analyzing, reporting, and addressing any negative changes in performance or shortcomings in reaching anticipated performance levels.

For the 2019-21 budget process, the Legislature again reviewed and approved agency KPMs and targets. The final decisions on KPM are included in each agency's budget report.

Oregon Reserve Funds

Education Stability Fund

The Education Stability Fund (ESF) was established in September 2002, when voters amended the Oregon Constitution to reformulate an existing education endowment fund into a reserve fund. The ESF is funded with 18% of the net proceeds from the state's lottery and is capped at 5% of the amount accrued in General Fund revenues during the prior biennium. Once the cap is reached, 15% of net lottery proceeds are deposited into the ESF's school capital matching subaccount. The Legislature is allowed to spend the principal of the fund for public education if there is an economic downturn and the expenditure is approved by three-fifths of the members in each chamber.

In order to access the ESF principal, the Legislature must make a finding that:

- the last quarterly economic and revenue forecast for a biennium indicates that moneys available to the state's General Fund for the next biennium will be at least 3% less than appropriations from the state's General Fund for the current biennium;
- there has been a decline for two or more consecutive quarters in the last 12 months in seasonally adjusted nonfarm payroll employment; or
- a quarterly economic and revenue forecast projects that revenues in the state's General Fund in the current biennium will be at least 2% below what the revenues were projected to be in the revenue forecast on which the legislatively adopted budget for the current biennium was based.

If none of these conditions are met, the ESF can be used by the Legislature for public education if the Governor declares an emergency and the expenditure is approved by a three-fifths majority of each chamber.

The ESF has been used several times to balance or rebalance a biennial budget. Although the ESF must be used for expenditures on public education, since education comprises a significant portion of the state's budget (K-12 through higher education), expenditure of ESF resources for public education allows

the General Fund dollars designated for education to be redirected to other parts of the budget. Information regarding the use of the ESD is outlined below:

- The constitutional amendment renaming the endowment fund as the Education Stability Fund (HJR 80) authorized a transfer of \$150 million from the ESF to the State School Fund (SSF) on May 1, 2003; this occurred during the 3rd special session of 2002 and offset an equivalent General Fund disappropriation to the SSF as part of the 2001-03 budget rebalance plan.
- During the 2003 session, the Legislature transferred an additional \$112 million from the ESF to the SSF in May 2003 as part of the final rebalance for the 2001-03 biennium.
- Also during the 2003 session, the Legislature prospectively transferred 90% of the lottery deposits to be made to the ESF between July 2003 and May 2005 to the SSF on May 1, 2005, as part of the balanced budget plan for the 2003-05 biennium.
- During the 2009 session, the Legislature transferred the balance of the ESF to the SSF, projected at \$394 million, as part of the rebalance of the 2007-09 budget.
- To guarantee a commitment made to provide a \$6 billion State School Fund for the 2009-11 biennium, the Legislature, during the February 2010 special session, made a prospective transfer of \$84.274 million from the ESF to the SSF to occur in May 2011.³
- In order to balance the 2009-11 budget and to address federal post-secondary education maintenance of effort requirements, \$96.425 million was transferred from the ESF to the SSF during the 2011 session.
- Also during the 2011 session, the Legislature transferred \$100 million from the ESF to the SSF as part of the 2011-13 budget and provided for an additional transfer of \$82.239 million from the ESF to the SSF to occur in May 2013 to be used for several education-related programs, including an enhancement to the SSF initial funding level.
- The Legislature took no action during the 2013, 2015, or 2017 sessions to access resources in the ESF. The balance in the ESF at the end of the 2017-19 biennium was \$619.7 million.

As in the previous three sessions, the Legislature took no action during the 2019 session to access resources in the ESF. As of the May 2019 economic and revenue forecast, the ending balance for the fund at the end of the 2019-21 biennium is projected to be \$854.4 million.

Oregon Rainy Day Fund

The Oregon Rainy Day Fund (ORDF)⁴ was established by the 2007 Legislative Assembly as a general purpose reserve fund. The ORDF was originally capitalized with a deposit of approximately \$319 million from the retention of the majority of the corporate income tax “kicker” that was due to be restored to corporate taxpayers in the fall of 2007. Future deposits into the ORDF are to be from the state’s General Fund ending balance in an amount of up to 1% of the General Fund appropriations for the biennium. If the biennium’s ending balance is greater than 1% of the General Fund appropriations for that biennium, then an amount equal to 1% is transferred to the ORDF and the remaining amounts are retained by the General Fund. If the biennium’s ending balance is less than 1% of the General Fund appropriations for that biennium, then the full amount of the ending balance is to be transferred to the ORDF. Due to the amount of time necessary to make final determinations on biennial expenditures, this transfer from the

³ The amount of the transfer was determined by the June 2010 economic and revenue forecast and was equal to the difference between \$200 million and the combination of the balance in the Rainy Day Fund plus the projected General Fund ending balance for the 2009-11 biennium.

⁴ See ORS 293.144 - 293.148.

ending balance would normally occur at the time of the March economic and revenue forecast in the year following the conclusion of the biennial budget period.

In addition to the ending balance transfer, HB 2073 (2009) provided for the deposit of all revenue collected from corporate income and excise taxes above the 6.6% tax rate into the ORDF. These deposits began with the 2013 corporate tax year with revenues collected during the 2013-15 biennium. These transfers are to occur on or before June 30th of each odd-numbered year.

If the balance in the ORDF at the time of the ending balance transfer is greater than 7.2% of the General Fund revenues collected during the prior biennium, then the ending balance transfer is made to the General Fund instead of the ORDF. The full amount of the transfer is made to the ORDF if the fund balance does not equal at least 7.2% of the General Fund revenues collected during the prior biennium even if the transfer increases the amount in the ORDF over the cap. Based on the May 2019 forecast, an average of roughly \$70 million per biennia is estimated to be deposited into the ORDF.

Like the Education Stability Fund, the ORDF also requires a three-fifths majority of both chambers of the Legislature to authorize an expenditure of funds from the reserve fund. The ORDF uses the same trigger mechanisms that are used for the ESF, with two exceptions. First, there is no allowance for a declaration of an emergency by the Governor. Second, unlike the ESF, the ORDF is a statutory, not constitutional, creation so the Legislature can change the existing triggers by passing a new law.

The Legislative Assembly is also limited to appropriating for any one biennium only up to two-thirds of the amount in the ORDF at the beginning of that biennium; if the appropriation is for a biennium that has not yet started, the Legislative Assembly can use the most recent official projection of the beginning balance of the ORDF for the biennium for which the appropriation is to be made. The ORDF retains all interest, which is calculated and transferred to the ORDF once a month by the Department of Administrative Services.

The ORDF has been used three times to balance or rebalance a biennial budget:

- During the 2009 session, the Legislative Assembly transferred two-thirds of the balance of the ORDF on July 1, 2009, estimated at \$225 million, to the General Fund for general governmental purposes as part of the final 2009-11 biennial balanced budget plan.
- In order to provide a \$6 billion State School Fund for the 2009-11 biennium, the Legislative Assembly provided a \$200 million trigger in the budget bill for the SSF during the 2009 session. The trigger amount was to come from a combination of the state's projected General Fund ending balance and the ORDF with amounts to be determined at the time of the June 2010 economic and revenue forecast; the amount eventually transferred was \$115.726 million.⁵
- As part of the 2009-11 budget rebalance plan crafted during the February 2010 special session, the Legislature transferred \$10 million from the ORDF to the General Fund for general governmental purposes.

The May 2019 economic and revenue forecast shows a projected balance of \$595.3 million in the ORDF at the end of the 2017-19 biennium. The projected balance in the ORDF at the end of the 2019-21 biennium is currently estimated at \$918.9 million.

⁵ The language creating the transfer mechanism was included in SB 5520 (2009) and then subsequently modified during the February 2010 special session in SB 5565.

Major Revenue Bills

This section summarizes five major revenue bills: HB 3427, referred to as the Student Success Act, creates a Corporate Activity Tax (CAT) dedicated to school funding; HB 2164 contains policy modifications and clarifications to the CAT as well as serving as the 2019 tax expenditure omnibus bill; HB 2010 contains the revenue elements of the health care funding plan; HB 2005 establishes a Paid Family Medical Leave policy; and HB 2270 represents a significant change to the taxation of tobacco and related products and is scheduled to go to voters in November of 2020. Further detail of these revenue bills is as follows:

- HB 3427 is referred to as the Student Success Act. This core revenue policy is the creation of the Corporate Activity Tax (CAT). It is a 0.57% tax on commercial activity in Oregon above one million dollars. The calculation of the tax includes a 35% deduction for the larger of cost of goods sold or employee labor costs. Certain items and entities are exempt, such as the wholesale or retail sale of groceries and entities subject to the Medical Provider Taxes. The bill also contains a reduction of 0.25 percentage points for the bottom three personal income tax rates – from 5%, 7%, and 9% to 4.75%, 6.75%, and 8.75%. The net revenue impact for 2019-21 is projected to be \$1,175 million. The Fund for Student Success (FSS) is estimated to receive \$1,598 million while the General Fund is estimated to have a revenue loss of \$423 million. The General Fund loss due to the income tax rate reductions is to be offset by a transfer from the FSS.
- HB 2164 consists of two policy themes. First, it contains certain technical and policy modifications or clarifications to the CAT created in HB 3427. Examples include the clarification of how insurance companies are taxed and how ‘cost inputs’ is defined. Second, it serves as the 2019 biennial omnibus tax expenditure bill. It extends all nine tax credits under review for the biennium, the most notable of which may be the extension and expansion of the earned income tax credit, which was increased by one percentage point. A tax credit for short-line railroads was created and the tax credit for IDA contributions was enhanced by increasing its value from 70 % of donations to 90%. Other tax expenditure policies included in the bill pertain to property taxation of low-income housing, historic property, and food processing equipment. For 2019-21, the bill generates a revenue loss of just under \$71 million to the General Fund, \$2 million to the FSS, and just over one million dollars to the property tax system.
- HB 2010 is the product of the latest health care funding effort. Through the extension of existing assessments and some expansions, Oregon’s health care system is projected to receive an additional \$335 million in 2019-21. The assessment on insurers, PEBB, and managed care organizations is increased from 1.5% to 2%. The bill also extends the assessment to Stop-Loss coverage. In addition, these assessments are extended through 2026. In 2021-23, the total amount raised is \$1,811 million due to these changes plus the extension of the hospital assessment, which accounts for \$1,232 million of that total. Under current law, the hospital assessment sunsets in September 2021; the bill moves the sunset date to September 2025.
- HB 2005 creates an Oregon Paid Family Medical Leave (PFML) program, modelled after the state’s Unemployment Insurance program. The program will provide eligible employees with compensated time away from work for specified purposes. The funding source is a payroll tax with a rate of up to 1% of gross wages. The Oregon Employment Department is required to specify the rate, which is split between employers (60%) and employees (40%). Employers with

fewer than 25 employees are exempt from the program. The tax becomes effective on January 1, 2022, so there is no revenue impact in 2019-21. For 2021-23, the PFML Insurance Fund is projected to receive \$1,572 million from the payroll tax.

- HB 2270 refers to the voters the option of increasing tobacco taxes to help fund the states medical assistance program, including mental health services and programs addressing tobacco and nicotine use related health issues. If approved by voters, a total of \$115 million is estimated to be raised in 2019-21 via three changes. First, the cigarette tax would increase from \$1.33 to \$3.33 for a pack of 20 cigarettes. The higher tax would take effect on January 1, 2021 and is projected to raise just under \$109 million during the 2019-21 biennium. Second, the measure would create a tax on inhalant delivery systems and make them subject to the other tobacco products tax, which is 65% of the wholesale price. Lastly, the cap on the cigar tax would be increased from 50 cents to one dollar per cigar. The tax on inhalant delivery system is projected to raise \$6 million in 2019-21 while the higher cigar tax cap would bring in roughly \$0.3 million during the biennium. Full implementation of the changes would occur in 2021-23, when \$350 million is projected to be raised.

Other Revenue Sources

Tobacco Master Settlement Agreement Funds

On November 23, 1998, 46 states and the four largest United States tobacco manufacturers entered into an agreement known as the Master Settlement Agreement (MSA). For release from past and present smoking-related claims by the states and for a continuing release of future smoking-related claims, the manufacturers agreed to make annual payments to the states in perpetuity. The state receives payments by April 15th of each year.

The State of Oregon revenues are deposited to the Tobacco Settlement Funds Account administered by the Department of Administrative Services. During the 2019 session, the Legislature allocated the funds available from the account in HB 5038. The amounts included in this bill are based on resources in the amount of \$132.4 million projected to be available for the 2019-21 biennium.

The Legislature approved the following allocations from the Tobacco Settlement Funds Account:

- \$30,914,500 to the Oregon Health and Science University Bond Fund to pay debt service and administrative fees on the Oregon Opportunity Bonds.
- \$86,282,400 to the Oregon Health Authority for the Oregon Health Plan.
- \$12,101,500 to the Oregon Health Authority for community mental health programs.
- \$3,116,100 to the Department of Education for physical education-related grants.
- \$1 to the Department of Justice as a placeholder for supplemental enforcement activities.

ORS 293.537 authorizes DAS to transfer sufficient funds from the Tobacco Settlement Funds Account for the enforcement of ORS 180.400 to 180.455, which had been done outside of the allocation bill prior to 2019-21. The Department of Justice's 2019-21 budget includes \$1.7 million in Other Funds expenditure limitation for this enforcement of the Non-Participating Manufacturer requirements under the MSA and the Department has enough settlement funds carried over from prior biennia to cover enforcement expenditures and transfer of funds from the 2019-21 allocation was not necessary. The \$1 placeholder is provided in the event the agency needs to request from the Legislature supplemental resources for enforcement activities.

Oregon Marijuana Account

Revenues from the state marijuana taxes are deposited into the Oregon Marijuana Account. The Department of Revenue transfers 10% of Account funds to cities and 10% to counties, by formulas established in statute. The remaining 80% of moneys forecasted to be received was allocated by the Legislature to state programs in HB 5029.

The revenue forecast for the Oregon Marijuana Account for the 2019-21 biennium totals \$252.2 million. The Department of Revenue will distribute \$44.7 million to cities and counties. The remaining \$207.5 million are allocated as directed under statute:

- \$103.7 million to the State School Fund (40%).
- \$51.9 million to the Oregon Health Authority for mental health treatment or for purposes related to alcohol and drug abuse prevention, early intervention and treatment services (20%).
- \$38.9 million to the State Police Account (15%).
- \$13 million to alcohol and drug abuse prevention, early intervention and treatment services (5%).

Criminal Fine Account

The Criminal Fine Account (CFA) includes criminal fines and other financial penalties imposed on conviction for felonies, misdemeanors, and violations other than parking infractions. Revenues are collected by the courts, including by the Judicial Department for the circuit courts, and by individual municipal (city) and justice (county) courts, and remitted to the Department of Revenue. During the 2019 session, the Legislature allocated resources from the Criminal Fine Account in HB 5029.

ORS 137.300 establishes the CFA and identifies program priorities but does not specify a funding level for the programs. Expenditure limitations for programs receiving CFA allocations are established in the separate appropriation bills for the various receiving agencies. Once the specific program allocations have been made, any remaining CFA revenues are deposited into the General Fund.

The May 2019 revenue forecast projects that CFA revenues in the 2019-21 biennium will total \$128.6 million. The passage of SB 980 during the 2019 session, which allows for inmate's trust account monies to be applied to court-ordered financial obligations, increased CFA revenues by \$1.2 million. In total, this represents a 10.7% decrease from the prior biennium level. The Legislature approved CFA allocations to agencies totaling \$76.8 million (a 0.4% increase over the prior biennium), which leaves a balance of \$51.7 million to be deposited into the General Fund (a 23.3% decrease from the 2017-19 biennium). The specific allocations authorized are outlined in the following table.

CRIMINAL FINE ACCOUNT ALLOCATIONS

Criminal Fine Account Revenues \$ 128,566,192

Criminal Fine Account Allocations:

Department of Public Safety Standards and Training

Operations \$ 31,999,031
 Public Safety Memorial Fund 279,495

Subtotal: \$ 32,278,526

Department of Justice

Child Abuse Multidisciplinary Intervention (CAMI) \$ 9,824,565
 Regional Assessment Centers 846,968
 Criminal Injuries Compensation Account (CICA) 8,755,862
 Child Abuse Medical Assessments 716,912

Subtotal: \$ 20,144,307

Department of Human Services

Domestic Violence Fund \$ 2,224,675
 Sexual Assault Victims Fund 533,332

Subtotal: \$ 2,758,007

Oregon Health Authority

Emergency Medical Services & Trauma Services \$ 331,824
 Alcohol & Drug Abuse Prevention 42,884
 Law Enforcement Medical Liability Account (LEMLA) 1,300,000
 Intoxicated Driver Program 4,323,000

Subtotal: \$ 5,997,708

Oregon Judicial Department

State court security and emergency preparedness \$ 3,784,490
 County court facilities security 2,931,528
 Capital improvements for courthouses and other state court facilities
 State Court Technology Fund 3,887,500

Subtotal: \$ 10,603,518

Oregon State Police

Driving Under the Influence Enforcement \$ 351,572

Department of Corrections

County correction programs, facilities, and alcohol & drug programs \$ 4,585,442

Department of Revenue

Administrative expenses \$ 100,000

Total Allocations: \$ 76,819,080

Transfer to the General Fund: \$ 51,747,112

Fees and Fee Changes

The Legislature considered several pieces of legislation that contemplated the establishment or modification of fees charged by state agencies. For the purposes of this document, only those fee changes that were approved by the Legislature, or that were provided by the Department of Administrative Services as part of the report of fees to the Legislative Assembly under ORS 291.060 prior to the beginning of the session, are included in this section. Although not included in this section, additional fee changes were considered in a number of bills that were not adopted by the Legislature and some bills that were adopted may have contained language allowing for the establishment of fees by administrative rule, but the exact amount of the fee was neither explicitly established or included in the legislatively adopted budget and will need to be ratified following the adoption of the fee by administrative rule.

Fees are defined in statute “as an amount imposed and collected by a state agency to defray or recover the costs of administering the law involved in providing a service to the public and used by the state agency to carry out or enforce a law under its jurisdiction,” but does not include fines, civil penalties, or court judgments; proceeds from the sale of products or charges for rent, leases, or other real estate transactions; interest and other charges for bonding and loan transactions; assessments between agencies; copying charges for public records; or charges for attendance at informational seminars.

As noted above, there is a process established in statute for the ratification of fees by the Legislature when those fees are not directly established in statute. In cases where an agency is granted the authority to establish or increase fees by administrative rule, any new fees or fee increases adopted through these means:

- Are not effective until approved in writing by the Director of the Department of Administrative Services for executive branch agencies (President and Speaker for legislative branch agencies; Chief Justice for judicial branch agencies).
- Must be reported by the state agency to the Director of the Department of Administrative Services within 10 days of their adoption.
- Are rescinded upon adjournment of the next regular session of the Legislature, unless otherwise authorized by enabling legislation (fee ratification bill) setting forth the approved fees.

There are a small number of specific fees, charges, and assessments that are exempt from the fee ratification process. Additionally, a general exemption to the fee ratification process is applied to new or increased fees anticipated in the budgeting process for an agency, revenues from which are included in the legislatively adopted budget for the agency. There are three general methods for the approval of the establishment or modification of fees: (1) direct statutory establishment or modification of the fee; (2) ratification of a fee established or modified by administrative rule; and (3) adoption of an agency budget that includes anticipated revenues from fee changes.

The following table provides the number of requested fee actions that were either approved or denied, by agency, separated into each of the enabling categories. Although the table attempts to reflect the number of individual fee changes, some individually counted fees may, in fact, be changes to fee schedules containing multiple individual fees, or are single fees broken into multiple components.

| | Statutory Change | Fee Ratification Bill | Agency Budget Bill | Total Fee Changes |
|--|------------------|-----------------------|--------------------|-------------------|
| Approved | | | | |
| Department of Consumer and Business Services | | | 3 | 3 |
| Department of Environmental Quality | 1 | 27 | 21 | 49 |
| Department of Human Services | 1 | | | 1 |
| Department of Justice | | | 1 | 1 |
| Higher Education Coordinating Commission | | 23 | | 23 |
| Oregon Board of Pharmacy | 18 | | | 18 |
| Oregon Board of Tax Practitioners | | 4 | | 4 |
| Oregon Department of Agriculture | 183 | 176 | 22 | 381 |
| Oregon Department of Transportation | | 5 | | 5 |
| Oregon Health Authority | 43 | | 2 | 45 |
| Oregon Liquor Control Commission | 19 | 1 | | 20 |
| Oregon Racing Commission | | | 1 | 1 |
| Oregon State Marine Board | 12 | | | 12 |
| Oregon State Police | | | 3 | 3 |
| Parks and Recreation Department | | | 13 | 13 |
| Public Utility Commission | 2 | | | 2 |
| Total Approved | 279 | 236 | 66 | 581 |
| Denied | | | | |
| Department of Environmental Quality | | | 2 | 2 |
| Department of Geology and Mineral Industries | 23 | | | 23 |
| Oregon Department of Fish & Wildlife | 2 | | | 2 |
| Total Denied | 25 | | 2 | 27 |
| Total | 304 | 236 | 68 | 608 |

There were 27 proposed fee increases that were not approved by the Legislature. Two fee increases that were included in the Governor’s proposed budget for the Department of Environmental Quality related to vehicle inspections were considered, but not approved, by the Legislature. Changes to another twenty-three individual fees for permits for mineral exploration, mining operations, exclusion certificates, gas and oil drilling and exploration, and geothermal well drilling operations charged by the Department of Geology and Mineral Industries were considered in SB 45, but the bill was not approved. In addition, HB 2066, that included two changes that would have reduced one-day angling and shellfish license fees from \$32.50 to \$23.00, effective January 1, 2020, and from \$23.00 to \$22.50, effective January 1, 2027 was also not approved by the Legislature.

Change actions for fees fall into four general categories: increases, decreases, establishment, and abolishment. The following table lists the number of fee changes and anticipated revenue impact for the 2019-21 biennium for each agency, by fee change category, for the 581 fee changes approved during the 2019 session.

| Agency | Establish | | Increase | | Decrease | | Abolish | | Total | |
|--|-----------|----------------------------|------------|----------------------------|----------|----------------------------|----------|----------------------------|------------|----------------------------|
| | Number | Anticipated Revenue Impact | Number | Anticipated Revenue Impact | Number | Anticipated Revenue Impact | Number | Anticipated Revenue Impact | Number | Anticipated Revenue Impact |
| Department of Environmental Quality | 21 | \$ 6,502,619 | 28 | \$ 4,571,035 | | | | | 49 | \$ 11,073,654 |
| Oregon Liquor Control Commission | 2 | \$ 204,000 | 18 | \$ 9,054,450 | | | | | 20 | \$ 9,258,450 |
| Public Utility Commission | | | 2 | \$ 8,756,962 | | | | | 2 | \$ 8,756,962 |
| Oregon State Marine Board | 8 | \$ 1,149,544 | 4 | \$ 4,431,587 | | | | | 12 | \$ 5,581,131 |
| Oregon State Police | 2 | \$ 2,336,400 | 1 | \$ 840,000 | | | | | 3 | \$ 3,176,400 |
| Oregon Department of Agriculture | 18 | \$ 2,577,420 | 361 | \$ 2,037,591 | 1 | \$ (2,100,000) | 1 | \$ - | 381 | \$ 2,515,011 |
| Oregon Board of Pharmacy | | | 18 | \$ 1,959,075 | | | | | 18 | \$ 1,959,075 |
| Oregon Health Authority | 4 | \$ 1,974,808 | 39 | \$ 48,250 | | | 2 | \$ (136,350) | 45 | \$ 1,886,708 |
| Department of Consumer and Business Services | 2 | \$ 636,240 | 1 | \$ 42,000 | | | | | 3 | \$ 678,240 |
| Higher Education Coordinating Commission | | | 23 | \$ 200,729 | | | | | 23 | \$ 200,729 |
| Oregon Department of Transportation | 1 | \$ 50,400 | 4 | \$ 75,334 | | | | | 5 | \$ 125,734 |
| Department of Justice | | | 1 | \$ 69,800 | | | | | 1 | \$ 69,800 |
| Department of Human Services | 1 | \$ 27,400 | | | | | | | 1 | \$ 27,400 |
| Oregon Racing Commission | 1 | \$ - | | | | | | | 1 | \$ - |
| Parks and Recreation Department | | | 13 | \$ - | | | | | 13 | \$ - |
| Oregon Board of Tax Practitioners | | | 2 | \$ 13,750 | 2 | \$ (17,500) | | | 4 | \$ (3,750) |
| Total | 60 | \$ 15,458,831 | 515 | \$ 32,100,563 | 3 | \$ (2,117,500) | 3 | \$ (136,350) | 581 | \$ 45,305,543 |

Department of Environmental Quality

The Department of Environmental Quality (DEQ) fee increases support programs within the Air Quality Division, Water Quality Division, and Land Quality Division. In the Air Quality Division, the budget bill (HB 5017) assumes fee increases to the state Air Contaminant Discharge Permit that will generate around \$3.1 million in revenue in 2019-21 and would be enough to support the program for two biennia. These fee increases will fund the current program and the addition of 6 positions specifically to address the air quality permit backlog. Additionally, fees for the Cleaner Air Oregon program, established in SB 1541 (2018), were administratively adopted by the Department and ratified in HB 5018. These fees were set at the statutory cap, which is in place until 2024, and includes an annual base fee and a one-time activity fee expected to generate \$4,847,282 Other Funds revenue to support the program.

The Department's budget recognizes fee increases to the wastewater permit program to fund the current program and the addition of 9 positions to address the water quality permit backlog. The exact amount of the fees will be determined by rule but are expected to generate \$1,170,185 Other Funds revenue in 2019-21. Finally, a 7% increase to the underground injection control fees were ratified in HB 5018 and will generate about \$25,000.

For the Land Quality Division, fees were increased for the existing Heating Oil Tank program (SB 40) and Oil Spill Prevention program (SB 41), and new fees were established for two new programs, the High Hazard Rail program (HB 2209) which will charge railroads an annual fee of 0.05% of gross operating revenue to fund planning, preparedness, and response to spills along high hazard rail corridors

Oregon Liquor Control Commission

SB 248 doubled existing alcohol-related licensing fees, with the exception of alcohol service permits. Prior to passage of the bill, many of the fifteen subject license types had been in place since at least 1953. The subject fees include those paid by restaurants, bars, package stores, distillers, distributors, wineries, and temporary/special event permits to sell and serve alcohol. The fee amounts charged vary by license type, and under the new fee structure, range from a low of \$200 per year for an off premises license, to \$1,000 for a brewery public license. SB 248 is anticipated to raise \$9,172,400 during the 2019-21 biennium.

An increase in the fee related to issuance of a Hemp Certificate (which grants the ability to sell hemp related products in OLCC-licensed retail cannabis stores) was imposed by the OLCC in March of 2019 and

ratified by the Legislature through the passage of OLCC's budget (SB 5519). The fee increased from \$500 to \$1,000 and is expected to cover 650 licensees.

Public Utility Commission

SB 68 established a new upper limit for fees imposed on investor-owned utilities. The actual fees are set in rule. The bill will allow the Public Utility Commission to meet growing demands placed on the agency by policymakers and the rapidly changing energy marketplace. The 2019-21 legislatively adopted budget for the PUC assumes \$9 million in new revenues from passage of the bill.

Marine Board

The 2019-21 legislatively adopted budget reflects raising Vessel fees, Boat Certificate of Title fees, and Mandatory Boater Education Card fees, which will total \$3.1 million in additional revenue. SB 47 established the nonmotorized boat Waterway Access Fund within the agency for the purpose of awarding grants for acquisition, construction, and maintenance of boating facilities that serve nonmotorized boaters. When fully enacted, the Waterway Access Fund will generate approximately \$1 million Other Funds revenue per biennium. HB 2532 established the Towed Watersports Program within to support the costs of administering and implementing the program and assist with paying the costs of law enforcement activities related to towed watersports in the Newberg Pool Congested Zone. The fees will generate approximately \$124,000 Other Funds revenue per biennium.

Department of State Police

The Petroleum Load Fee (ORS 465.104) was increased from \$8 to \$9 per load as of July 1, 2019, and from \$9 to \$10 per load as of July 1, 2020. This fee supports the state's oil, hazardous material, and hazardous substance emergency response program (the Regional Hazardous Materials Emergency Response Team (RHMERT) Program) in the Office of the State Fire Marshal. The fee increases are estimated to raise an additional \$840,000 in the 2019-21 biennium. Petroleum Load Fee revenues are used to purchase emergency response vehicles, threat detection tools, and technical safety equipment used by thirteen emergency response teams located throughout the state.

Department of Agriculture

The Department of Agriculture (ODA) budget recognizes fee increases in several programs, including Food Safety, Weights and Measures, Certifications, Confined Animal Feeding Operations, and Hemp. Some of these fees, including Food Safety, Weights and Measures, and Certifications were modified through the fee ratification process and are reflected in HB 5003.

The fees that support the Confined Animal Feeding Operations (CAFO) Program were increased through HB 2061. Fee changes for the Hemp Program are assumed in the Department's budget (HB 5002), as the program would be officially adopting the fee changes through rule prior to the end of the 2019 session.

The fee increases in HB 5003 for the Food Safety and the Weights and Measures programs would place the fees at the current statutory maximum. As a result, the Legislature also approved increases to the statutory caps for Food Safety (HB 2059) and Weights and Measures (HB 2057), which will allow the Department the option of increasing those fees at 3% annually. Any increases adopted by the Department would then be included in a future fee ratification bill.

Finally, SB 883 created a new program for ODA to regulate animal rescue shelters, including establishing a fee to fund the costs of regulation. The Department anticipates an annual fee of \$584, which would

generate revenue of \$131,400 Other Funds in 2019-21 based on current estimates of 225 facilities. This fee may need to be reevaluated in the future as the program becomes operational.

Board of Pharmacy

The Board of Pharmacy updated its fee schedule, increasing licensing fees for pharmacists, certified pharmacy technicians, pharmacy technicians, and interns, as well as inspection fees for outlets. The last time the Board raised fees was in 2001. A proposed fee increase during the 2011-13 biennium was rolled back to 2001 rates. In 2015, the Board instituted biennial licensure without a fee adjustment. Pharmacists, certified pharmacy technicians, and pharmacy technicians have been receiving two years of licenses for the price of one year. This updated fee schedule will adjust for biennial licensure, as well as address the increased costs of operations driven by changes in the focus of pharmacy practice and technological advances being incorporated into systems of drug distribution.

Oregon Health Authority

Several new fees and fee increases were included in the Oregon Health Authority (OHA) budget. These fees impact the Public Health Division and are expected to generate \$2 million in additional Other Funds revenue during the 2019-21 biennium. Of this amount, \$1.8 million represents restructured Drinking Water Services fees authorized by SB 27 (2019). Previously, this program had authority to periodically charge sanitary survey fees. With the revised fee authority, the sanitary survey fees are replaced with annual regulatory fees established through the administrative rules process to broaden the program's regulatory support and improve its ability to monitor the safety of Oregon's drinking water and respond to detection of contaminants.

With the passage of SB 28 (2019), the budget also incorporates increases to the statutorily-defined licensing and inspection fees for tourist facilities, public spas and pools, bed and breakfasts, restaurants and vending machines, and for plan reviews for restaurant construction or remodeling. These fees support related regulatory costs and were last increased in 2003. As authorized in statute, the Public Health Division delegates most of this work to local public health authorities, which collect the fees to support their related program costs. Given that OHA directly performs only a fraction of this work, particularly in cases when a county returns its public health authority to the state, the overall impact on OHA's 2019-21 budget due to these fee increases is expected to be only \$64,450.

Also included in the budget is \$111,511 Other Funds to reflect a new fee in the Toxic Free Kids program. State law requires manufacturers of children's products to remove certain chemicals from their products or seek a waiver. The Public Health Division will establish a one-time application fee and a consulting fee through the administrative rules process to support the cost of the waiver process.

Department of Consumer and Business Services

The budget for the Department of Consumer and Business Services recognizes \$636,240 in anticipated revenue from the establishment of fees authorized by HB 4005 (2017) related to the Oregon Prescription Drug Price Transparency program, as well as additional General Fund revenues from the increase in fees for annual licensure renewal of securities broker dealers as adopted by rule.

Higher Education Coordinating Commission

The Private Career School program in the Higher Education Coordinating Commission (HECC) increased fees in 2017 and 2019 to provide sufficient funding for the program. There are approximately 180 private career schools including those for cosmetology, truck driving, tattoos, real estate, and some

health-related occupations. The fees were supported by the Private Career School Advisory Committee. Committee membership includes representatives of the schools that are charged the fees. The fee increases are expected to raise \$117,703 annually in 2019-21, reflecting a 30% increase in 2017 and another 30% fee increase in 2019. These increases replace General Fund resources for the program that were no longer available after the 2015-107 biennium.

Department of Transportation

HB 5040 (2019) ratified fees adopted by the Department of Transportation and approved by the Department of Administrative Services. The specific fees affected by the measure relate to annual permits for outdoor advertising signs, vehicle registration plates, and ignition interlock device service center applications.

Department of Justice

The Legislature approved a federally mandated fee increase to the family for each new Temporary Assistance for Needy Families child support case. This is a one-time fee increase of \$10 to the family, increasing the fee from \$25 to \$35. Of the total revenue collected, 66% is passed on to the federal government as program income and the remaining 34% is split between County Child Support programs (24%) and the Division of Child Support (10%). The Division does not get an administrative allowance for processing this collected fee.

Department of Human Services

Effective January 1, 2021, HB 2600 (2019) requires the Department of Human Services to annually inspect kitchens and other food preparation areas in long term care facilities to help prevent the spread of communicable diseases. The bill authorizes the agency to charge an inspection fee of up to \$200 to help cover the cost of conducting inspections that are not part of a legally required facility survey.

Racing Commission

SB 76 (2019) permits Oregon Racing Commission licensees to conduct exchange wagering, a type of bet involving opposing wagers in a given market on the outcome of a race. The Racing Commission may charge a fee of up to 2% of the revenue resulting from the wager. This a relatively new kind of wager, and its popularity will ultimately determine the amount of additional revenue collection. Since the Racing Commission already audits and monitors licensees on existing wagers, collection and oversight costs are anticipated to be minimal.

Parks and Recreation Department

The budget bill for the Parks and Recreation Department recognizes fee revenues from a flexible fee schedule adopted by rule by the Parks Commission for the upcoming biennium as authorized by HB 2318 (2017). The impact on Other Funds revenue is nominal since the agency is only implementing the fee changes as a pilot project to allow the agency to develop long-term pricing strategies dependent on the sensitivity to demand.

Board of Tax Practitioners

Fees assessed by the Oregon Board of Tax Practitioners were authorized to be modified by HB 5037 (2019) for both the Licensed Tax Preparer (LTP) and the Licensed Tax Consultant (LTC) examinations. Under the new fee structure, LTPs and LTCs both pay a \$60 Exam Application Fee for review of their credentials by the Board. Once approved to take a licensing exam by the Board, the applicant pays an Exam Proctoring Fee directly to the test proctoring company; this fee will be \$50 for LTPs and \$85 for

LTCs. Revenues that fund Board operations are anticipated to decrease by \$3,750 per biennium under this new fee structure.

Additional information on fee changes and their associated revenues can be found in fiscal impact statements, revenue impact statements, or budget reports for the various pieces of enabling legislation. The following table presents the number of approved fee changes and estimated revenue, by agency and bill number.

| Agency | Number | Anticipated Revenue Impact |
|---|------------|----------------------------|
| Department of Consumer and Business Services | | |
| HB 5011 | 3 | \$ 678,240 |
| Department of Environmental Quality | | |
| HB 2209 | 1 | \$ 550,737 |
| HB 5017 | 15 | \$ 3,100,000 |
| HB 5018 | 27 | \$ 5,979,182 |
| SB 40 | 5 | \$ 368,754 |
| SB 41 | 1 | \$ 1,074,981 |
| Department of Human Services | | |
| SB 2600 | 1 | \$ 27,400 |
| Department of Justice | | |
| SB 5515 | 1 | \$ 69,800 |
| Higher Education Coordinating Commission | | |
| HB 5025 | 23 | \$ 200,729 |
| Oregon Board of Pharmacy | | |
| SB 5529 | 18 | \$ 1,959,075 |
| Oregon Board of Tax Practitioners | | |
| HB 5037 | 4 | \$ (3,750) |
| Oregon Department of Agriculture | | |
| HB 5002 | 6 | \$ 725,500 |
| HB 5003 | 192 | \$ 1,370,263 |
| HB 2057 | 16 | \$ 102,649 |
| HB 2059 | 154 | \$ 107,233 |
| HB 2061 | 12 | \$ 77,966 |
| SB 883 | 1 | \$ 131,400 |
| Oregon Department of Transportation | | |
| HB 5040 | 5 | \$ 125,734 |
| Oregon Health Authority | | |
| SB 27 | 3 | \$ 1,716,947 |
| SB 28 | 38 | \$ 8,250 |
| SB 29 | 2 | \$ 50,000 |
| SB 5525 | 2 | \$ 111,511 |
| Oregon Liquor Control Commission | | |
| SB 247 | 1 | \$ 204,000 |
| SB 248 | 18 | \$ 8,729,450 |
| SB 5519 | 1 | \$ 325,000 |
| Oregon Racing Commission | | |
| SB 76 | 1 | \$ - |
| Oregon State Marine Board | | |
| HB 2080 | 5 | \$ 4,465,651 |
| HB 2352 | 1 | \$ 124,000 |
| SB 47 | 6 | \$ 991,480 |
| Oregon State Police | | |
| HB 3005 | 2 | \$ 2,336,400 |
| SB 5530 | 1 | \$ 840,000 |
| Parks and Recreation Department | | |
| SB 5527 | 13 | \$ - |
| Public Utility Commission | | |
| SB 68 | 2 | \$ 8,756,962 |
| Total | 581 | \$ 45,305,543 |

Program Area Summaries

EDUCATION

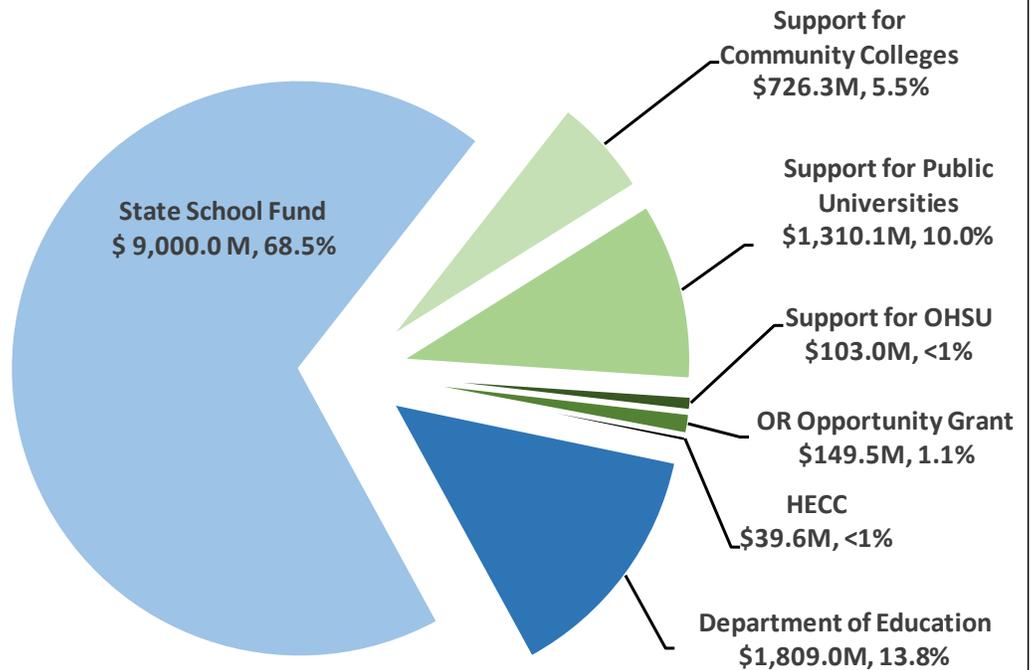
The Education program area includes state operated or financed activities serving children or students from early education through post-secondary education (P-20). This P-20 scope includes:

- Early childhood programs which are administered by the Early Learning Division in the Department of Education (ODE) and include child care assistance and regulation, Oregon Prekindergarten, Healthy Start, Relief Nurseries, and Preschool Promise.
- Kindergarten through 12th grade programs include the State School Fund (SSF) which is the primary funding source for School Districts and Education Service Districts (ESDs); licensing and regulation of teachers and other education professionals; specific K-12 funding streams through ODE's Grant-in Aid programs; and the monitoring and distribution of Federal Funds, including programs related to the Individuals with Disabilities Education Act, Every Student Succeeds Act (ESSA), and nutrition-related programs. The new Fund for Student Success will provide roughly \$1 billion annually when fully implemented for these programs.
- Youth development programs administered through ODE that include Juvenile Crime Prevention Programs and a variety of other grant programs.
- Post-Secondary education programs administered at the state level through the Higher Education Coordinating Commission (HECC) that include funding for the community college system, Oregon Health and Science University (OHSU), the seven public universities, and student financial aid programs through the Office of Student Access and Completion.

Over the past eight years there have been several organizational changes including the establishment of HECC, the move toward a more independent public university system, and the consolidation of early learning and youth development programs into ODE as new divisions. The Chief Education Office (formerly the Oregon Education Investment Board or OEIB) which was created during this period sunsetted, effective June 30, 2019.

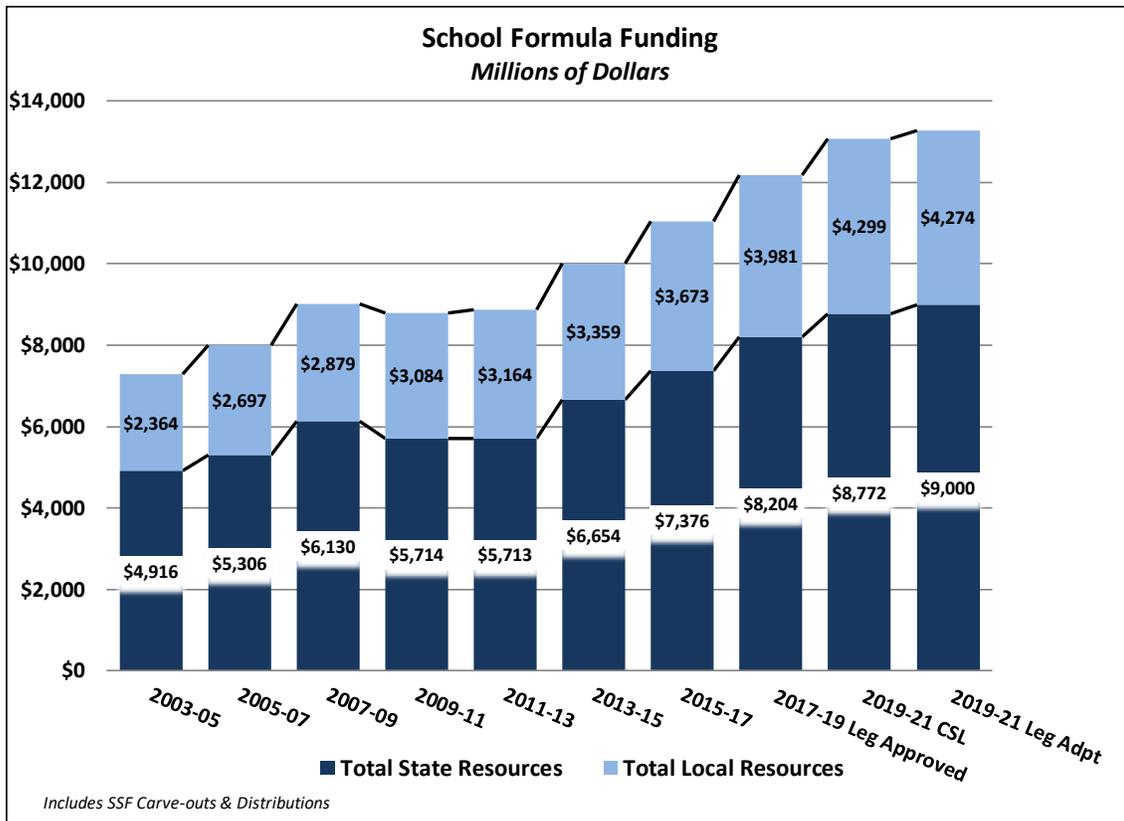
The 2019-21 legislatively adopted General Fund and Lottery Funds budget for the Education program area is \$11.48 billion. This is an increase of \$471.5 million (or 4.3%) from the 2017-19 legislatively approved budget. The total funds budget of \$15.95 billion reflects a 12.9% increase over the prior biennium. This larger total funds increase is in large part due to the new Fund for Student Success. The \$9 billion SSF, as demonstrated in the chart below, represents 68.5% of the combined General Fund, Lottery Funds, Fund for Student Success, and dedicated marijuana revenues. Compared to the 2017-19 legislatively approved budget, the relative shares for the various spending areas in the chart, other than the Department of Education, stay relatively the same. The budget for the Department of Education increases by roughly \$1 billion driven primarily from the increased resources for grant-in-aid programs from the new Fund for Student Success.

**Education Program Area – 2019-21 Legislatively Adopted Budget
General and Lottery Funds, Student Success and Marijuana Revenues
\$13,137 Million**

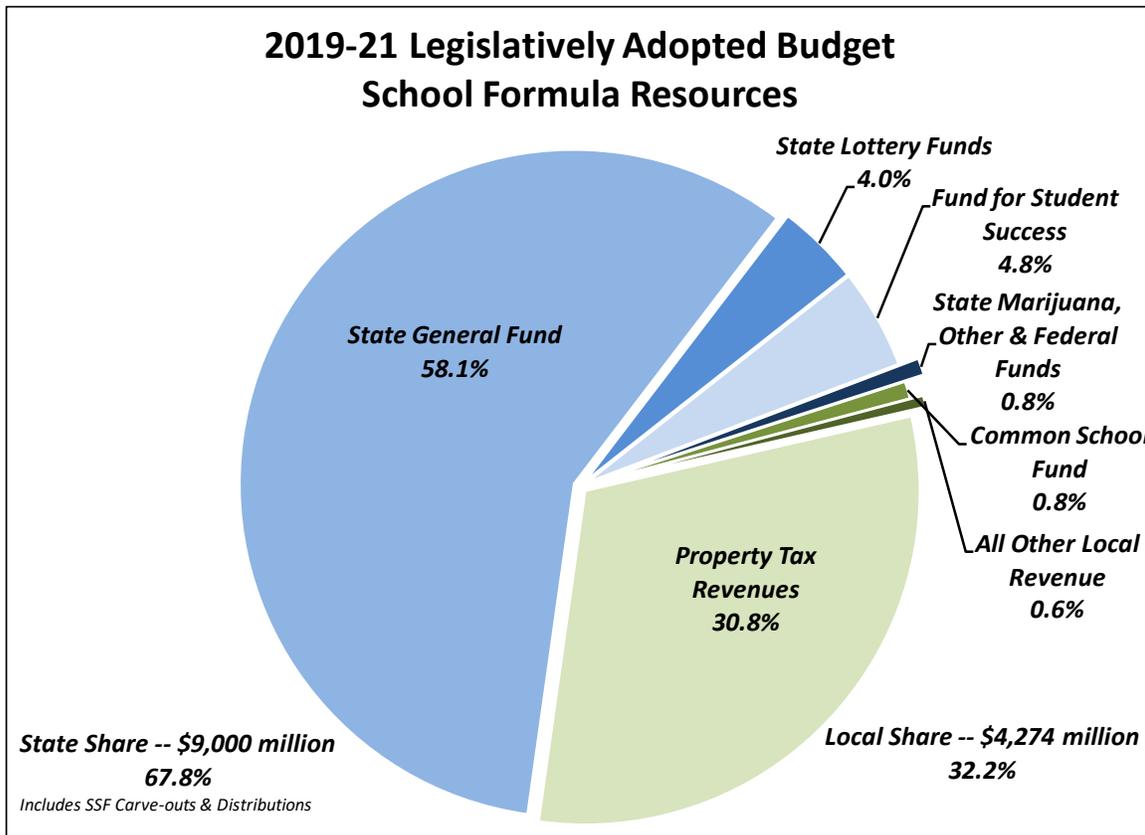


State School Fund

The 2019-21 legislatively adopted budget includes \$9 billion total funds for the State School Fund which makes up the state portion of the amount distributed to School Districts and Education Service Districts through the school funding formula. The 2019-21 SSF budget represents a \$796.1 million (or 9.7%) increase in total funds for the SSF over the amount available in 2017-19. As with the previous three biennia, no additional funding from the Education Stability Fund or the Oregon Rainy Day Fund is included in the SSF for 2019-21. An estimated \$4 million of the SSF is assumed to cover the payments required under the Local Option Equalization Grants. Overall, general purpose funding for School Districts and ESDs depends on both the state contribution through the SSF and the contributions of local revenue including property taxes, timber revenue, and distributions from the Common School Fund. Biennium to biennium change in both state and local share of the distribution is shown below.



For 2019-21, the funding mix for the SSF has changed. While the General Fund remains the largest source of funding, the new Fund for Student Success contributes \$643 million. The largest share of this amount, or \$423 million, represents the amount of General Fund resources lost due to the income tax rate reductions and other tax changes in HB 3427 (2019). The remaining amounts represent a \$20 million annual increase for the High Cost Disability account (starting in the second year of the biennium) and a one-time \$200 million contribution to the SSF. Marijuana-related revenues increase by approximately \$22 million for 2019-21 to \$103.8 million. It should be noted that the SSF is at risk of losing all or a portion of the amount contributed by the Fund for Student Success depending on the outcome of an election if a measure to repeal or modify the new law is placed on the ballot for voter approval. The chart below demonstrates the various state and local resources that are part of the calculation of the formula distribution for 2019-21 which totals \$13.27 billion. The overall state share increases from 67.3% in 2017-19 to 67.8% for 2019-21.



Department of Education

The budget for the Department of Education (not including the State School Fund) includes central operations including the K-12 system oversight and technical assistance staff, the School for the Deaf, Youth Corrections and Juvenile Detention Education Programs, K-12 Grant-in-Aid support to local programs, Common School Fund distributions, early learning programs, and youth development programs.

The 2019-21 legislatively adopted budget includes General Fund and Lottery Funds of \$900 million, which is \$74 million (or 9%) greater than the 2017-19 legislatively approved budget. All \$692,870 Lottery Funds are for debt service payments for bonds issued for school district improvements; these bonds will be paid off in the 2019-21 biennium. The total funds budget of \$4.054 billion is 40.5% greater than the 2017-19 amount, primarily due to the almost 215% or \$1.035 billion increase in Other Funds (limited) that is the result of the new spending from the Fund for Student Success (FFS). There will be another significant increase for 2021-23 since almost all the FFS spending starts in the second year of the 2019-21 biennium. The budget includes 693 positions (653.30 FTE). This represents an increase of 109 positions (102.87 FTE) from 2017-19, primarily due to staff increases associated with FFS-funded programs and increases in the early learning monitoring and quality assurance staffing.

The largest share of this budget (84% General Fund and 82% of total funds) is paid out to local school districts, Education Service Districts, and other entities as Grant-in-Aid payments for educational services, as well as for early learning and youth development programs. While some of these programs are competitive grants, most of them are awarded based on criteria set in statute or by the federal government including income, disability, or educational need. The budgets and notable changes for

these Grant-in-Aid programs are described below in three groupings – K-12, early learning and youth development.

The budget for K-12 Grant-in-Aid programs for 2019-21 totals \$487.4 million General Fund and \$2.739 billion total funds. While General Fund resources grew by 7.3% over 2017-19, total funds grew by nearly 40% almost entirely due to the FSS resources. The following table provides program detail. Notable changes include:

- Funding formerly through the Network for Quality Teaching and Learning (NQTL) totaling \$37.9 million is repurposed to fund the programs under the new Educator Advancement Council which will be responsible for coordinating educator professional development through a network of regional entities. This means that programs formerly funded with Network resources (noted by “NQTL” in the program name) will not be funded directly but will depend on priorities set by each regional network. The programs no longer directly funded include Mentoring, School District Collaboration, dyslexia related training, Trauma Informed Practices pilot grants, Low Performing Schools grants, and School District Turnaround grants.
- The new source of funding from the FSS provides resources for many new programs, including \$472.7 million Other Funds for new formula-driven Student Investment grants available to all school districts, \$12 million for grants to assist districts where student achievement performance is lagging, \$24 million to ESDs to assist school districts to prepare the required plans to receive the Student Investment grants, \$2.8 million to assist districts in establishing systems to identify at-risk students, \$41.6 million for school nutrition programs, \$3 million for Summer Learning programs, \$3.8 million for expanding the African American Education grants, \$3.2 million for grants to carry out the Native American Education Plan, \$1 million to develop an educational plan for Latino students, and \$15 million for professional development for K-12 educators. Existing programs expanded using FSS resources include an additional \$37.5 million for the Early Intervention and Early Childhood Special Education programs and \$133.2 million to bring funding for High School Success grants (Ballot Measure 98) to the 2019-21 current service level. Generally, this FSS funding is available starting in the second year of the biennium.
- Eliminated K-12 Grant-in-Aid programs include the programs formerly funded by the Network for Quality Teaching and Learning described above, and the Trauma Informed pilot grants. The CTE Revitalization grants program was reduced by just over \$3.3 million General Fund with the remaining \$7 million to first go to rural schools and for student groups previously under-represented in grants in previous years.

| | 2017-19 Legislatively Approved Budget | | 2019-21 Current Service Level (CSL) | | 2019-21 Legislatively Adopted Budget | | |
|---|---------------------------------------|-----------------|-------------------------------------|-----------------|--------------------------------------|---------------|-----------------|
| | <i>Millions of Dollars</i> | | | | | | |
| | GF | TF | GF | TF | GF | OF-FSS | TF |
| K-12 GRANT-IN-AID PROGRAMS | | | | | | | |
| <u>Student Success Grant Programs</u> | | | | | | | |
| Start Making A Reader Today (SMART) | 0.26 | 0.26 | 0.27 | 0.27 | 0.27 | - | 0.27 |
| Reach Out to Read Program | 0.05 | 0.05 | 0.05 | 0.05 | 0.08 | - | 0.08 |
| Supporting Accelerated Learning Opportunities | 2.64 | 2.64 | 2.74 | 2.74 | 2.74 | - | 2.74 |
| Regional Promise Grants | 3.11 | 3.11 | 3.23 | 3.23 | 3.23 | - | 3.23 |
| Physical Education Grants | 0.95 | 4.36 | 0.99 | 4.53 | 1.41 | - | 4.31 |
| Chronic Absenteeism Grants | 6.24 | 6.24 | 6.47 | 6.47 | 6.47 | - | 6.47 |
| Trauma Informed Grants (NQTL) | - | 1.00 | - | 1.04 | - | - | - |
| High School Success Grants (Measure 98) | 170.00 | 340.00 | 303.19 | 606.38 | 169.99 | 133.20 | 473.18 |
| Student Investment Program - Formula Grants | - | - | - | - | - | 472.74 | 472.74 |
| Student Investment Intensive Program: High Need | - | - | - | - | - | 12.00 | 12.00 |
| E-Rate | 0.34 | 0.34 | - | - | - | - | - |
| Other Federal/Other Funds Grants | - | 35.37 | - | 51.00 | - | - | 23.23 |
| SUBTOTAL | 183.60 | 393.37 | 316.95 | 675.72 | 184.19 | 617.94 | 998.25 |
| <u>District Capacity and Technical Assistance Grant Programs</u> | | | | | | | |
| ESD Technical Assistance Support Grants | - | - | - | - | - | 24.00 | 24.00 |
| Healthy & Safe School Plan Grants | - | - | - | 2.00 | - | - | 2.00 |
| Statewide School Safety & Prevention Systems | - | - | - | - | - | 1.73 | 1.73 |
| Early Warning System Grants | - | - | - | - | - | 1.75 | 1.75 |
| Electronic Warning System Technical Assistance Grants | - | - | - | - | - | 1.00 | 1.00 |
| Foster Care & Extra Curricular Transportation Grants | 0.25 | 0.75 | - | 0.52 | - | - | 2.00 |
| SUBTOTAL | 0.25 | 0.75 | - | 2.52 | - | 28.48 | 32.48 |
| <u>STEM and CTE Related Programs</u> | | | | | | | |
| STEM/CTE Regional Network Grants | 4.67 | 4.67 | 4.84 | 4.84 | 4.84 | - | 4.84 |
| CTE Revitalization Grants | 10.33 | 10.33 | 10.73 | 10.73 | 7.02 | - | 7.02 |
| STEM/CTE Career Pathway Fund | 8.17 | 8.17 | 8.48 | 8.48 | 8.48 | - | 8.48 |
| STEM/CTE Innovation Grants | 4.43 | 4.43 | 4.60 | 4.60 | 4.60 | - | 4.60 |
| Student Leadership Centers | 0.70 | 0.70 | 0.73 | 0.73 | 0.73 | - | 0.73 |
| Future Farmers of America Association (FAA) | - | - | - | - | 1.43 | - | 1.43 |
| Agricultural Summer Program Grants | - | - | - | - | 0.60 | - | 0.60 |
| For Inspiration & Recognition of Science & Tech (FIRST) | 0.47 | 0.47 | 0.48 | 0.48 | 0.48 | - | 0.48 |
| CTE Vocational Education Grant: Perkins Grant | - | 32.19 | - | 33.33 | - | - | 33.33 |
| SUBTOTAL | 28.77 | 60.96 | 29.86 | 63.19 | 28.18 | - | 61.52 |
| <u>Nutritional Programs</u> | | | | | | | |
| Federal Reimbursement Programs | - | 388.01 | - | 407.12 | - | - | 407.12 |
| After School Meal/Snack Program | 0.48 | 0.48 | 0.50 | 0.50 | 0.50 | - | 0.50 |
| Breakfast & Summer Lunch Programs | 1.61 | 1.61 | 1.67 | 1.67 | 1.01 | - | 1.01 |
| Breakfast Before the Bell Program | - | - | - | - | - | 1.18 | 1.18 |
| Hunger Free Schools Program Grants | - | - | - | - | - | 40.43 | 40.43 |
| Free Lunch Grant Program (SSF Transfer) | - | 2.47 | - | 2.57 | - | - | 2.85 |
| Farm to School - Transfer to Dept. of Agriculture | - | - | - | - | 0.50 | - | 0.50 |
| Farm to School Programs | 4.50 | 4.50 | 4.67 | 4.67 | 14.16 | - | 14.16 |
| SUBTOTAL | 6.59 | 397.07 | 6.84 | 416.53 | 16.17 | 41.61 | 467.75 |
| <u>Educator Effectiveness & Professional Development</u> | | | | | | | |
| Accelerated College Credit Instructor Program | 0.26 | 0.26 | 0.27 | 0.27 | 0.27 | - | 0.54 |
| Dyslexia Training Grants (NQTL) | - | 1.90 | - | 1.97 | - | - | - |
| Mentoring Grants (NQTL) | - | 11.50 | - | 11.94 | - | - | - |
| School Dist Collaboration Grant (NQTL) | - | 13.50 | - | 14.01 | - | - | - |
| Leadership Training Grants (NQTL) | - | 2.50 | - | 2.60 | - | - | - |
| Educator Professional Development Grants | - | - | - | - | - | 15.00 | 15.00 |
| Title IIA Teacher and Principal Grant | - | 47.85 | - | 37.67 | - | - | 37.67 |
| SUBTOTAL | 0.26 | 77.51 | 0.27 | 68.45 | 0.27 | 15.00 | 53.21 |
| <u>Closing the Achievement Gap</u> | | | | | | | |
| African American Education Plan Grants | 6.00 | 6.00 | 6.23 | 6.23 | 6.23 | 3.81 | 10.04 |
| Latino State Plan | - | - | - | - | - | 1.00 | 1.00 |
| Native American Education Plan Grants | - | - | - | - | - | 3.19 | 3.19 |
| Tribal Attendance Grants | 1.55 | 1.55 | 1.61 | 1.61 | 1.61 | - | 1.61 |
| Native American Curriculum Grants | 1.80 | 1.80 | - | - | 1.80 | - | 1.80 |
| English Language Learners Grants | - | 10.43 | - | 10.83 | - | - | 10.00 |
| School & Dist Turnaround Grants (NQTL) | - | 2.00 | - | 2.08 | - | - | - |
| Low Performing Schools Grants (NQTL) | - | 2.50 | - | 2.60 | - | - | - |
| Summer Learning Grants | - | - | - | - | - | 3.00 | 3.00 |
| Low Income: Title I, Part A | - | 300.00 | - | 301.13 | - | - | 301.13 |
| School Improvement Grants | - | 10.00 | - | 20.38 | - | - | 20.38 |
| Migrant Education (Title I, Part C) Grants | - | 21.53 | - | 38.00 | - | - | 38.00 |
| English Language Acquisition (Title III) Grants | - | 22.77 | - | 13.38 | - | - | 13.38 |
| Title IV-A Student Enrichment Grants (new 2018-19) | - | 25.45 | - | 20.00 | - | - | 20.00 |
| Title IV-B 21st Century Community Learning Centers | - | 18.10 | - | 18.79 | - | - | 18.79 |
| SUBTOTAL | 9.35 | 422.13 | 7.84 | 435.01 | 9.64 | 11.00 | 442.32 |
| <u>Specialized Student Service Grant Programs</u> | | | | | | | |
| Vision Screenings Reimbursements | 1.00 | 1.92 | 1.00 | 3.00 | - | - | 1.86 |
| Youth Corrections/Detention (YCEP/JDEP) | - | 19.42 | - | 20.16 | - | - | 16.74 |
| Transition Network Facilitator Grants (TNFs) | - | - | - | - | 1.40 | - | 1.40 |
| Early Intervention/Early Childhood Educ (EI/ECSE) | 175.01 | 207.26 | 194.37 | 227.53 | 194.37 | 37.50 | 265.03 |
| Regional Programs | 27.68 | 60.40 | 28.73 | 62.69 | 28.73 | - | 62.69 |
| Hospital Programs | 1.37 | 7.05 | 1.42 | 6.85 | 1.37 | - | 7.57 |
| Long Term Care and Treatment | 18.94 | 44.81 | 19.66 | 47.08 | 16.72 | - | 41.74 |
| Blind & Visually Impaired | 1.00 | 6.04 | 1.04 | 2.68 | - | - | 1.60 |
| Individuals with Disabilities Act (IDEA) Grants | - | 261.60 | - | 271.53 | 3.31 | - | 274.85 |
| Charter School Grants | - | 7.00 | - | 7.27 | - | - | 7.27 |
| Salem-Keizer Educ. Foundation (one-time for 2017-19) | 0.25 | 0.25 | - | - | - | - | - |
| SUBTOTAL | 225.25 | 615.74 | 246.22 | 648.79 | 248.90 | 37.50 | 683.74 |
| TOTAL K-12 GRANT-IN-AID PROGRAMS | 454.06 | 1,967.53 | 607.98 | 2,310.21 | 487.36 | 751.52 | 2,739.25 |

The budget for early learning related Grant-in-Aid (GIA) programs for 2019-21 totals \$256.9 million General Fund and \$570.3 million total funds. This represents a 3.6% increase over 2017-19 for General Fund and 44.7% for total funds. Like the K-12 GIA programs, early learning GIA programs received over \$131 million in FSS resources as well as \$36 in new federal resources. Program detail is in the following table. Notable changes include:

- A number of early learning programs received Other Funds from the new FSS funding source including Relief Nurseries (\$2.8 million), Oregon Pre-Kindergarten or OPK (\$44.4 million), Preschool Promise (\$30.8 million), Early Head Start (\$22.3 million), Healthy Families (\$2 million), parenting education (\$1 million) Hubs for local coordination (\$2.2 million), and resources for early learning professional development (\$12.5 million). This funding is generally only available for the second year of the biennium.
- A new Equity Fund is established for the second year of the biennium with FSS resources to assist children and families in under-represented populations.
- Expanding federal funding under the Child Care Development Block Grant is incorporated into the budget. Funding of \$8.3 million is for the continuation of the Baby Promise pilot program started in late 2017-19 in three areas of the state to ensure quality infant and toddler child care. To support child care providers, \$12.9 million is available generally through the Child Care Resource and Referral programs (CCR&Rs). Finally, an additional \$20 million is transferred to the Department of Human Services for the Employment Related Day Care (ERDC) program. This additional funding is generally roll-up costs of expansions made in late 2017-19.
- Three programs have General Fund reductions – Focused Child Care (\$327,979), Kindergarten Readiness grants (\$700,000), and Early Learning Hub funding (\$500,000).

| | 2017-19 Legislatively Approved Budget | | 2019-21 Current Service Level (CSL) | | 2019-21 Legislatively Adopted Budget | | |
|---|---------------------------------------|---------------|-------------------------------------|---------------|--------------------------------------|---------------|---------------|
| | <i>Millions of Dollars</i> | | | | | | |
| | GF | TF | GF | TF | GF | OF-FSS | TF |
| EARLY LEARNING DIVISION | | | | | | | |
| Oregon Prekindergarten | 150.69 | 150.69 | 156.42 | 156.42 | 156.42 | 44.40 | 200.82 |
| Early Head Start | 1.65 | 1.65 | 1.71 | 1.71 | 1.71 | 22.34 | 24.05 |
| Preschool Promise | 35.73 | 35.73 | 37.09 | 37.09 | 37.09 | 30.80 | 67.88 |
| Healthy Families | 24.84 | 29.50 | 25.73 | 30.57 | 25.73 | 2.00 | 32.57 |
| Office of Child Care | 2.08 | 33.14 | 2.16 | 29.79 | 1.83 | - | 44.58 |
| DHS - Employment Related Day Care (ERDC) & Inclusive Child Care | - | 104.69 | - | 97.45 | - | - | 117.45 |
| Baby Promise | - | 1.01 | - | 2.69 | - | - | 8.75 |
| Preschool Development Grant (Birth to 5) | - | - | - | - | - | - | 3.10 |
| Early Childhood Equity Fund | - | - | - | - | - | 10.00 | 10.00 |
| Coaching / Professional Development | - | - | - | - | - | 14.40 | 14.40 |
| Relief Nurseries | 8.92 | 10.99 | 9.26 | 11.41 | 9.41 | 2.80 | 14.21 |
| Kindergarten Partnerships Initiative | 9.07 | 9.07 | 9.41 | 9.41 | 8.71 | - | 8.71 |
| Early Learning HUBs | 14.97 | 17.77 | 15.54 | 18.44 | 15.33 | 2.19 | 20.42 |
| Race to the Top | - | - | - | - | - | - | - |
| Other Early Learning Grants | - | - | - | - | 0.72 | 2.67 | 3.39 |
| TOTAL EARLY LEARNING DIVISION | 247.94 | 394.22 | 257.31 | 394.97 | 256.95 | 131.59 | 570.33 |

Funding for Youth Development Grant-in-Aid programs for 2019-21 is \$14.1 million General Fund and \$24.6 million total funds. These are increases over 2017-19 of 7.6% and 21.8%, respectively.

Major changes for 2019-21 include a new youth Re-engagement program to be developed; it is funded in the second year of the biennium with \$4 million of FSS resources. This program is to assist in reconnecting youth with school and employment. A reduction of available Title XX funding for youth

development grant programs is backfilled with \$450,000 General Fund. A similar \$150,000 backfill is also made for Relief Nurseries in the early learning program.

As noted above, the staff at ODE for 2019-21 grew by a net 109 positions from 2017-19. Almost all of this growth is in three areas:

- The Fund for Student Success (FSS) legislation resulted in 72 new positions (51.95 FTE) including: 11 Early Learning Division positions for administering the new or expanded programs; 4 Youth Development Division positions to develop and administer the new Youth Re-engagement program; 17 positions to administer a variety of K-12 new or expanded programs; 7 positions for assisting lower performing school districts through student success or coaching efforts; 22 positions for the grant management and monitoring of the \$472.7 million in Student Investment grants to school districts; 5 positions for increasing district fiscal transparency; and 10 positions for support services and agency infrastructure.
- A total of 42 positions are established in the Early Learning Division. Most of them (35 positions) are for activities related to licensing, compliance, investigations, and assistance to child care providers. Many of the 35 positions are inspection/compliance staff and will reduce the caseloads of existing staff. Another 4 positions are for administering grants, legislative and rule coordination, family engagement activities, and managing evaluations of Division programs. Finally, three limited duration positions are continued for the Baby Promise pilot project.
- 10 positions are established for ODE agency support and infrastructure in areas including personnel, information systems, project management, procurement, and financial services.

| | 2017-19 Legislatively Approved Budget | | 2019-21 Current Service Level (CSL) | | 2019-21 Legislatively Adopted Budget | | |
|---|---------------------------------------|--------------|-------------------------------------|--------------|--------------------------------------|-------------|--------------|
| | <i>Millions of Dollars</i> | | | | | | |
| | GF | TF | GF | TF | GF | OF-FSS | TF |
| YOUTH DEVELOPMENT DIVISION | | | | | | | |
| Juvenile Crime Prevention | 5.88 | 6.63 | 6.11 | 6.88 | 6.11 | - | 6.56 |
| Gang Prevention & Intervention Grants | 0.75 | 0.75 | 0.78 | 0.78 | 0.78 | 4.00 | 4.78 |
| All Means ALL Grants | - | - | - | - | - | - | - |
| Youth & Entrepreneurship Grants | - | - | - | - | - | - | - |
| Career & Workforce Success Grants | - | - | - | - | - | - | - |
| Youth & Community | 3.25 | 9.47 | 3.37 | 9.83 | 3.82 | - | 9.83 |
| Youth & Innovation | 3.17 | 3.17 | 3.29 | 3.29 | 3.29 | - | 3.29 |
| Community Schools | 0.10 | 0.16 | 0.10 | 0.17 | 0.10 | - | 0.17 |
| TOTAL YOUTH DEVELOPMENT DIVISION | 13.15 | 20.18 | 13.65 | 20.95 | 14.10 | 4.00 | 24.62 |

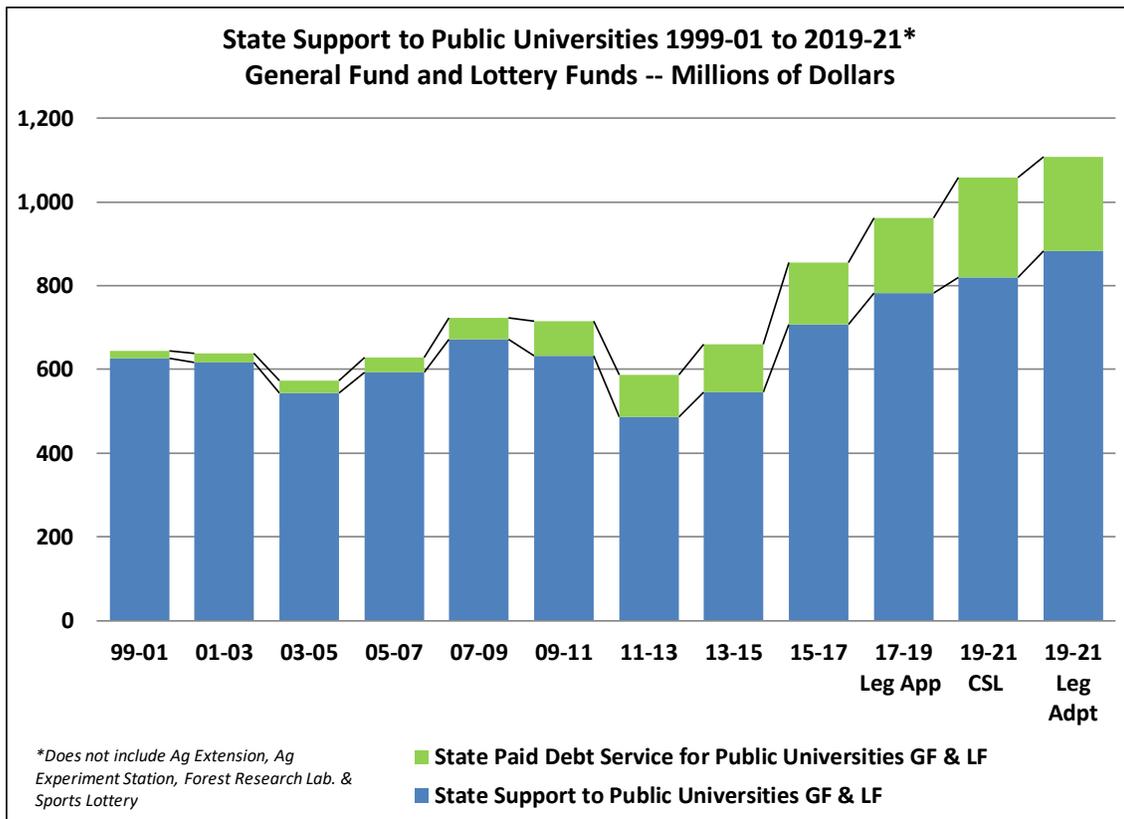
Post-Secondary Education (Higher Education Coordinating Commission)

State funded post-secondary education resources are generally channeled through the budget of the Higher Education Coordinating Commission (HECC), including the seven public universities that previously made up the Oregon University System, the 17 community colleges, the other components of the former Department of Community Colleges and Workforce Development (CCWD), the Oregon Health and Science University (OHSU), and the Oregon Student Assistance and Completion office (formerly the Oregon Student Assistance Commission or OSAC). Overall, the 2019-21 legislatively adopted budget for HECC is \$2.328 billion General Fund and Lottery Funds, an increase of \$277.2 million (or 13.5%) from the 2017-19 legislatively approved budget (including the portion of the OHSU budget in the Department of Administrative Services’ 2017-19 budget).

State Support for Public Universities

State General Fund support for the seven public universities in the 2019-21 legislatively adopted budget totals \$1.2 billion and Lottery Funds total another \$93.2 million. This is an increase of \$191.1 million (or 17.1%) of combined General and Lottery Funds from the 2017-19 legislatively approved budget. Public universities are no longer subject to Other Funds expenditure limitation by the Legislature, but Other Funds resources of \$286.5 million are included in HECC’s budget for capital construction projects (\$77.7 million), debt service on state-supported bonds (\$4.9 million), and non-state paid debt service on bonds supported with university revenues (\$203.9 million Nonlimited). Capital construction projects for public universities and community colleges are described in the State Bonding and Capital Construction section of this report.

General Fund support for the Public University Support program, which includes the instruction, research, and operating costs of the seven institutions, as well as certain public service program expenditures, totals \$881.9 million, which is a \$98.7 million (or 12.6%) increase from the 2017-19 level. The majority of this funding is for the Public University Support Fund (PUSF), which is allocated to the universities for instruction, student support, and research. For 2019-21, the PUSF totals \$836.9 million, which represents a \$100 million increase over the amount available in 2017-19. General Fund support for the State Programs area, which includes support for programs with a statewide focus, special programs that cross institutional lines, and one-time projects totals \$45 million. State funding for debt service and related costs is \$191.5 million General Fund and \$33.7 million Lottery Funds, for a total of \$225.2 million in the 2019-21 biennium. This represents a 25.6% increase over total 2017-19 General Fund and Lottery Funds debt service of \$179.3 million. The following graph illustrates the history of state support to public universities, as well as the increasing amount the state pays for debt service on bonds issued for the benefit of the public universities.



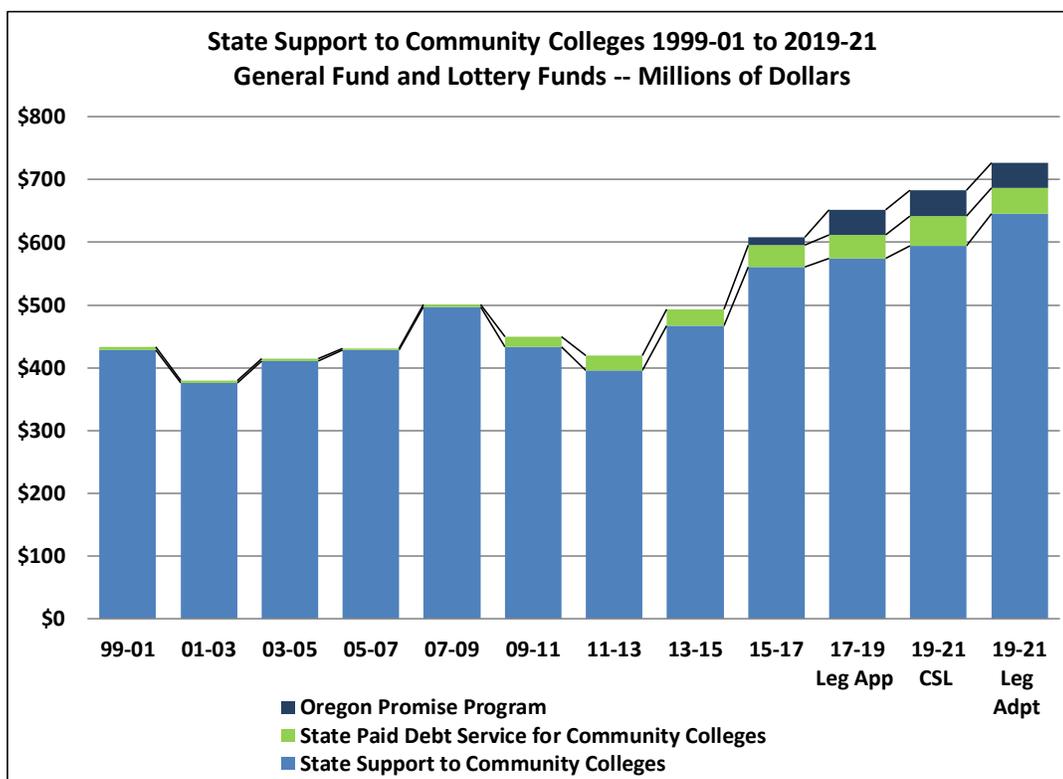
The Legislature increased General Fund support for the three Statewide Public Service programs (Agricultural Experiment Stations, the Extension Service, and the Forest Research Laboratory) at Oregon State University (OSU) by \$19.2 million to \$143.6 million, which is 15.4% above the 2017-19 budget, to maintain the cost of existing programs, as well as provide funding for investments in fire resilience and water management programs. The OSU Extension Service budget also includes \$45.3 million Lottery Funds for the statewide Outdoor School program established through the passage of Ballot Measure 99 in 2016. Lottery Funds support for Outdoor School represents an 88.8% increase over the \$24 million approved in 2017-19, reflecting the full biennial cost of the program. Sports Lottery funding was approved at \$14.1 million for the biennium, with the four technical and regional universities each receiving an increased allocation of \$2.4 million, and the remaining universities' allocations maintained at the levels approved in the prior two biennia.

State Support for Community Colleges

The 2019-21 legislatively adopted budget of \$726.3 million combined General Fund and Lottery Funds is \$74.2 million (or 11.4%) greater than the 2017-19 legislatively approved budget. This number includes the Community College Support Fund, the Oregon Promise program, and debt service on state bonds issued on behalf of Community Colleges. The Support Fund is the largest portion of this budget representing \$645.8 million, an increase of \$71.8 million (or 12.5%) General Fund over the 2017-19 legislatively approved budget of \$573.9 million. Almost all of the amount (\$640.9 million) is for payments to community colleges for general operations. Other funding includes \$3.3 million for assistance for underserved students (e.g., first generation students), \$592,655 for grants to two Skills Centers in the Portland area, and a one-time grant of \$975,000 to Treasure Valley Community College for a career and technical center.

Debt service accounts for \$40.3 million combined General and Lottery Funds, a slight increase over the \$38.2 million included in the 2017-19 budget. There is a total of \$24.9 million in capital construction Other Funds expenditure limitation for projects at Blue Mountain, Central Oregon, Klamath, and Treasure Valley community colleges.

A total of \$40.2 million is available for the Oregon Promise program, virtually the same amount as for 2017-19. This is slightly lower than the \$41.5 million estimated as the 2019-21 current service level. As a result, there may need to be some restrictions placed on the program to stay within its budgeted amount. The following graph shows the funding for a multi-biennia period for the programs described above.



State Support for Oregon Health and Science University

The 2019-21 legislatively adopted budget for HECC includes \$103 million General Fund for the Oregon Health and Science University (OHSU), which is an increase of \$3.9 million (or 4%) from the 2017-19 legislatively approved budget (including the funds for OHSU in the DAS budget for 2017-19). General Fund support includes \$79.2 million for the OHSU Schools of Medicine, Nursing, and Dentistry (\$61 million); the Area Health Education Centers and Office of Rural Health (\$4.8 million); the Oregon Poison Center (\$2.8 million); the Child Development and Rehabilitation Center (CDRC) (\$8.6 million); and a one-time investment in the Children’s Integrated Health Database (\$2 million). An additional \$23.8 million General Fund supports debt service payments due in 2019-21 on bonds issued for the benefit of OHSU. Funds appropriated to HECC for debt service on outstanding OHSU state bonds represents a 92.7% increase over the 2017-19 budget, due to the transfer of debt service on bonds issued for the Knight Cancer Institute from the Department of Administrative Services to HECC.

Oregon Opportunity Grants

The 2019-21 legislatively adopted budget of \$164.2 million total funds is an increase of \$18.1 million (or 12.4%) over the 2017-19 legislatively approved budget. The program is estimated to assist approximately 31,580 recipients at a maximum grant of 13% of prior-year cost of attendance in the first year of the biennium. The mix of funding for the program has changed considerably for 2019-21 with less reliance on General Fund (\$109.5 million) made possible with greater availability of interest earnings (\$40 million) from the Education Stability Fund and \$14.5 million in resources from the auction of tax credits for the program.

Other Programs of the Higher Education Coordinating Commission

The remainder of the HECC budget is composed of the Commission’s staff (148 positions, 137.37) and various smaller HECC-administered programs, including the Private Career Schools program, the Office of Degree Authorization, the ASPIRE program, student assistance programs, and a variety of other

programs. Oregon's workforce development programs are also included but they are primarily federally funded. Overall, the 2019-21 budget for this area is \$39.6 million General Fund and \$224.4 million total funds. Agency infrastructure staff including additional procurement, human resource, internal audit, and capital-related positions were added. Positions were also added for work related to credit transfer between post-secondary institutions, diversity activities, workforce system alignment, and for the Oregon Scholars program. Ten positions are added for the staffing of the Statewide Longitudinal Data System which is transferred from the Chief Education Office which sunsetted June 30, 2019.

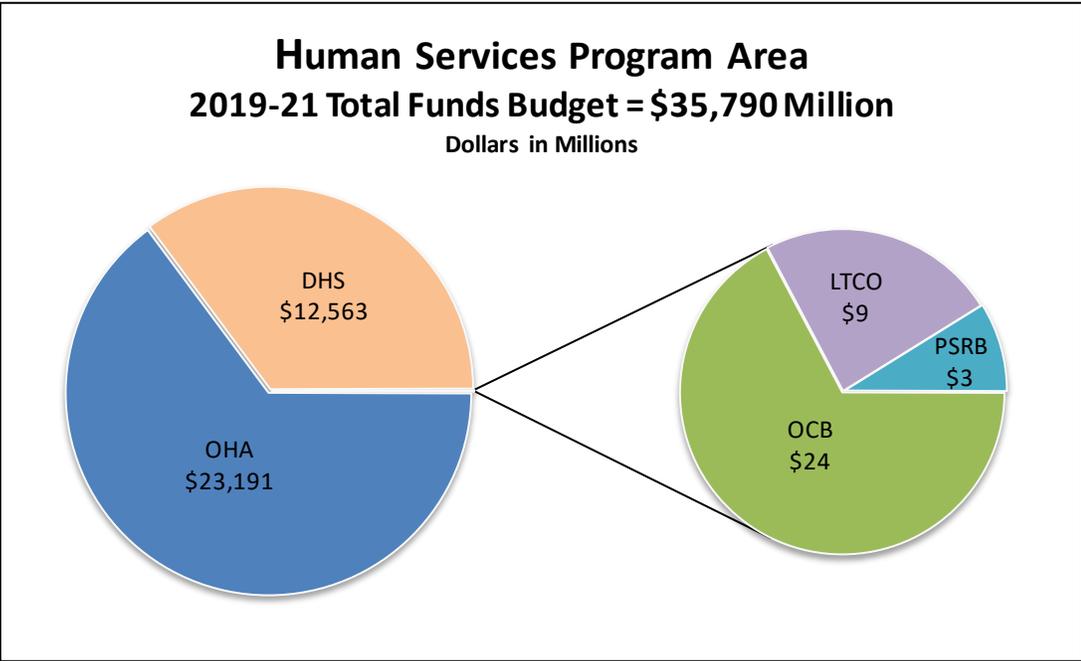
Teacher Standards and Practices Commission

The \$9.3 million Other Funds operating budget for the Teacher Standards and Practices Commission (TSPC) for 2019-21 is \$200,161 (or 2.2%) greater than the 2017-19 operating budget. The budget includes 26 positions (24.75 FTE). The budget establishes one new permanent position to assist in approving educator preparation programs at post-secondary institutions in the state and eliminates an information system position no longer required. A licensing position is transferred to the investigations unit to address the Commission's backlog in investigations. Three new permanent positions (2.25 FTE) are added to meet the requirements of SB 155 (2019) which establishes hard deadlines for investigations of abuse by licensed educators. It should be noted that the 2017-19 budget also included a one-time \$1.7 million General Fund appropriation to capitalize an ongoing account to provide financial assistance to teachers in offsetting the costs of applying and working on receiving the National Board Certification. Other Funds limitation is included as part of the 2019-21 budget for awards from this account. This 2019-21 budget assumes the Commission will need to increase fees during the 2019-21 biennium.

HUMAN SERVICES

The agencies in the Human Services program area work with local governments, private for-profit and non-profit organizations, communities, and individuals to provide cash and employment assistance, nutrition assistance, medical coverage, long term care, and other support to low-income individuals and families, including Oregonians with disabilities; intervene in cases of child abuse and neglect; offer treatment services to persons with mental disorders, alcohol, or drug addictions; regulate the state's public health system; supervise placements for those with mental illness who have been found guilty of committing a crime; and advocate for residents of long term care facilities.

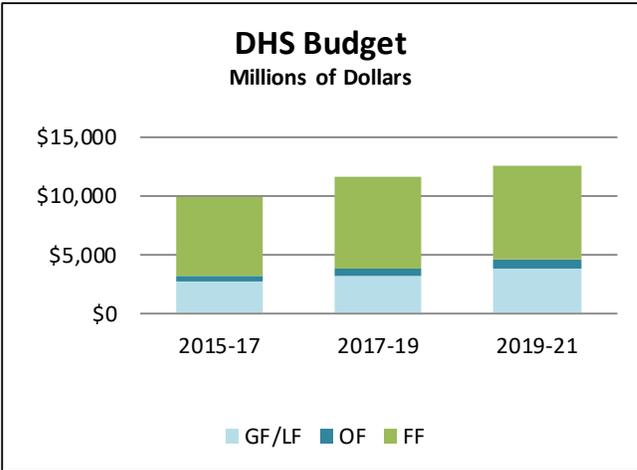
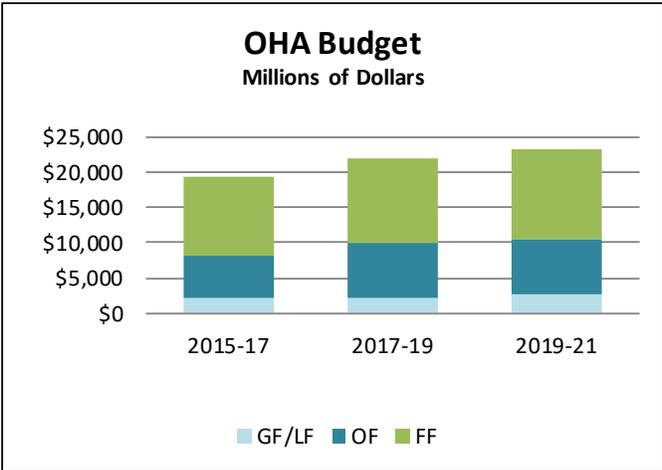
The 2019-21 legislatively adopted budget for the human services program area agencies totals \$6.609 billion combined General Fund and Lottery Funds, and \$35.790 billion total funds. This is a 22.6% increase over the 2017-19 legislatively approved budget in General Fund and Lottery Funds resources, and a 6.8% increase in total funds. The combined General Fund and Lottery Funds budget is \$1.218 billion more than the 2017-19 biennial budget, while the total funds budget for the program area is a \$2.267 billion increase from the 2017-19 biennium. The substantially higher percentage increase in General Fund is primarily due to investments in programs that receive lower levels of federal funding and to federal program modifications or match rate changes requiring more state financial participation.



The Human Services program area budget includes \$8.362 billion Other Funds, with Public Employees' Benefit Board/Oregon Educators Benefit Board resources making up just under half of the total. Other significant sources are Medicaid provider assessments, tobacco taxes, tobacco master settlement revenues, transfers from other agencies, and various fees.

At \$20.819 billion, Federal Funds include matching funds such as Medicaid, capped block grants such as Temporary Assistance to Needy Families (TANF), numerous other federal grants, and Nonlimited Federal Funds, primarily for Supplemental Nutrition Assistance Program (SNAP/food stamps) benefits.

The previous chart shows the 2019-21 total funds budget for each of the five program area agencies, while the following charts provide budget comparisons over the last three biennia for the Oregon Health Authority (OHA) and the Department of Human Services (DHS).



Budget highlights for each agency in the program area are described below.

Oregon Health Authority

The 2019-21 legislatively adopted budget for the Oregon Health Authority (OHA) totals \$23.2 billion, which includes \$2.7 billion General Fund and 4,290 positions (4,243.01 FTE). The total funds budget represents a 6.2% increase from the 2017-19 legislatively approved budget and the General Fund budget represents an increase of 25.7% (or \$556.5 million).

The General Fund increase is largely driven by the level of funding needed to maintain Oregon Health Plan services due to decreases in federal Medicaid matching rates, or the Federal Medical Assistance Percentage (FMAP). Changes to the state's FMAP rates result in a cost shift of \$445 million from Federal Funds to the General Fund. Likewise, the General Fund must support a larger share of Oregon Health Plan expenses due to the loss of \$63.3 million in one-time Tobacco Master Settlement Agreement (MSA) revenue used in 2017-19, as well as an overall decline in on-going MSA and tobacco tax revenues.

The budget also incorporates changes to health care provider assessments, adjusts funding according to the forecasts for both Medicaid and non-Medicaid caseloads, and caps expenditure growth for the Oregon Health Plan, Public Employees' Benefit Board, and Oregon Educators Benefit Board at 3.4% per member per year. At a minimum, all core agency functions are maintained at existing levels and investments are made in several programs, particularly in the behavioral health and public health systems. To help minimize the overall impact on General Fund resources, the budget includes a non-caseload related savings target of \$10 million, recognizes vacancy savings across multiple programs, and leverages available Other Funds revenue to offset General Fund costs in certain programs.

More detail follows regarding OHA's five major program areas: Health Systems Division, Health Policy and Analytics, Public Employees' Benefit Board and Oregon Educators Benefit Board, Public Health, and the Oregon State Hospital.

Health Systems Division

The Health Systems Division (HSD) ensures the transformation of health care in Oregon by delivering integrated physical, behavioral, and oral health care services; strengthening the coordinated care model; and improving health outcomes. The division supports both Medicaid and non-Medicaid programs with services delivered through coordinated care organizations (CCOs), federally qualified health centers, county-run behavioral health agencies, and community non-profit organizations.

HSD Medicaid supports the provision of health care services to over one million children and adults through the Oregon Health Plan. This population includes approximately 360,000 Oregonians who receive health care coverage as a result of the Affordable Care Act (ACA) expansion implemented in January 2014. Medicaid services are funded nationwide through joint state-federal partnerships in which the federal government matches costs through each state's FMAP rates. For the Oregon Health Plan, there are three caseloads that receive federal support according to a distinct FMAP: the ACA, non-ACA, and Children's Health Insurance Program (CHIP) caseloads. OHA matches federal Medicaid funds primarily with General Fund dollars, health care provider assessments, an intergovernmental transfer from the Oregon Health and Science University (OHSU), tobacco tax revenue, and MSA funds.

The non-Medicaid portion of the HSD budget supports community mental health and addiction programs for low-income people who do not qualify for Medicaid and services that are not eligible for federal Medicaid reimbursement. These programs are primarily supported with state funds, specifically General Fund, tobacco tax revenue, MSA funds, and marijuana tax revenue.

The 2019-21 legislatively adopted budget for HSD totals \$17.3 billion, of which \$1.8 billion is General Fund. The total funds budget represents a 6.9% increase from the 2017-19 legislatively approved budget and the General Fund budget represents a 39% increase. Compared to the 2019-21 current service level (CSL) budget, the General Fund budget reflects a decrease of 21.1%.

The largest impact on the General Fund is due to a decline in Federal Funds and Other Funds revenues available to support the Oregon Health Plan. As discussed above, decreases in Oregon's FMAP rates resulted in a \$445 million decrease in available federal revenue. This includes \$203 million due to the final stepdown of the ACA FMAP in calendar year 2020, \$166 million from a decrease in the non-ACA FMAP, and \$76 million from a decrease in the CHIP FMAP. A significant part of the CHIP FMAP decrease results from the phase-out of the 23-percentage point enhancement authorized for all states under the ACA. Half of this rate increase will be removed in federal fiscal year 2020 and will then be fully phased out in federal fiscal year 2021.

The HSD budget incorporates multiple changes to provider assessments. Consistent with the passage of HB 2010 (2019), the 1.5% insurer assessment is reestablished at 2% and expanded to include stop-loss insurance premiums. The Other Funds revenue generated by the 2% assessment helps offset General Fund costs in the Oregon Health Plan by \$281 million. The budget also includes adjustments to the diagnostic related group (DRG) and rural A/B hospital assessments. First, the 0.7% DRG tax authorized by HB 2391 (2017) expired on July 1, 2019. In its place, the budget increases the fully reimbursable DRG assessment from 5.3% to 6% with an effective date of January 1, 2020. This date coincides with the transition of DRG hospital reimbursements to a qualified directed payment (QDP) model similar to rural A/B hospitals. The budget increases the rural A/B hospital assessment from 4% to 5.5% as of January 1, 2020. The changes to the DRG and rural hospital assessments offset General Fund expenses in the Oregon Health Plan by a combined \$131 million.

The budget also adjusts Other Funds revenue related to changes in the OHSU intergovernmental transfer (IGT). This includes a \$25 million increase to the IGT contribution provided by OHSU, which offsets a like amount of General Fund. An additional \$116 million in General Fund savings is achieved through updated IGT revenue estimates consistent with program growth and through the use of on-going IGT revenue initially considered to be contingency revenue prior to the program's full biennial roll-out. Additional changes to Other Funds revenue include decreases in tobacco tax and MSA revenue. These changes result in a combined fund shift of \$97.8 million from Other Funds to General Fund to maintain services for both the Oregon Health Plan and non-Medicaid services.

The HSD budget is adjusted according to forecasted changes for both Medicaid and community mental health caseloads. Based on the Spring 2019 forecast, Medicaid caseloads are expected to increase by an average of 15,249 individuals compared to 2017-19 levels. Overall, the budget includes an increase of \$413.3 million total funds (\$73.8 million General Fund) to support Medicaid caseload changes. The forecasted change from 2017-19 to 2019-21 for community mental health caseloads reflects a decrease of 85 individuals, which is the net result of a decline in the civil commitment caseload and a slight increase in the guilty except for insanity caseload. Consistent with the forecasted community mental health caseload decrease, the budget includes a net decrease of \$15.3 million, which is all General Fund.

The Medicaid and non-Medicaid budgets include an increase of \$31.3 million General Fund as part of the \$50 million statewide behavioral health investment package. This funding supports certain recommendations from the Children and Youth with Specialized Needs Workgroup, including the

provision of intensive in-home behavioral health services, crisis and transition services, and school-based mental health and suicide prevention services. The investment will also fund community placements for Aid and Assist patients and support an increase to Medicaid and non-Medicaid fee-for-service behavioral health provider rates. Other key HSD investments include the following:

- CCO 2.0 – \$0.6 million General Fund and 9 positions (6.10 FTE) to support the agency’s on-going work to advance Oregon’s coordinated care model during the next five-year period of coordinated care organization (CCO) contracts, also known as “CCO 2.0;”
- Rental Assistance – \$4.5 million General Fund to support rental assistance payments and wraparound services for new permanent supportive housing units;
- Project Nurture – \$2.5 million General Fund to support addiction treatment for pregnant and postpartum women modeled after the Project Nurture program pursuant to HB 2257 (2019); and
- Project ECHO – \$1 million General Fund to improve health care workforce capacity and patient access to care for chronic and complex illnesses by supporting tele-mentoring and provider training through the Project ECHO (Extension for Community Healthcare Outcomes) initiative.

Health Policy and Analytics

The Health Policy and Analytics (HPA) Division provides agency-wide policy development, strategic planning, and clinical leadership. The division also develops statewide delivery system technology tools to support care coordination, health system performance evaluation reports, and CCO and delivery transformation support. The 2019-21 legislatively adopted budget for HPA is \$194.2 million total funds, which is a 0.8% increase from the 2017-19 legislatively approved budget. The General Fund budget is \$49 million, which is an 8.3% increase from 2017-19.

The relatively minor net increase in HPA’s total funds budget is mostly driven by the removal of Other Funds expenditure limitation related to the suspension of the Common Credentialing Program, as well as the transfer of funding and positions to the Health Systems Division based on organizational changes made in 2017-19. The budget also includes \$2.2 million total funds (\$1.3 million General Fund) and 8 positions (6.28 FTE) to support HPA’s role in CCO 2.0; \$0.7 million total funds (\$0.4 million General Fund) to support the reestablishment of the Mental Health Clinical Advisory Group under SB 138 (2019); and \$0.3 million General Fund as part of the statewide \$50 million behavioral health investment.

Public Employees’ Benefit Board / Oregon Educators Benefit Board

The Public Employees’ Benefit Board (PEBB) contracts for and administers medical and dental insurance coverage for state government and university employees. Although funding for PEBB is budgeted entirely as Other Funds, its revenue comes from the premium payments made mostly by the employers, of which approximately 45% is from the General Fund. The 2019-21 legislatively adopted budget for PEBB is \$2.1 billion Other Funds, which includes an increase of \$17.2 million to support PEBB’s share of the 2% insurer assessment.

The Oregon Educators Benefit Board (OEBB) contracts for insurance coverage for Oregon’s K-12 school districts, education service districts, and community colleges throughout the state, as well as some charter schools and local governments. Like PEBB, OEBB’s funding is budgeted entirely as Other Funds and is supported by revenue received from premium payments. OEBB’s 2019-21 legislatively adopted budget is \$1.7 billion Other Funds, which is an increase of 1.8% from 2017-19.

Both the PEBB and OEBB budgets include a combined increase of \$1.8 million to support the planning stage of a project to replace the benefit management systems used by both programs. The goal of this project is to implement an integrated benefit management system that enhances program coordination, improves access to plan information, and automates and streamlines essential business processes.

Public Health

The Public Health Division provides various services to promote and improve the health of all Oregonians and support the goals of Oregon's health care transformation. The division manages more than 100 prevention-related programs that halt the spread of disease, protect against environmental hazards, and promote healthy behaviors. Public health services in Oregon are delivered through a collaborative system of federal, state, and local agencies; private organizations; and local communities. Within this system, much of the work is carried out by local public health authorities with assistance and oversight from the Public Health Division.

The 2019-21 legislatively adopted budget for the Public Health Division is \$731.9 million total funds, which is a 12.1% increase from the 2017-19 legislatively approved budget. The General Fund budget is \$94.8 million and reflects a 45.1% increase from 2017-19. This increase is driven by several investments, which include \$10 million to advance Public Health Modernization, in addition to the \$5 million approved for 2017-19; \$5.5 million to backfill declining medical marijuana revenue; \$5.1 million to support the phase-in of reproductive health services required under HB 3391 (2017); and \$2.9 million for a new voluntary universal nurse home visiting program.

The budget also includes Other Funds adjustments to support statutory and administrative fee changes. First, a \$1.9 million increase reflects the restructuring of Drinking Water Services fees authorized by SB 27 (2019). Instead of the program's current sanitary survey fee, the program will implement an annual regulatory fee to more adequately support drinking water safety regulations and respond to detection of contaminants. An increase of \$64,450 is included to support increased fees related to the regulation of food, pool, and lodging programs in accordance with SB 28 (2019). Most of this regulatory work is delegated to local public health authorities. The budget also includes an increase of \$111,511 to reflect the implementation of a waiver application fee in the Toxic Free Kids program. State law authorizes OHA to establish fees for this program through the administrative rules process.

Oregon State Hospital

The Oregon State Hospital is an integral part of the statewide mental health system, providing psychiatric care for adults from all 36 counties at the Salem and Junction City campuses. The State Hospital's 2019-21 legislatively adopted budget is \$606.8 million total funds, which is an increase of 4.6% from the 2017-19 legislatively approved budget. The General Fund budget is \$497.5 million, which is 2.3% less than the 2017-19 budget. The decreased level of General Fund is mostly due to increases included in the May 2019 rebalance to support 2017-19 costs which are not part of the 2019-21 budget.

The hospital's budget maintains the current level of services provided at both the Salem and Junction City campuses. It also includes approximately \$1 million General Fund to support costs related to heightened accreditation standards for patient safety and suicide prevention; \$1.9 million for collectively bargained nursing staff shift differential costs; and \$1.6 million to expand hepatitis C treatment to patients at the hospital.

Department of Human Services

The 2019-21 legislatively adopted budget for the Department of Human Services is \$3.855 billion General Fund, \$12.563 billion total funds, and 9,444 positions (9,324.14 FTE). The budget is 20.4% General Fund and 7.8% total funds more than the agency's 2017-19 legislatively approved budget.

Some trends that influence demand on agency programs and its budget include a growing population of older adults, an increasing number of people with disabilities, the rate of economic growth, a tight labor market in which housing and other living costs outpace wage increases, and regional dynamics that have limited economic recovery in many parts of rural Oregon.

A significant cross program budget component is approval of funding for the final development phase, implementation, and transition to Maintenance and Operations (M&O) of an integrated eligibility system, called the Integrated Eligibility (IE) project. This effort integrates enrollment and eligibility activities for several DHS programs into the system used by OHA. The 2019-21 estimated project cost of \$200.6 million total funds covers state staff costs of \$20.7 million, \$94 million for contracted information technology services, \$11.2 million for payments to OHA for its project work, and \$5.8 million for debt service. Other elements addressed in the project plan include cost allocation, contingency, legacy system work, hosting services, disaster recovery, and security enhancements.

Another agency-wide budget element is a budget note providing direction to the agency regarding the breakout of its budget appropriations into more detail for 2021-23 budget development. More detail follows for the agency's five major programs: Self Sufficiency, Child Welfare, Vocational Rehabilitation, Aging and People with Disabilities, and Intellectual and Developmental Disabilities.

Self Sufficiency

The agency's Self Sufficiency programs assist low-income families by helping them become stable and self-supporting. Services focus on basic needs, such as food and shelter, but also include job training, employment assistance, parenting supports, health care, and child care. The legislatively adopted budget is \$448.7 million General Fund and \$3.111 billion total funds; this is a 13.6% General Fund increase from the 2017-19 legislatively approved budget. The total funds budget is a 4.4% decrease due to adjusting Nonlimited expenditures downward to reflect an updated projection for Supplemental Nutrition Assistance Program (SNAP) benefit payments. Federal Funds limited expenditures increase by a net \$68 million, primarily due to moving \$40 million in federal Temporary Assistance for Needy Families (TANF) funding from the Child Welfare program to Self Sufficiency.

Nonlimited Federal Funds expenditures for SNAP (food stamps) make up 62.3% of the total budget for Self Sufficiency. At \$1.939 billion, SNAP benefit payments are projected to be \$275 million (or 12.4%) lower than in the 2017-19 biennium. The 2019-21 biennial average SNAP caseload forecast is 324,970 households, which is 10.9% lower than the 2017-19 projected average of 364,713 households.

By the end of 2019, the DHS caseload forecast projects TANF caseloads to fall to levels not seen since autumn 2006 (pre-recession levels). While both the caseload floor itself and the timing for reaching it have fluctuated in recent forecasts, the 2019-21 biennial average forecast is 17,405 families, which is 7.9% lower than the projected 2017-19 average of 18,902 families.

The Employment Related Day Care (ERDC) program is budgeted at \$179.8 million total funds (\$65.5 million General Fund and \$114.3 million Other Funds). The program's Other Funds expenditures are

supported by federal Child Care Development Fund dollars transferred to DHS from the Early Learning Division at the Department of Education. This funding level, which is a 12% increase over the 2017-19 level, is expected to allow the program to serve an average of 8,230 families over the biennium; the associated pricing is based on a cost per case of \$910 per month. About \$2.7 million of the budget will be used on a one-time basis to support a pilot incentive program for child care providers offering evening, night, and weekend child care.

Other budget actions include a one-time investment of \$2 million General Fund associated with HB 2508, which directs the Department to award grants to eligible refugee resettlement agencies providing services to refugees who reside in Oregon. Two food-related, one-time General Fund proposals were approved; \$1.3 million to help the Oregon Food Bank acquire and distribute food and \$1.5 million for the Double Up Food Bucks program, which matches SNAP benefits used at farmers' markets and helps clients take home more healthy food.

Child Welfare

The Child Welfare program conducts prevention, protection, and regulatory activities to keep children safe and improve their quality of life. Services include responding to reports of child abuse or neglect, providing in-home supports or out-of-home care when necessary, and arranging adoption or guardianship services and supports.

The 2019-21 legislatively adopted budget is \$775.5 million General Fund and \$1.353 billion total funds, which is 29% and 15.1% higher, respectively, than the \$601.1 million General Fund and \$1.175 billion total funds 2017-19 legislatively approved budget. Budget increases are primarily tied to maintaining base positions at risk of loss due to federal TANF funding realignment, adding new positions to address workload issues, and investing in efforts to help foster families. The Spring 2019 caseload forecast projects the program will serve an average of 21,455 children over the 2019-21 biennium, which is 1% lower than the 2017-19 biennial forecast average of 21,680 children.

A total of 272 positions (271.50 FTE) are added between biennia to help stabilize the program; the position mix was developed using mandated caseload workload model calculations coupled with a "best practices standard" approach. As the Department is actively working to update the workload model and workload continues to be a challenge for caseworker recruitment and retention, these resources are not expected to fully meet program needs. The budget also includes 16 (14.08 FTE) Mentoring, Assisting, and Promoting Success (MAPS) positions, which provide mentoring and other supports to first-year caseworkers; these new positions augment 50 added in the prior biennium.

Other investments targeted at helping improve program performance and capacity include:

- \$8.9 million General Fund and 46 permanent positions (38.51 FTE) for the Oregon Child Abuse Hotline. The agency's move to this centralized screening operation was initially accomplished by realigning existing positions and staff over an eight month period ending in early April 2019; more staff are needed to help handle a high volume of calls and mitigate caller wait times.
- \$3.8 million total funds and 17 positions (17.00 FTE) to develop a data-informed statewide foster family recruitment and retention team. A centrally located program manager will oversee a recruitment specialist located in each of the agency's 16 districts.
- \$3.1 million General Fund (\$7.8 million total funds) will pay for the statewide expansion of a former pilot program, called Keeping Foster and Kin Parents Supported and Trained. The program provides

weekly training to small groups of parents; the sessions cover parenting techniques and skills tailored specifically to each cohort's needs.

- \$2.3 million General Fund (\$3.9 million total funds) and 17.60 FTE to continue the Leveraging Intensive Family Engagement program at its current, limited level in five counties. The program was initially scheduled to be phased out by October 2019 since it was funded with expiring federal Title IV-E Waiver funds. The program supports monthly case planning meetings, enhanced family finding activities, parent mentors, and team collaboration.

In the 2017-19 biennium, the Department of Justice began providing full legal representation to DHS caseworkers. In the 2019-21 legislatively adopted budget, the last phase of program implementation is funded with \$12.7 million General Fund (\$23.3 million total funds). The funding covers program rollout costs for Clackamas, Clatsop, Marion, Multnomah, Union, and Washington counties, along with other position-related adjustments needed to adequately operate the program. Another investment continues planning and initiation work related to the OR-KIDS system, which is the state's primary child welfare data system, with 3.8 million General Fund (\$7.5 million total funds) and nine permanent positions (9.00 FTE). Federal rules require these systems to meet new standards regarding data quality and modularity.

A \$50 million General Fund statewide behavioral health investment package has two Child Welfare components. The first is a \$3.5 million General Fund appropriation (\$8.5 million total funds) to pay for therapeutic foster care home recruitment, training, and support. The second appropriates \$4 million General Fund to the Emergency Board to help increase capacity for non-Medicaid in-home services under the Family First Prevention Services Act. In addition to allowing federal dollars to help pay for prevention services, this new federal law also limits federal funding for children placed in a setting that is not a foster family home unless the setting is a qualified residential treatment program. The restriction is expected to affect services offered by existing providers, many of whom were already having difficulty attracting and retaining staff even before addressing new programmatic requirements. A related budget note directs the Department to assess and report back on workforce issues associated with the residential provider community and ways to help surmount regulatory barriers or other challenges.

Three budget reduction actions were approved to help make General Fund available for other program needs. These reduce the enhanced foster care budget by \$2.3 million General Fund; decrease the Strengthening, Preserving, and Reunifying Families budget by 50% (just under \$7 million General Fund); and trim the budget for Focused Opportunities for Children Utilizing Services placements by 25% (\$6.3 million General Fund, \$6.6 million total funds). This last program is supported mostly by General Fund and primarily serves children with specialized needs placed out-of-state; as the state develops in-state placements to help meet those needs, federal dollars can potentially be leveraged to help cover placement costs and stretch the state dollars further.

Vocational Rehabilitation

The Vocational Rehabilitation program assists youth and adults with disabilities to obtain, maintain, or advance in employment. The program's overarching goal is to help clients succeed in jobs that allow them to live as independently as possible, reduce or eliminate their need for publicly funded benefits, and be fully contributing members of their local communities.

The legislatively adopted budget is \$35.6 million General Fund and \$122.4 million total funds; the total funds budget is 4.2% above the 2017-19 legislatively approved budget. However, the General Fund budget is a 20.5% increase over the prior biennium primarily due to backfilling \$4.9 million in one-time

federal reallocation dollars with General Fund. The program's 2019-21 biennial average forecast is 10,347 clients, which is 0.9% higher than the 2017-19 forecast average of 10,252.

The budget continues essential services with an emphasis on improving employment outcomes for people with intellectual and developmental disabilities under the Employment First initiative and implementing program changes driven by the Workforce Innovation and Opportunity Act. Consistent with recent biennial practices, the budget includes \$4.5 million Federal Funds expenditure limitation to spend one-time Federal Fiscal Year 2018 reallocation revenue carried forward from the 2017-19 biennium; this action offsets a projected federal funding shortfall. To help the program collaborate with school districts to provide pre-employment transition services for all eligible students, the budget includes \$0.6 million Other Funds expenditure limitation and 3 permanent positions (3.00 FTE).

Aging and People with Disabilities

Aging and People with Disabilities (APD) programs provide long term care services to seniors and people with physical disabilities. Clients are served in their own homes, in community based care settings, and in nursing facilities. The legislatively adopted budget is \$1.207 billion General Fund and \$3.946 billion total funds, which is 18.5% and 11.5% higher, respectively, than the \$1.019 billion General Fund and \$3.541 billion total funds 2017-19 legislatively approved budget.

The legislatively adopted budget accounts for overall caseload growth and cost per case changes based on the Spring 2019 forecast; the program's 2019-21 biennial average forecast is 35,070 clients, which is 1% higher than the 2017-19 forecast average of 34,730. While the pace of overall caseload growth is forecasted to slow compared to recent history, the trend is steadily upward and shifts between lower cost (in-home) and higher cost (nursing facility) caseloads can heavily influence the budget.

The budget includes \$5.8 million total funds and 19 permanent positions (19.00 FTE) to implement two actions approved at the December 2018 meeting of the Emergency Board. Fifteen positions support compliance with a federal mandate requiring all nursing facility complaint investigations to be handled by the agency's Nursing Facility Survey unit; federal funding pays for 75% of the work. The other 4 positions will be used to embed case managers in hospitals; these staff can more quickly assess and place hospitalized individuals needing long term care Medicaid services upon discharge. The full cost of the positions will be paid for by the hospitals.

In the nursing facilities program, \$32.2 million from a projected carryforward balance in the long term care facility assessment (Other Funds revenue) is used in place of the same amount of General Fund on a one-time basis; the General Fund is then used to pay for several program needs:

- Rate increases for Assisted Living Facilities, Residential Care Facilities, Memory Care Facilities, In-Home Care Agencies, and Providence ElderPlace.
- Funding to increase rates for Adult Foster Homes within the APD program; these rates are also subject to collective bargaining.
- Twenty full-time permanent community-based care surveyor positions (10.00 FTE; phased in July 1, 2020) to help reduce a backlog of inspections and keep up with facility oversight.
- To address workload issues and a workload model that is out of sync with duties in local offices serving seniors and people with physical disabilities, the equivalent of 143 positions (71.50 FTE; phased in July 1, 2020) are added; most of these are case manager positions.

- Two positions (1.76 FTE) permanent full-time positions are approved to promote the effective use of emergency medical services by residents of licensed long term care settings and to support efforts of the quality measurement council.

The budget includes one reduction action eliminating \$1.3 million General Fund (discretionary, unmatched funding) used to fund evidence-based health promotion programs operated through local Area Agencies on Aging (AAA). The 2019-21 legislatively adopted budget maintains Oregon Project Independence (OPI), which provides in-home services outside of the Medicaid program, at current levels with \$28.1 million General Fund. A related budget note directs the Department to explore opportunities to obtain federal funding for OPI and for a potential family caregiver respite program.

Intellectual and Developmental Disabilities

The Intellectual and Developmental Disabilities (IDD) program provides services for Oregonians with intellectual and developmental disabilities of all ages. Services include in-home family support, intensive in-home supports, out-of-home 24-hour services delivered by proctor/foster care or residential care providers, and brokerage support services. The legislatively adopted budget is \$1.054 billion General Fund and \$3.085 billion total funds, which is 19.8% and 13.5% higher, respectively, than the \$880.5 million General Fund and \$2.719 billion total funds in the 2017-19 legislatively approved budget.

The legislatively adopted budget for IDD reflects continued caseload growth and budget pressure due to expanded services and costs per case for children and adults, primarily resulting from implementation of the K Plan. Based on the Spring 2019 forecast, the 2019-21 case management (overall client count) biennial average caseload forecast is 30,592 clients, which is 9.8 % higher than the 2017-19 average forecast of 27,860 clients; the budget accounts for this caseload growth and associated cost per case increases. The budget also includes payments to Community Developmental Disability Programs and brokerages for administering these services, however, the full cost to implement an updated workload model for these entities is not covered.

To help increase wages of direct support professionals (providers not represented by a labor union), the budget contains \$30 million General Fund (\$91.8 million total funds) to increase most IDD provider rates. The IDD budget includes part of the statewide \$50 million behavioral health investment; \$4.9 million General Fund (\$10.5 million total funds) and one permanent position (0.88 FTE) will help provide enhanced foster care services to about 140 youth and develop small group home settings for 12 youth.

Three program-related budget notes were approved, addressing IDD case management duties and training requirements; implementation of provider rate increases and new rate models; and rates for adult foster homes that are subject to collective bargaining.

Budget reductions are also taken to help support other program needs; no reductions are made to the Fairview Trust. The Trust is also sheltered from future budget reduction discussions via SB 491, which transfers the account balance to the Oregon Community Foundation.

Commission for the Blind

The legislatively adopted budget for the Commission for the Blind is \$6.6 million General Fund, \$24.2 million total funds, and 68 positions (66.00 FTE). This is an 87.6% increase in General Fund from the 2017-19 budget level due to a one-time appropriation of \$2.4 million General Fund and the establishment of 1 limited duration position (1.00 FTE) to support the replacement of an aging

vocational rehabilitation case management system used to record data on all clients receiving services and to track services provided. The system is mission critical to agency operations because it is used to satisfy federal reporting requirements and must be replaced as the current system software vendor has notified the agency that it will discontinue software maintenance and support as of December 31, 2020.

Long Term Care Ombudsman

The Long Term Care Ombudsman's 2019-21 legislatively adopted budget of \$7.7 million General Fund is 20.7% more than the 2017-19 budget of \$6.4 million General Fund, primarily due to the addition of three new deputy ombudsman positions that were approved in HB 3413 (2019). In addition, the adopted budget includes roll-up costs for 2 positions in the Oregon Public Guardian program that were approved during the 2018 session. The overall budget, at \$8.6 million total funds, is a 17.4% increase above the prior biennium funding level and supports 30 positions (19.14 FTE).

Psychiatric Security Review Board

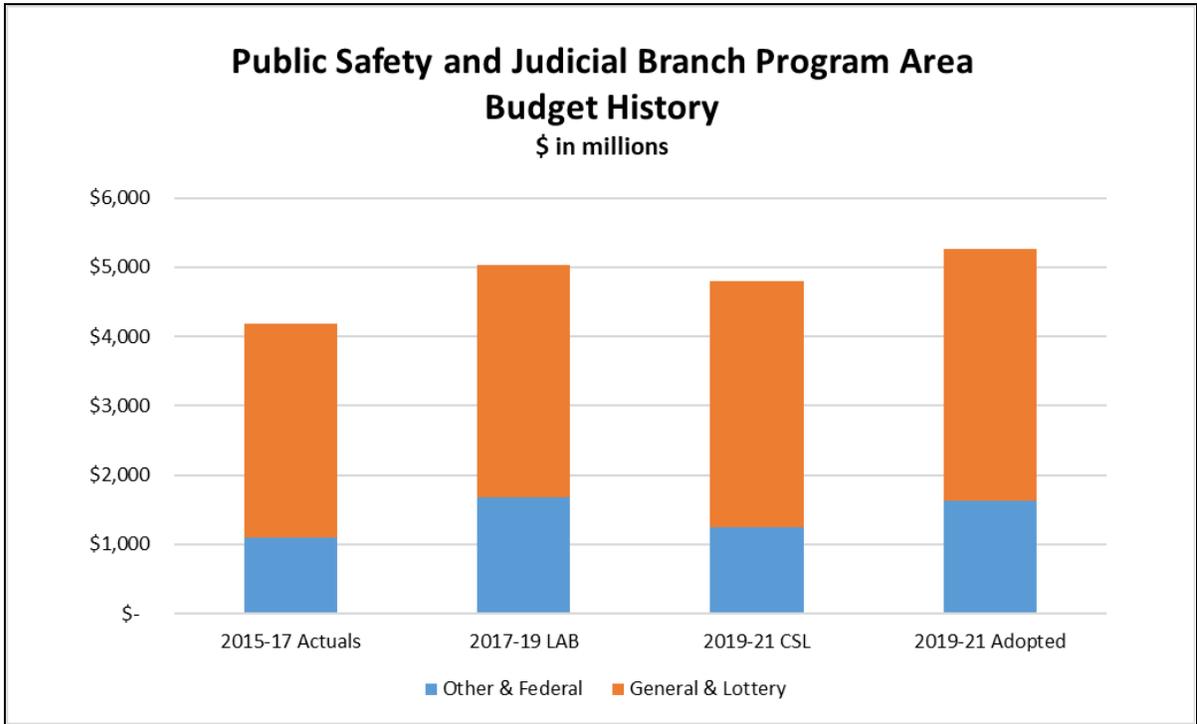
The mission of the Psychiatric Security Review Board (PSRB) is to protect the public by ensuring persons who have a psychiatric illness and/or intellectual disability and have been placed under the Board's jurisdiction as a result of committing a crime receive the necessary support to reduce the risk of future dangerous behavior. The PSRB was created in 1977 to supervise adults who are found guilty except for insanity (GEI) in criminal defense proceedings. The Board's functions have since been expanded to also include overseeing youth who are found to be responsible of a crime except for insanity and certain civilly committed individuals; conducting hearings for individuals to have their right to own a firearm restored following a prior mental health determination; and assessing the risk of sex offenders currently and previously under the Board's jurisdiction.

The PSRB's legislatively adopted budget is \$3.2 million, which is all General Fund. The budget supports 11 positions (11.00 FTE) and funds the Board at the 2019-21 current service level.

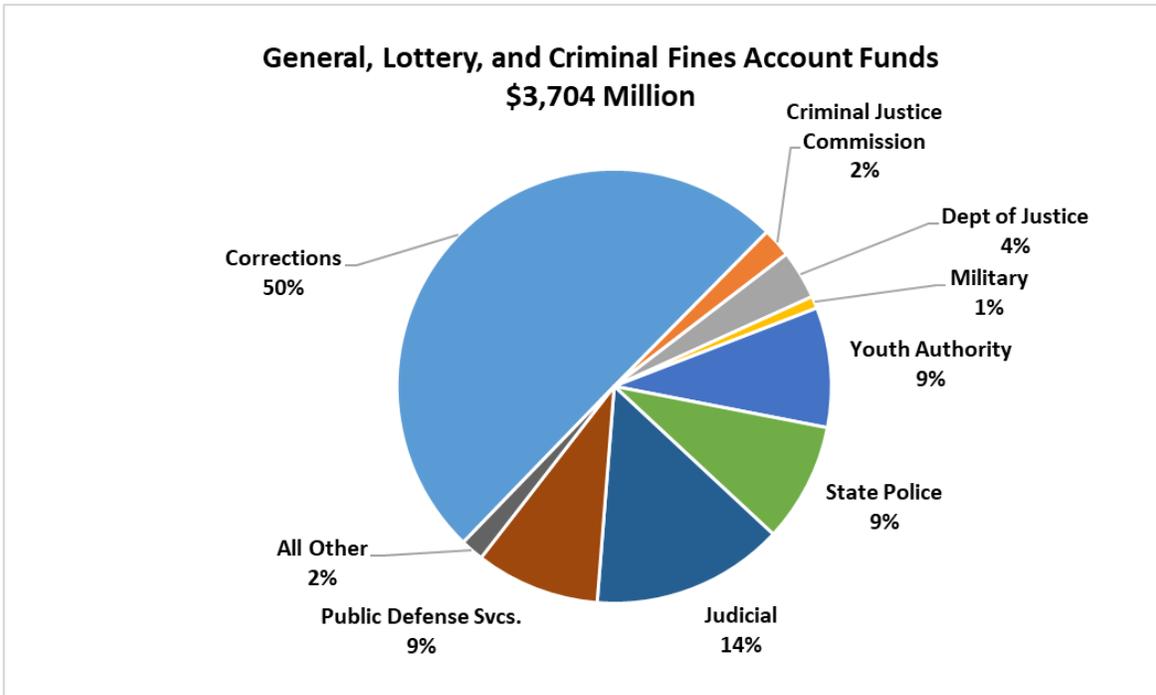
PUBLIC SAFETY AND JUDICIAL BRANCH

The agencies in the combined Public Safety and Judicial Branch program area ensure the safety of and justice for Oregonians by providing services through four interconnected systems: (1) community safety, law enforcement, homeland security, and resolution of civil matters; (2) prosecution and defense services related to the court system; (3) incarceration and related treatment services; and (4) prevention and intervention programs. Oregon counties are important public safety partners, providing community corrections and juvenile crime prevention programs, operating circuit courts, and building new court houses with funding provided by the state.

Public Safety and Judicial Branch programs and activities account for 15.4% of the statewide 2019-21 General Fund and Lottery Funds budget, and 6.1% of the statewide all-funds budget. Incarceration and supervision costs represent the largest share of state spending in the public safety program area by a significant margin.

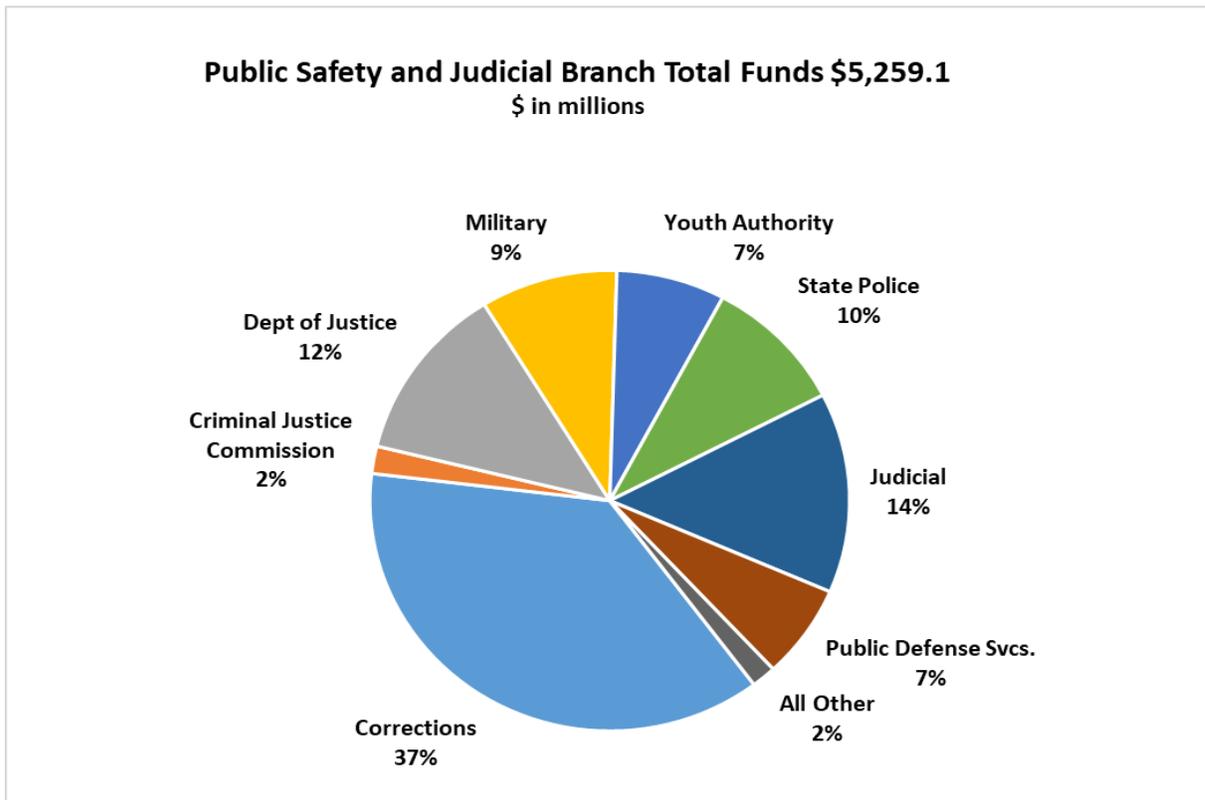


Several public safety agencies also receive Criminal Fine Account (CFA) revenues, as allowed by statute. Of the \$128.6 million total, \$76.8 million (or 59.7%) was allocated to public safety and judicial branch agencies. In agency budgets, the CFA funds appear as Other Funds, but because unallocated CFA funds are fungible (available for General Fund uses), they are included in the following chart.



Included in the All Other category are the Department of Public Safety Standards and Training, District Attorneys and Their Deputies, the Board of Parole and Post-Prison Supervision, and the Commission on Judicial Fitness and Disability.

The next chart shows each public safety agency's percentage of total public safety program area funds.



Included in the All Other category are the Department of Public Safety Standards and Training, District Attorneys and Their Deputies, the Board of Parole and Post-Prison Supervision, and the Commission on Judicial Fitness and Disability.

Criminal Justice Commission

The Criminal Justice Commission's (CJC) 2019-21 legislatively adopted budget is \$79.8 million General Fund, \$100.7 million total funds, and 23 positions (21.51 FTE). This is a 22.8% increase in General Fund from the 2017-19 legislatively approved budget level and a 32.7% increase overall. Policy bills added funding and responsibilities to the Commission's budget for 2019-21, as follows:

- HB 2631 added \$800,000 General Fund for a pass-through payment to the Oregon Justice Resource Center to create a pilot program to provide legal services to women incarcerated at the Coffee Creek Correctional Facility.
- HB 3064 added \$110,000 General Fund for research into how the CJC can distribute Justice Reinvestment grants more equitably.
- SB 577 added \$235,476 and 1 position (1.00 FTE) to develop a means of collecting data on reported bias crimes.
- SB 973 added \$10,639,462 million General Fund, established \$10 million Other Funds expenditure limitation, and added 3 positions (2.38 FTE) for a Behavioral Health Justice Reinvestment initiative.

Additionally, \$1,039,385 General Fund and \$636,633 Other Funds expenditure limitation was provided for the Statistical Transparency of Policing (STOP) Program; \$275,086 Other Funds expenditure limitation was added to spend grant proceeds on research into pretrial detention; and \$555,000 Ballot Measure 96 Lottery Funds replaced \$555,000 General Fund to support veterans' specialty courts.

Military Department

The Military Department's 2019-21 total funds budget is \$486 million, which is 7% more than the 2017-19 legislatively approved budget. General Fund is \$33.5 million, an increase of 20.2% from the 2017-19 budget level. The budget includes 517 positions (463.00 FTE). The 2019-21 budget also includes:

- \$2,552,425 Federal Funds expenditure limitation and \$193,354 Other Funds expenditure limitation to establish 24 positions (18.00 FTE) for wildland firefighting, facility maintenance, and National Guard support at various Military Department locations throughout the state.
- \$495,000 General Fund and \$707,960 Federal Funds expenditure limitation to address personnel costs, utility cost increases, and deferred maintenance at the Portland Air National Guard base and Kingsley Field.
- \$400,000 General Fund, \$305,185 Other Funds expenditure limitation, and \$1,683,492 Federal Funds expenditure limitation for the Oregon Youth Challenge Program expansion project.
- \$2,970,000 General Fund, on a one-time basis, and \$1,415,352 General Fund, on an ongoing basis, to address federal audit findings in the Office of Emergency Management.
- \$288,000 Other Funds expenditure limitation for the Generator Connector grant program.
- \$300,000 General Fund, on a one-time basis, to contract for a study of the Critical Energy Infrastructure Hub in Portland.
- \$21,927,000 of Article XI-Q bond proceeds and six year capital construction expenditure limitation for renovation of and capital improvements to the Salem and Pendleton Army Aviation Facilities, the Owen Summers Building and Anderson Readiness Center in Salem, an armory service life extension project (ASLEP) at the Jackson Armory in Portland, and the construction of exhibit space at the Oregon Military Museum at Camp Withycombe in Clackamas.
- \$28,500,000 of Federal Funds and six-year capital construction expenditure limitation for the Salem Owen Summers Building and Anderson Readiness Center renovations, construction of a tactical unmanned aerial vehicle facility in Boardman, a wastewater treatment project at Camp Umatilla, and an ASLEP at the Grants Pass Armory.

Department of Public Safety Standards and Training

The legislatively adopted budget for the Department of Public Safety Standards and Training is \$9.7 million General Fund for debt service, \$48.1 million Other Funds (including \$32 million Criminal Fines Account revenue), and \$7.7 million Federal Funds for a total biennial budget of \$65.5 million, including 152 positions (149.87 FTE). The 2019-21 budget is 2.8% less than the 2017-19 legislatively approved budget. The budget reduces four basic police classes, \$2,552,000 Other Funds and 8 positions (8.00 FTE); adds \$329,156 Other Funds expenditure limitation and 2 positions (1.50 FTE) for the Statistical Transparency of Policing (STOP) program; adds \$436,945 Other Funds expenditure limitation to address critical deferred maintenance projects at the Public Safety Academy campus; and adds \$325,955 Federal Funds expenditure limitation, on a one-time basis, in order to spend grant funds on a new fire truck.

Oregon Youth Authority

The Oregon Youth Authority's 2019-21 budget is \$330.7 million General Fund, \$385.9 million total funds, and 1,008 positions (980.88 FTE). General Fund is increased by 5.8% over the 2017-19 legislatively approved budget, while total funds are 6.1% less, due entirely to Capital Construction expenditure limitation that is \$43 million lower than in 2017-19. Additional budget adjustments include:

- Funding for community residential treatment beds was reduced by \$2,200,000 General Fund, to reflect lower-than-anticipated demand for residential treatment services.

- \$750,000 General Fund and \$24,218 Federal Funds expenditure limitation was provided to begin planning an upgrade to the Juvenile Justice Information System.
- Vocational Education Services for Older Youth (VESOY) service provider funding was improved with \$560,699 General Fund.
- \$155,655 General Fund and 0.75 FTE was added to improve dental services for young women in the Oak Creek Youth Correctional Facility.
- A \$6 million net-zero re-allocation of budgeted funds between program areas added 33 positions (33.00 FTE) in the Facilities program and 3 positions in the Program Support program. It also reduced residential treatment beds by 60 in the Community Services program.
- \$6,369,577 in Other Funds six-year Capital Construction expenditure limitation was added to renovate medical and dental clinic spaces at the Tillamook and Oak Creek Youth Correctional Facilities, to renovate the infirmary and pharmacy spaces at MacLaren, and to update control rooms in OYA facilities.

District Attorneys and Their Deputies

The budget for District Attorneys and their Deputies is \$12.8 million General Fund and is a 3.7% decrease from the 2017-19 legislatively approved budget, with the reduction attributable to the elimination of one-time funding for grand jury recordation in three pilot counties and a decrease in Department of Administrative Service's risk assessments. The 2019-21 legislatively adopted budget is a current service level budget sufficient to pay for the salaries and benefits of District Attorneys as well as state assessments. The budget includes 36 positions (36.00 FTE).

The Legislature enacted SB 505 (2017) requiring District Attorneys to electronically record all grand jury proceedings, as well as to store and maintain copies of the audio recording. Three counties began recordation on March 1, 2018 and the remaining 33 counties began on July 1, 2019. A \$3 million special purpose appropriation to the Emergency Fund was established for implementation costs. A budget note directs the Judicial Department, District Attorneys, and the Association of Oregon Counties to identify how grand jury recordation can be delivered in the most efficient, consistent, and economical method across the state given the Legislature's funding of similar recordation services in circuit courts.

Department of Justice

The budget for the Department of Justice is \$653.6 million total funds, including \$114.8 million General Fund, \$351.8 million Other Funds, and \$187 million Federal Funds. The total funds budget is \$29.5 million (or 4.7%) more than the 2017-19 legislatively approved budget. The budget includes 1,453 positions (1,420.13 FTE).

The 2019-21 billable Attorney General rate for agencies will increase from \$182 for the 2017-19 biennium to \$214 and is estimated to generate \$229.3 million. The rate is a 17.6% increase over the 2017-19 biennium. Noteworthy is that the 2017-19 legal services rate was kept artificially low to consume excess cash reserves in the Legal Services Fund. The average increase in the rate for the 2017-19 and 2019-21 biennia is 10.8%.

Continued funding is provided for: Victims of Crime Act grant funding (\$30.3 million); backfill of a revenue reduction in Division of Child Support (\$17.8 million); funding for the final phase of the Child Support Enforcement Automated System project (\$17.1 million), plus a data center contract with a private vendor (\$4.2 million); and homeland security and urban area security grants (\$569,430). The

agency's internal audit function was in-sourced with the establishment of an audit position. The Defense of Criminal Convictions was fully funded at forecasted caseload (\$26.8 million).

Enhanced funding is provided for: juvenile dependency representation (\$16.7 million); legal services to agencies (\$6.1 million); intra-agency charges to fund administrative expenses (\$8.4 million); investments in information technology infrastructure (\$5 million), including the re-initiation of the Legal Tools project (\$595,610); debt service (\$1.5 million); Financial Fraud/Consumer Protection (\$435,525); and additional support for the Oregon Crime Victims Law Center (\$700,000), among other lesser increases.

New funding was provided for: HB 2006 and housing for victims of domestic and sexual violence (\$3 million); SB 577 and a Hate Crimes Coordinator and hotline service (\$247,833); permanent support of the Child Support Enforcement Automated System (\$2.9 million); and consumer privacy fraud protection (\$486,637).

Reductions in the budget include: General Fund reduction to the Criminal Justice Division (\$772,727); reduced allocations for the Criminal Fines Account (\$2 million) and Master Tobacco Settlement Account (\$1.6 million) and the elimination of vacant positions (\$5.1 million). Reductions were also made to eliminate excess or unneeded Other Funds expenditure limitation in the Mortgage Mediation program (\$2.8 million); enforcement of the Tobacco Master Settlement program (\$300,000); and information technology operations and maintenance costs (\$400,000). A shift from Other Funds to General Fund eliminated \$6.3 million in the double-budgeting of most expenditures in the Criminal Justice program.

Finally, DOJ will transfer to the General Fund \$46 million of surplus Protection and Education Account funds from major legal settlements (HB 2377).

Department of State Police

The legislatively adopted total funds budget for the Department of State Police (OSP) is \$506 million, which is comprised of \$318.4 million General Fund, \$164.9 million Other Funds, \$10 million Lottery Funds, \$12.6 million Federal Funds, and 1,402 positions (1,382.29 FTE). General Fund increased by 9.6%; the total funds budget is 7.8% higher than the 2017-19 legislatively approved budget. A reduction of \$9.5 million General Fund was replaced with \$8.5 million of marijuana tax revenues and \$1 million of Ballot Measure 76 lottery revenues, for no net change to agency funding.

The Legislature made significant investments in OSP infrastructure, including:

- \$4,135,056 General Fund to support OSP's 35% share of the State Radio System.
- \$3,160,562 General Fund for mobile technology lifecycle replacements.
- \$2,626,579 General Fund for the last phase of vehicle purchases, intended to provide every trooper with his or her own assigned vehicle.
- \$9,523,086 General Fund, \$1,668,298 Other Funds expenditure limitation, and 26 positions (26.21 FTE) to resolve double-filled and re-classified Patrol support positions, fund shift differential and overtime budget shortfalls, and add new positions across the agency.

The State Police assumed responsibility for two new programs as of July 1, 2019. The Ignition Interlock Device program was transferred from the Department of Transportation to OSP, adding \$1,950,454 Other Funds expenditure limitation and 5 positions (5.00 FTE). This fee-supported program oversees ignition interlock devices, companies, service centers, and technicians throughout Oregon. OSP's Fish

and Wildlife Division will partner with the Department of Fish and Wildlife's Anti-Poaching Initiative, adding 5 positions (5.00 FTE) and \$2,389,141 Other Funds expenditure limitation to improve detection of wildlife poachers and strengthen enforcement of fish and wildlife laws.

Department of Corrections

The Department of Corrections (DOC) operates the state's 14 prisons, where adult and certain juvenile felons sentenced to prison for more than twelve months are incarcerated. The April 2019 prison population forecast projects an average of 13,271 men and 1,197 women to be housed during the 2019-21 biennium. The Department is also responsible for community corrections offenders sentenced or sanctioned to prison for 12 months or less, known as the local control population, and all felony offenders under community supervision for parole or probation. These offenders are managed by the counties, except for Douglas and Linn counties, which are managed by DOC. In total, the community corrections population is forecast to be 30,074 by the end of the 2019-21 biennium.

The 2019-21 legislatively adopted budget for DOC is \$1.85 billion General Fund, \$1.95 billion total funds, and 4,731 positions (4,699.06 FTE). General Fund is 8.6% higher than the 2017-19 legislatively approved budget and total funds are 8.9% higher. Other Funds of \$95.3 million include \$4.6 million of Criminal Fines Account revenue. The budget includes both operational improvements and investments in infrastructure, including:

- \$1,500,000 General Fund to begin implementation of an electronic health records system.
- \$2,480,000 General Fund for computer lifecycle replacements and software licenses.
- \$12,556,301 General Fund and 5 positions (5.00 FTE) to address a significant backlog of deferred maintenance in DOC's prisons and administrative buildings.
- \$1,625,260 General Fund for annual fire suppression system testing.
- \$1,650,000 General Fund to upgrade the Corrections Information System.
- \$7,949,899 General Fund and 40 positions (37.84 FTE) to pilot hospital security watches at three DOC institutions.
- \$1,069,388 General Fund and 10 positions (7.50 FTE) to pilot the use of Certified Medication Aides for dispensing daily medications to adults in custody.

The Legislature approved \$47.1 million in Other Funds capital construction expenditure limitation for Article XI-Q bond proceeds for the agency to continue addressing its deferred maintenance and capital construction requirements, and to upgrade and replace camera and radio system infrastructure. Bonds will be issued throughout the biennium, requiring new debt service of \$1,956,975 General Fund in the 2019-21 biennium.

Board of Parole and Post-Prison Supervision

The 2019-21 legislatively adopted budget for the Board of Parole and Post-Prison Supervision is \$8.8 million total funds, a decrease of 3% from the 2017-19 budget. All but \$11,682 of the total funds budget is financed with General Fund. The budget continues 25 positions (25.00 FTE).

Judicial Department

The 2019-21 legislatively adopted budget for the Judicial Department (OJD) of \$739 million total funds is 2.8% greater than the 2017-19 legislatively approved budget. The budget supports 1,935 positions (1,817.22 FTE), a 2.3% increase in FTE from the prior biennium. The Department's operating costs are primarily supported by General Fund. The \$519.8 million of General Fund support is 14.4% higher than

the prior biennium level. The agency is also projected to carry forward approximately \$1.5 million of General Fund from 2017-19, which will be added to its 2019-21 biennium budget without additional legislative action. Key provisions of the budget include the following enhancements, reductions, and adjustments:

- \$135 million of Article XI-Q bond proceeds (Other Funds) for the state share of courthouse replacement project costs in Clackamas (\$31.5 million), Linn (\$15.9 million) and Lane (\$87.6 million) counties. This brings total state bonding for the Lane and Linn county projects to \$94 million and 32.7 million, respectively. Future requests are anticipated for all three projects.
- \$27.8 million of Article XI-Q bond proceeds (Other Funds) for renovation of the Oregon Supreme Court building, including seismic updates, energy efficiency improvements, and various systems and safety code upgrades, bringing the two-biennium total Article XI-Q bond proceeds for this project to \$33.8 million. The budget includes \$5.3 million General Fund for project costs that cannot be financed with bonds.
- \$8.5 million of Article XI-Q bond proceeds (Other Funds) to purchase state-owned furniture and equipment for the new Multnomah County Courthouse, bringing the total costs for state-owned furniture, fixtures, and equipment at the facility to \$17.4 million. The budget includes \$750,000 General Fund, on a one-time basis, for related OJD moving expenses.
- \$6.7 million Other Funds for activities funded from the State Court Facilities and Security Account, including emergency preparedness, court security training, and courthouse capital improvements.
- \$2.1 million of Article XI-Q bond proceeds are provided to finance the costs of issuing the bonds for the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF) and capital construction projects.
- \$2 million General Fund for planning of a replacement courthouse for Benton County. This funding establishes no obligation for the state to provide additional support for this project.
- \$1.1 million General Fund and 8 positions (4.50 FTE) to establish two new circuit court judgeships: one in Jackson County and one in Marion County. The new judgeships are established on July 1, 2020.
- \$1.3 million General Fund to increase judges' annual salary by \$5,000 effective July 1, 2020.
- \$1.8 million General Fund and 9 positions (9.00 FTE) to support implementation of SB 24 (2019) and SB 973 (2019) related to supports and services for people with serious mental illness and substance additions.
- \$12.3 million General Fund for Legal Aid services, a 3% increase from the 2017-19 legislatively approved budget.
- A \$5 million General Fund reduction was made to help balance the statewide General Fund budget. These reductions are equivalent to approximately 1.4% of the Department's operations budget. The Judicial Department is given flexibility in implementing the reductions, to minimize their impact on judicial operations.

Public Defense Services Commission

The 2019-21 legislatively adopted budget for the Public Defense Services Commission (PDSC) of \$346.4 million total funds is 10% greater than the 2017-19 legislatively approved budget. The budget supports 81 positions (80.80 FTE), an increase of 4 positions compared to the prior biennium. The agency's operating costs are primarily supported by the General Fund. The \$342 million of General Fund support is 10.4% greater than the prior biennium level. Key provisions of the budget include the following enhancements and adjustments:

- \$3.5 million General Fund to extend the Parent Child Representation Program to Multnomah County effective July 1, 2020. Multnomah will be the sixth county in which the program is being implemented, joining Columbia, Coos, Lincoln, Linn, and Yamhill counties.
- \$603,237 General Fund for Appellate Division compensation adjustments aimed at achieving parity in attorney compensation, between the PDSC and the Department of Justice.
- \$322,000 General Fund to lease an additional 6,500 usable square feet office space in Salem.
- \$263,810 General Fund to support two limited duration Accounting Technician positions to improve payment processing timeliness, as well as \$300,000 General Fund for IT contract services related to replacement of the existing financial management system.
- \$261,678 General Fund and 2 positions to implement improved contract oversight and quality assurance.
- The Professional Services Account was reduced by \$7 million General Fund to help balance the statewide General Fund budget. The reduction represents about 40% of the \$17 million General Fund added in 2019-21 for inflation in contractor services and supplies costs.

Two special purpose appropriations to the Emergency Fund (and related budget notes) were adopted for the Public Defense Services Commission: one for \$2 million General Fund for acquisition of a new financial/case management system, and another for \$20 million for caseload, including activities to reduce public defender caseloads, and implementations of an improved public defense contract model.

Commission on Judicial Fitness and Disability

The 2019-21 legislatively adopted budget for the Commission on Judicial Fitness and Disability of \$274,890 General Fund is 8.8% above the 2017-19 legislatively approved budget. The increase is due to standard inflation, the addition of \$16,000 General Fund to pay for compensation adjustments made at the end of the 2017-19 biennium, and for up to 20 hours a month of administrative support. The Commission has just one half-time Executive Director position, and the amount of materials necessary to provide the volunteer members of the Commission adequate information on specifics of complaints requires additional support work.

ECONOMIC AND COMMUNITY DEVELOPMENT

Agencies in the Economic and Community Development program area include the Oregon Business Development Department, Employment Department, Housing and Community Services Department, and Department of Veterans' Affairs. These agencies' missions are centered on supporting Oregonians' prosperity by supporting business opportunities, enhancing the state's workforce, alleviating poverty, and contributing to personal wealth through homeownership opportunities. The agencies are funded through a mix of General Fund, Other Funds (including fees for service, interest income, and bond proceeds) and Federal Funds. Lottery Funds are allocated to support debt service on lottery bond proceeds issued in previous biennia for agency programs, for economic development initiatives in the Business Development Department, and for support of veterans' services in the Department of Veterans' Affairs.

Oregon Business Development Department

The 2019-21 legislatively adopted budget for the Oregon Business Development Department (OBDD) totals \$1,079.9 million, a \$243.3 million (or 29.1%) increase over the prior biennium and includes 140 positions (138.63 FTE). The increase is the result of expanded support for lottery bond-funded projects

and programs, additional General Fund for debt service costs, and increased General Fund and Lottery Funds support for agency programs. These increases are partially offset by reductions in Lottery Funds debt service and program support.

The OBDD budget includes \$200.9 million of state support (General Fund and Lottery Funds), including \$127.4 million of Lottery Funds. The state support total is \$28.5 million (or 16.6%) above the prior biennium level. The increase is primarily due to debt service requirements on outstanding and authorized general obligation bonds. Lottery Funds and General Fund debt service costs are \$16.1 million (or 18.3%) above the prior biennium level. Lottery Funds and General Fund expenditures for the agency's other operating and program costs are increased by \$12.4 million (or 14.8%) over the prior biennium level.

Other Funds expenditures increased \$171.7 million (or 44.8%) over 2017-19 as a result of limitation provided for new bond authorizations and for bond proceeds carried forward from the prior biennium budget. A significant portion of bonds approved in the 2017-19 biennium were not issued until spring 2019, so many of the expenditures financed by those bonds are included for disbursement in the 2019-21 budget. Nonlimited Other Funds also increased \$41.4 million (or 17.3%) over the prior biennium for bonds authorized to capitalize the agency's infrastructure revolving loan funds. The approved budget provides \$226.4 million of lottery revenue and general obligation bond proceeds for agency programs, an increase of 25.5% over the \$180.4 million provided in the 2017-19 budget. General Fund and Lottery Funds debt service costs on these bonds are projected to total \$38 million per biennium when the costs fully phase-in during the 2021-23 biennium, and \$372.5 million in total over the term of the bonds.

The budget for the agency includes the following highlights:

- Lottery Funds support for the Oregon Innovation Council (Oregon InC) was reduced by \$1.6 million, resulting in a total of \$17.3 million authorized for Oregon InC initiatives.
- \$2 million was added to the Strategic Reserve Fund (SRF), bringing ongoing Lottery Funds support for new projects to \$9 million and total Lottery and Other Funds combined support to \$11.1 million. An additional \$3.7 million Lottery Funds limitation is also included to expend the estimated beginning balance of SRF project awards.
- \$10 million of one-time General Fund was approved for the new University Innovation Research Fund (UIRF), which will support grants to public universities and the Oregon Health and Science University to match competitive federal research awards.
- Lottery Funds support for operating and research expenses of the Oregon Manufacturing Innovation Center (OMIC), a collaboration between business, academic, and government partners in Columbia County to enhance innovation and competitiveness in the metals manufacturing and advanced manufacturing sectors, was increased by \$5 million, bringing ongoing OMIC operations support to \$8.7 million.
- \$6 million of Lottery Funds were allocated for a new Tide Gates and Culverts Program; however, only \$1 of expenditure limitation was provided pending a request from the agency that includes a proposal for distributing grants and loans for the repair and replacement of tide gate and culvert infrastructure.
- General Fund debt service of \$4.5 million was included for general obligation bonds approved to support the Seismic Rehabilitation Grant Program. These funds will allow \$50.6 million of seismic rehabilitation bonds for schools and \$10.1 million for emergency services facilities to be issued in the spring of 2020. The remaining \$60.8 million of authorized seismic bonds are not scheduled to

be issued until spring of 2021 and will not require debt service payments during the 2019-21 biennium.

- \$3.6 million of Lottery Funds were added for one-time infrastructure grants to the City of Sandy, Levee Ready Columbia, Port of Port Orford, and the City of Astoria.
- \$2.1 million of one-time Lottery Funds was provided to the Arts Commission for grants to four designated cultural institutions.
- \$750,000 of Lottery Funds was added on a one-time basis for the Rural Opportunities Initiative (ROI) grant program, which supports entrepreneurship-based economic development in rural communities.
- \$700,000 of combined Lottery and Other Funds were approved to replace the agency's legacy financial portfolio management system with an application that will allow continued management of financial awards, as well as additional functionality for tracking tax incentives and meeting transparency and reporting requirements.
- \$629,199 of Lottery Funds was added for the Oregon Growth Fund (OGF) to increase capital available to early-stage small businesses and promote economic development. Lottery Funds support for the OGF is approved as ongoing for the first time in the 2019-21 biennium.
- The budget also reduces Lottery Funds by \$519,000 to eliminate funding for the Regional Accelerator and Innovation Network (RAIN), aligns staff and resources with the Department's organizational structure, adds an internal auditor position, and reduces administrative expenditures in the Oregon Cultural Trust through abolishment of the Arts Assistant Director position.

The budget includes \$229.7 million of general obligation and lottery revenue bond proceeds for Department programs (\$226.4 million) and costs of issuance (\$3.3 million). Projects and programs financed with bond proceeds include the following:

- \$120 million for the Seismic Rehabilitation Grant Program, including \$100 million for seismic rehabilitation grants to schools and \$20 million for grants to emergency services facilities. This is a competitive grant program that provides funding for the seismic rehabilitation of critical public buildings. The state issues general obligation bonds authorized under Article XI-M and Article XI-N of the Oregon Constitution, to finance these grants. Funding is approved at the same level as the prior biennium.
- \$30 million for the Special Public Works Fund. These monies will be added to the corpus of the Fund and be used for infrastructure development for industrial land sites, water and wastewater systems, and other economic development-related municipal infrastructure.
- \$20 million to the City of Salem for drinking water system improvements.
- \$18.4 million for other specified community development projects with Mill City, City of Sweet Home, Confederated Tribes of the Warm Springs Reservation, and the City of Hood River.
- \$15 million for levee inspection, accreditation, certification, and repair project grants.
- \$15 million for reauthorization of the Port of Coos Bay Channel Deepening Project.
- \$5 million to recapitalize the Brownfields Redevelopment Fund for cleanup and redevelopment of brownfields properties.
- \$3 million for the Lincoln County Cultural Center and Beaverton Arts Foundation cultural capital projects. Bond funding last biennium for cultural organization capital projects totaled \$2.45 million.

The legislatively adopted budget also allocates lottery revenues to counties for economic development programs to the full amount, reflecting the statutory distribution of 2.5% of video

lottery revenue proceeds, minus one-half of the costs of supporting Regional Solutions positions in the Office of the Governor. Funding to counties totals \$50.2 million, a 21.7% increase over the prior biennium level.

Employment Department

Of the \$2.04 billion budgeted for the Oregon Employment Department (OED), \$1.58 billion is associated with Unemployment Insurance Benefits projected to be paid to Oregon's workers who are laid off through no fault of their own. Agency operations are supported primarily by Federal Funds allocated to OED from the U.S. Department of Labor for unemployment insurance benefit administration, workforce service, and labor research. Other Funds are also a major source of operating revenue, supporting information technology modernization efforts, fraud and overpayment prevention activities, job placement services, and agency administration. Federal Funds support administration and services for worker retraining programs authorized by federal legislation.

A General Fund appropriation in the amount of \$15,688,586 was approved through the passage of HB 2005, which establishes a paid family and medical leave program, to be overseen by OED. This amount will be repaid once OED collects sufficient insurance premiums from employers and workers. The appropriation enables the agency to plan, create, and administer the program, creating a new division within the agency. The Legislature directed the Department of Administrative Services to unschedule \$10.9 million, which can be deployed once progress reports have been made regarding information systems options, business analysis, actuarial review, program planning, and further stakeholder input. The bill included deadlines by which program rules are to be established (September 1, 2021), contributions would begin to be collected (January 1, 2022), and benefits would begin to be paid (January 1, 2023).

The 2019-21 legislatively adopted budget included approval of Other Funds expenditure limitation in the amount of \$13.7 million related to the acquisition and replacement of the Department's aging information technology systems for unemployment insurance tax and benefits. The budget also provides for intensive job training and placement services for clients of the Department of Human Services (\$9.4 million Other Funds and 41.00 FTE) and for worker and business services under the federal Trade Act (\$1.5 million Federal Funds and 8.00 FTE).

Housing and Community Services Department

The 2019-21 legislatively adopted budget resulted in historic investments in affordable housing and homeless assistance programs administered by the Housing and Community Services Department (HCSD). New investments and ongoing programs will result in an estimated 6,492 units of affordable housing, preservation of approximately 1326 existing units – including manufactured homes – as affordable, assistance to 138,449 Oregonians who are homeless or at risk of becoming homeless, and homeownership opportunities for an estimated 3,186 median to low income Oregonians.

Investments can be categorized into the following main areas: efforts to address and prevent homeless, preserving and increasing the supply of affordable rental housing, providing and maintaining homeownership opportunities, and centralized agency administration. The agency issues bonds for single family mortgage products, provides conduit bonding opportunities, administers federal affordable housing tax credits which it pairs with other resources to provide gap financing for affordable housing development, and administers federal rental assistance and project-based subsidies.

Resources for the agency are included in its budget bill (SB 5512), several policy bills (HB 2003, HB 2006, HB 2020, HB 2032, HB 2896, and SB 586), and the end of session emergency fund allocation bill (HB 5050). The legislatively approved total funds budget for the 2019-21 biennium is \$2,017,998,409, a \$458 million (or 29.4%) increase over the 2017-19 legislatively approved budget. General Fund in the agency's budget increased by \$47 million (79%) over the 2017-19 legislatively approved budget, \$19.5 million of which was associated with anticipated debt service payments.

Significant General Fund investments in the HCSD budget include:

- Debt service payments on bonds in the current and previous biennia (\$28.6 million).
- \$33 million for the Emergency Housing Assistance (EHA) program, \$5 million of which is considered a one-time enhancement.
- \$12 million for the State Homeless Assistance Program (SHAP) for shelter support and services.
- \$5 million in non-recurring funding for strengthening and increasing shelter capacity in areas of high need.
- \$3 million for rental market resources that help Oregonians access secure, affordable housing.
- \$15 million for programs associated with preserving, decommissioning, and improving manufactured homes and parks.
- \$1.5 million to support homeownership counseling services, including foreclosure avoidance, which is not anticipated to be ongoing.

Lottery Funds in the HCSD budget is dedicated to payment of debt service on lottery bonds issued in support of affordable housing projects.

New initiatives resulting in additional Other Funds expenditures in the HCSD budget include:

- \$8 million to fund 38 new positions (39.50 FTE) to administer programs, provide oversight of additional funding to partners, and support central agency administration associated with new program investments and associated staffing. The positions are funded through program application and utilization fees and interest income.
- \$2.7 million and 7 positions (6.16 FTE) were approved to comply with new Internal Revenue Service guidelines that require additional inspections of affordable housing units.
- Lottery Bond to fund the preservation of approximately 400 units of existing affordable housing (\$25.4 million), and to acquire new "naturally occurring" affordable housing at market rates (\$15.3 million).
- \$152 million of Other Funds expenditure limitation reflects the issuance of General Obligation bonds issued pursuant to Article XI-Q of the Oregon Constitution to finance 2,168 new units of affordable housing through the Local Innovation and Fast Track (LIFT) Housing program; two million of this amount is attributable to reserves and costs of issuance.
- \$53.7 million associated with approving the issuance of \$50 million in Article XI-Q bonds to finance an estimated 500 units of permanent supported housing for chronically homeless Oregonians. Two hundred of the units are estimated to be completed by the end of the 2019-21 biennium, with the remainder coming on line during the 2021-23 biennium.
- \$15.5 million to fund a pilot program for longer-term housing assistance for families at risk of homelessness. The source of this revenue is a transfer of Temporary Assistance to Needy Families funding from the Department of Human Services.

Department of Veterans' Affairs

The Legislature approved a 2019-21 total funds budget of \$547.7 million and 105 positions (104.47 FTE) for the Department of Veterans' Affairs, which is an 8.1% decrease from the 2017-19 legislatively approved budget. Nonlimited Other Funds, in the amount of \$408.8 million, for the Veterans' Home Loan program bond-related activities, debt service, and loan repayments make up 74.6% of the total budget. Excluding Nonlimited funds, the 2019-21 legislatively adopted budget is a 6.2% decrease from the 2017-19 legislatively approved budget. The decrease is primarily attributable to reductions in Other and Federal Funds limitation to phase-out capital construction projects approved in the 2017-19 biennium. Lottery Funds expenditure limitation of \$20.6 million, available through the passage of Ballot Measure 96, is included in the budget and represents a 33.5% increase over the prior biennium. The budget also includes \$8.4 million of General Fund, which consists of \$8 million for veterans' services and \$378,020 for debt service on outstanding bonds.

The legislatively adopted budget makes key investments with the lottery dollars dedicated by Ballot Measure 96 to expand services to veterans, while retaining a projected \$3 million ending balance in the constitutionally dedicated Veterans' Services Fund to allow for stable funding in the event of fluctuations in revenue projections, and to provide a working capital balance. The budget also includes increases in Other Funds expenditure limitation to support the Home Loan and Veterans' Services Programs. Specific investments include:

- \$5 million, through a combination of \$1 million Lottery Funds and \$4 million lottery revenue bond proceeds, for a one-time grant to the YMCA of Marion and Polk Counties to construct veterans' affordable housing in Salem.
- \$1 million Lottery Funds to renew funding for the Campus Veteran Grant Program that will enable the agency to award grants to Oregon community colleges and public universities to expand and enhance veteran programs on college campuses.
- \$975,000 combined Lottery and Other Funds to continue the refresh of the Department of Veterans' Affairs' office building and complete renovation of the second floor.
- \$145,930 Lottery Funds and \$525,000 Federal Funds to establish 3 positions that will allow the agency to serve as the U.S. Department of Veterans Affairs State Approving Agency for veterans' education programs beginning October 1, 2019.
- \$500,000 Lottery Funds to support Tribal Veteran Representative programs and partnerships through the addition of a Tribal Veteran Coordinator position and pass-through funding to Tribal Veteran Offices.
- \$500,000 Lottery Funds to establish a new Veterans' Health Care Transportation Grant Program that will expand the existing federally funded Highly Rural Transportation Grants for transportation services in rural counties. Initial funding for the new program is approved as one-time.
- \$500,000 to increase Lottery Funds support for the Veterans' Services Grant Fund on a one-time basis, for total funding in the 2019-21 budget of \$1.1 million, to expand the number and amount of grants available to community partners.
- \$400,000 Lottery Funds to continue replacement of the conservatorship system that will enable the Department to effectively and efficiently deliver conservatorship and representative payee services.
- \$354,708 to increase Lottery funds support for the National Service Organizations, bringing total pass-through funding to \$600,000.
- \$250,000 Other Funds to purchase and install a home loan system that combines loan origination and servicing into one application.

- \$227,517 Other Funds for the establishment of a Business Development Representative position to increase the number of veteran home loans, including those in underserved markets.
- The budget also provides additional funding for technology investments, enhanced training for veteran service officers, grant program administration, and an internal auditor position.

CONSUMER AND BUSINESS SERVICES

The Consumer and Business Services program area encompasses occupational and health licensing boards, and agencies with a worker or consumer protection mission, such as the Bureau of Labor and Industries and the Consumer and Business Services Department. Most funding for these agencies is from licensing and fee revenue, with some grant or fee-for-service funding from the federal government for some agencies. General Fund supports certain services in the Bureau of Labor and Industries, as well as a small insurance premium payment in the Department of Consumer and Business Services. Finally, \$250,000 in one-time lottery funding is included for the Bureau of Labor and Industries for 2019-21. Changes of note for Consumer and Business Services program area agencies are summarized below.

Board of Accountancy

The Board's 2019-21 budget totals \$2,788,351 Other Funds and includes 8 positions (7.50 FTE). The budget is a 6.5% increase from the 2017-19 legislatively approved budget and will leave the Board with a projected ending balance of approximately \$1,838,557, which is the equivalent of an estimated 15 months of operating expenses. The budget includes an increase in Other Funds limitation of \$182,502 to cover an anticipated increase in the Department of Justice Flat Rate Agreement.

Board of Chiropractic Examiners

The Board's 2019-21 budget totals \$2,260,448 Other Funds and includes 6 positions (5.10 FTE). The budget is an 11.5% increase over the 2017-19 legislatively approved budget. The adopted budget leaves the Board with an ending balance equivalent to approximately two months of operations. The budget includes funding for the reclassification of the Executive Director and to implement database upgrades.

Construction Contractors Board

The Board's 2019-21 budget totals \$15,262,377 Other Funds and includes 61 positions (61.00 FTE). This budget is a 5.6% reduction from the 2017-19 legislatively approved budget. The reduction is due primarily to the removal of excess Other Funds expenditure limitation. The projected ending balance of \$7.1 million will leave the Board with approximately 11 months of operating reserves. The budget includes expenditure limitation for the following positions: one limited duration Operations and Policy Analyst 4 to engage in planning efforts associated with a new licensing system update, one Public Service Representative 4 position to handle growing licensee workload, and funding to reclassify an Accounting Tech 3 position to a Fiscal Analyst 1.

Department of Consumer and Business Services

The 2019-21 legislatively adopted total funds budget for the Department of Consumer and Business Services (DCBS) is \$680,500,224 and includes 963 positions (957.92 FTE). The budget includes \$211.5 million in Nonlimited Other Funds for Workers' Compensation and Insurance programs. This budget is a 44.2% increase from the 2017-19 legislatively approved budget. The vast majority of this increase is due to the provision of expenditure limitation related to the Oregon Reinsurance Program established by HB 2391 in the 2017 legislative session. Excepting those amounts, the agency's budget increases by \$22,856,951 total funds (a 4.84% increase from the legislatively approved budget for 2017-19).

The budget for DCBS recognizes revenues from retaliatory taxes from out-of-state insurance companies, which DCBS transfers to the General Fund. The tax is forecasted to generate approximately \$142.8 million for the General Fund in the 2019-21 biennium. A surcharge on fire insurance policies, estimated at \$26.9 million in the 2019-21 biennium, is also collected by the agency and is transferred to the office of the Fire Marshal at the Department of State Police. Additionally, the budget recognizes \$636,240 in anticipated revenues from the establishment of fees authorized by HB 4005 (2017) related to the Oregon Prescription Drug Price Transparency program as well as additional General Fund revenues of \$3,100,000 from the increase in fees for annual licensure renewal of securities broker dealers as adopted by rule.

The budget includes Other Fund expenditure limitation of \$1,692,685 for contracted professional information technology services and the establishment of a permanent manager position (0.88 FTE) in the Workers' Compensation Division to continue planning efforts on modernizing the agency's workers' compensation claims information technology system, a project that is estimated to span multiple biennia.

A General Fund appropriation of \$1.2 million for deposit in the Compact of Free Association (COFA) Islander Premium Assistance Fund and corresponding Other Funds expenditure authority of \$1.15 million is included in the budget to support ongoing payments of insurance premiums and out of pocket expenses for qualified program participants. A General Fund appropriation of \$99,319 and authorization to establish a limited duration position (0.25 FTE) was included in HB 2706 for DCBS to conduct a cost study on providing dental insurance coverage to COFA islanders in a similar manner to the health insurance premium assistance program.

The largest single item included in the DCBS budget is one-time expenditure limitation of \$101,255,388 Other Funds and \$84,482,113 Federal Funds to allow the Department to make payments to insurers under the Oregon Reinsurance Program established by HB 2391 (2017). The funding also supports a limited duration Operations and Policy Analyst position (1.00 FTE) to assist with program administration. Revenues for the program are supported through temporary taxes on insurance premiums and managed care premiums, fund balances transferred from a prior reinsurance program, funds transferred from the Oregon Health Insurance Marketplace, and federal funding.

Board of Dentistry

The 2019-21 budget for the Oregon Board of Dentistry totals \$3,535,260 Other Funds and includes 8 positions (8.00 FTE). This budget is a 7.8% increase from the 2017-19 legislatively approved budget, and the projected ending balance of \$757,940 will leave the Board with approximately 5.2 months of operating reserves. The budget includes an increase in expenditure limitation of \$100,000 for a new licensing database and on-going IT support.

Bureau of Labor and Industries

The 2019-21 legislatively adopted budget for the Bureau of Labor and Industries represents a 9.1% increase from the 2017-19 legislatively approved budget. Additional General Fund of \$250,000 was approved to allow a one-time investment for upgrades to the agency's website to improve customer service. Ongoing new General Fund investments totaled \$660,012 and were approved for a public records coordinator to provide access to case files, an additional Civil Rights investigator, position reclassifications, and technical and apprenticeship assistance in Eastern Oregon. New investments were partially offset by management efficiencies.

Enhancements to the agency's wage and hour accounting functions and office specialist support increased FTE by 1.25 and will be funded through the Wage Security Fund and fees, respectively. The Legislature directed the Bureau, via budget note, to research and develop alternatives for generating revenue to support activities and services related to apprenticeship and training. The Bureau is expected to report back on those efforts during the 2020 legislative session.

Medical Board

The 2019-21 legislatively adopted budget for the Oregon Medical Board totals \$13,662,415 Other Funds and includes 41 positions (41.00 FTE). The budget is a 6.4% increase from the 2017-19 legislatively approved budget and is projected to leave an ending fund balance of \$4,169,192 Other Funds, which equates to 7.3 months of operating expenses. The budget provides ongoing expenditure limitation of \$250,000 to support the Oregon Wellness Program, a coalition effort to develop and implement local physician wellness programs, and ongoing limitation to establish a Public Affairs Specialist 1 position and add an additional public member to the Board.

Board of Medical Imaging

The Board's 2019-21 budget totals \$1,175,429 Other Funds and includes 4 positions (3.50 FTE). The budget is a 30.8% increase from the 2017-19 legislatively approved budget and the projected ending balance of \$154,958 will leave the Board with approximately 3.2 months of operating expenses. The budget includes expenditure limitation of \$75,000 Other Funds for a new licensing database and IT support, \$52,641 Other Funds to reclass 3 positions, and \$44,887 Other Funds for Department of Justice costs. The budget also increases personal services limitation by \$70,964 Other Funds to add a permanent investigator position (0.50 FTE).

Mental Health Regulatory Agency

The Agency's 2019-21 budget totals \$3,941,338 Other Funds and includes 12 positions (12.00 FTE). The budget is a 12.3% increase from the 2017-19 legislatively approved budget. The Agency provides administrative support for two boards: The Board of Psychology and the Board of Licensed Counselors and Therapists. The Agency's budget includes an increase in Other Funds limitation of \$240,034 to make permanent one Compliance Specialist 2 position (1.00 FTE) to assist the Agency with its growing investigation backlog. The budget also includes an \$87,804 increase in Other Funds limitation to cover the ongoing costs of desktop support, ETS hosting, and database maintenance fees associated with the implementation of an IT project to integrate and upgrade the two Boards' online database and desktop support needs.

Mortuary and Cemetery Board

The 2019-21 budget for the Mortuary and Cemetery Board totals \$2,343,995 Other Funds and includes 7 positions (7.00 FTE). The budget is a 7% increase from the 2017-19 legislatively approved budget. The projected ending balance of \$1,028,418 will leave the Board with approximately 10.5 months of operating reserves. The budget includes expenditure limitation of \$95,000 Other Funds for a new licensing database, and \$11,149 Other Funds to reclass 2 positions. The Board will no longer house the accounting staff shared by the Health-Related Licensing Boards. The budget converts that position to an Investigator 2 to increase capacity for inspections. The budget also instructs the Board to report to the Legislature in September regarding their inspections and complaint backlog.

Board of Naturopathic Medicine

The 2019-21 budget for the Board of Naturopathic Medicine totals \$1,166,035 Other Funds and 4 positions (4.00 FTE). The budget is a 44% increase from the 2017-19 legislatively approved budget and the projected ending balance of \$359,795 will leave the Board with approximately 7.4 months of operating expenses. The budget increase includes expenditure limitation of \$70,000 Other Funds for a new licensing database and IT support, and \$26,712 Other Funds to reclass the Executive Director position. A new position is added to the Board for a Fiscal Analyst 3 to meet the accounting and budget needs for all six Health-Related Licensing Boards. The budget included \$176,682 of Other Funds expenditure limitation for this position, of which \$149,346 will be paid by the other five boards through intrafund transfers.

Board of Nursing

The 2019-21 legislatively adopted budget for the Board of Nursing totals \$19,719,954 Other Funds and includes 54 positions (53.90 FTE). The budget is a 17% increase from the 2017-19 legislatively approved budget and is projected to leave an ending fund balance of \$7,960,658 Other Funds, or approximately 9.7 months of operating reserves. The budget provides expenditure limitation of \$1,305,011 to reclassify 11 positions and permanently establish 5 positions: a Licensing Supervisor (PEM A), a Public Service Representative 4, an Investigations Supervisor (PEM C), a Nurse Investigator, and a Scanning Specialist. The budget also adds one-time expenditure limitation of \$400,000 Other Funds and ongoing limitation of \$75,000 Other Funds to expand and upgrade the Board's office space.

Occupational Therapy Licensing Board

The Board's 2019-21 budget totals \$619,842 Other Funds and includes 2 positions (1.75 FTE). The budget is a 20.5% increase from the 2017-19 legislatively approved budget and the projected ending balance of \$229,867 will leave the Board with approximately 8.9 months of operating reserves. The budget includes expenditure limitation of \$50,000 Other Funds for a new licensing database and IT support, and \$34,889 Other Funds to increase the Administrative Assistant position from 0.50 FTE to 0.75 FTE.

Board of Pharmacy

The Board's 2019-21 budget totals \$8,761,878 Other Funds and includes 22.00 positions (22.00 FTE). The budget is a 17.4% increase from the 2019-21 legislatively approved budget and the projected ending balance of \$1,706,181 will leave the Board with approximately 4.67 months of operating reserves. The budget raises Other Funds revenue by \$2,411,800 by updating the Board's fee schedule. The last time the Board raised fees was in 2001. A proposed fee increase during the 2011-13 biennium was rolled back to 2001 rates. In 2015, the Board instituted biennial licensure without a fee adjustment. Pharmacist, certified pharmacy technicians, and pharmacy technicians have been receiving two years of license for the price of one year. The updated fee schedule adjusts for biennial licensure as well as the increased costs of operations driven by changes in the focus of pharmacy practice and technological advances being incorporated into systems of drug distribution. The budget includes a \$468,403 increase in Other Funds limitation for the establishment of one Healthcare Investigator position and one Public Service Representative 3 position (2.00 FTE) to address a growing workload associated with the increase in number of applicants and licensees, as well as the growing number of complex outlet license categories.

Board of Licensed Social Workers

The Board's 2019-21 legislatively adopted budget totals \$1,810,716 Other Funds and includes 6 positions (6.00 FTE). The budget is a 5.4% increase from the 2017-19 legislatively approved budget. The Board's

projected ending balance represents approximately 7 months of operating reserves. The Board is responsible for the standards of practice, ethics, and regulation of Social Workers.

Board of Examiners for Speech-Language Pathology and Audiology

The Board's 2019-21 budget totals \$979,115 Other Funds and includes 3 positions (3.00 FTE). The budget is a 29.5% increase from the 2017-19 legislatively approved budget and the projected ending balance of \$234,867 will leave the Board with approximately 5.7 months of operating reserves. The budget includes expenditure limitation of \$55,000 Other Funds for a new licensing database and IT support, \$53,282 Other Funds to increase the Board's Investigator 2 position from 0.50 FTE to 1.00 FTE, and \$26,712 Other Funds to reclass the Executive Director position.

Board of Tax Practitioners

The Board's 2019-21 budget totals \$1,104,037 Other Funds and includes 3 positions (2.50 FTE). The budget is a 6% increase from the 2017-19 legislatively approved budget and the projected ending balance of \$220,929 will leave the Board with approximately 5 months of operating reserves. Revenues are estimated to decrease by approximately \$3,750 per biennium due to modifications to Exam Application Fees for Tax Preparers and Tax Consultants and the Proctoring Fee for Tax Preparers and Tax Consultants.

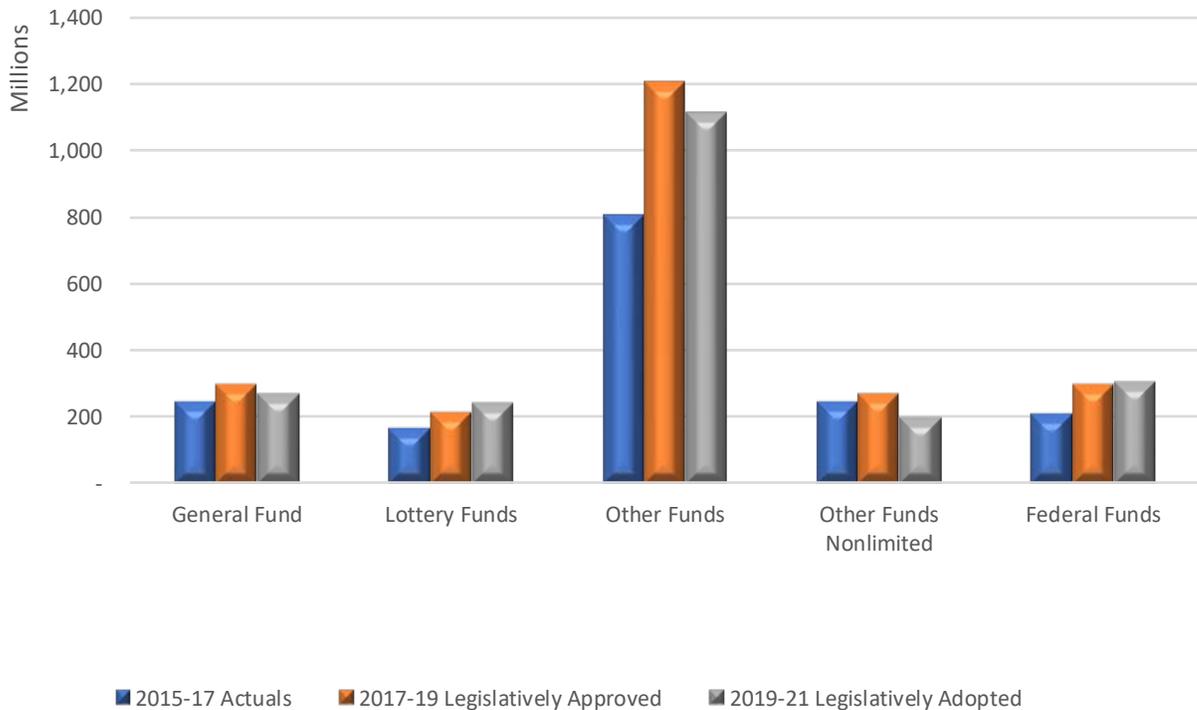
Veterinary Medical Examining Board

The Board's 2019-21 budget totals \$1,203,615 Other Funds and includes 4 positions (3.75 FTE). The budget is a 16.3% increase from the 2017-19 legislatively approved budget and the projected ending balance of \$1,289,504 will leave the Board with approximately 25 months of operating reserves. The budget includes expenditure limitation of \$75,000 Other Funds for a new licensing database and IT support, and \$46,688 Other Funds to reclass 2 positions.

NATURAL RESOURCES

The legislatively adopted total funds budget for the fourteen agencies comprising the Natural Resources program area totals \$2.14 billion. This amount is \$157.8 million (or 6.87%) less than the legislatively approved budget for the 2017-19 biennium. The Natural Resources program area budget represents roughly 2.5% of the state's budgeted biennial expenditures.

Natural Resources Program Area by Fund Type and Biennium



Nonlimited Federal Funds of \$104,000 at the Department of Energy are not displayed.

General Fund appropriations made to Natural Resources agencies decreased overall by \$25.5 million or 8.5% from the 2017-19 legislatively approved budget. On an individual agency basis, however, General Fund reductions were confined to five agencies. The most notable of these is a \$45.2 million net reduction in General Fund to the Department of Forestry that includes the phase-out of roughly \$57.7 million in General Fund for unbudgeted forest fire protection costs. The Department of Geology and Mineral Industries budget includes a General Fund appropriation for the first year of the biennium only, reducing General Fund by \$2.8 million. In contrast to those reductions, the Department of Agriculture and the Department of Environmental Quality received a combined net increase in General Fund of \$7.5 million for various programs. The Department of Fish and Wildlife's General Fund budget increased by \$5.5 million including funds for sealion predation, wolf plan implementation, water quality work, steelhead production for the Santiam waterways, and an anti-poaching campaign. The Department of Energy budget includes General Fund appropriations of \$4.3 million to cover a budget shortfall related to debt service payments in the Small-Scale Energy Loan Program (SELP) and \$2 million for a solar rebate program approved in HB 2618. The largest percentage increase (33.45%) in General Fund is in the Department of Land Conservation and Development that includes \$6.5 million in new funding related to the implementation of HB 2001 and HB 2003.

Lottery Funds utilized in the Natural Resources Program Area are comprised entirely from the allocation of lottery revenues to the Parks and Natural Resources Fund, as required by the Oregon Constitution by

Ballot Measures 68 and 76 (2010), with the exception of \$15.4 million that is dedicated to debt service. Forecasted distributions of lottery revenues to the Parks and Natural Resources Fund for the 2017-19 biennium totaled \$218.44 million. Total budgeted expenditures for the 2017-19 biennium of constitutionally dedicated Lottery Funds are \$238.52 million, the difference accounted for by the expenditure of residual fund balance. Overall, 2019-21 legislatively adopted Lottery Funds expenditures for the Natural Resources Program Area total \$243.94 million, an increase of \$25.5 million (or 11.7%) over the 2017-19 legislatively approved budget.

Other Funds revenues, principally generated through fee assessments and other regulatory actions, continue to be the largest funding source for the Natural Resources Program Area. Reductions in budgeted Other Funds include significant phase outs of bond-funded expenditures in both the Department of Forestry and the Water Resources Department, and roughly \$104.6 million in Other Funds limitation authorized in the 2017-19 biennium for large fire costs. New, bond-funded investments included in the budget of the Water Resources Department of \$43.8 million and \$78.3 million in additional operational expenditures at multiple agencies partially offset the reductions, resulting in a net Other Funds reduction of \$94 million.

Department of Agriculture

The adopted budget for the Department of Agriculture totals \$128.4 million. The budget includes \$26 million General Fund, \$10.6 million Ballot Measure 76 Lottery Funds, \$74.4 million Other Funds, \$17.5 million Federal Funds, and 509 positions (383.77 FTE). The total funds budget is 7.3% higher than the 2017-19 legislatively approved budget level. The General Fund budget is 10.5% higher than the 2017-19 budget due largely to one-time investments for the Invasive Species Council, replacement of laboratory equipment, water sample testing at Klamath Lake, and predator control. Additional one-time General Fund was added for the regulation of animal shelters by the State Veterinarian (SB 883), shellfish application assistance (HB 2574) and removal or fill site review (HB 2437).

Ballot Measure 76 Lottery Funds increased over 2017-19 levels due to the one-time addition of \$2.6 million to combat the invasive Japanese Beetle. The Other Funds budget increased by \$6.8 million over 2017-19 mostly due to increased staffing in the Plant, Fertilizer, and Shipping Point programs and the addition of a new position within the laboratory. Fee increases were included for the Food Safety, Weights and Measures, Certifications, Confined Animal Feeding Operations, and Hemp programs.

Federal Funds expenditure limitation of \$1.4 million was added to help Oregon's produce farmers comply with the federal Food Safety Modernization Act.

Columbia River Gorge Commission

The Columbia River Gorge Commission's legislatively adopted Oregon budget for the 2019-21 biennium totals \$1,160,612 General Fund. The budget is a 14.9% increase from the 2017-19 legislatively approved budget and is 12.5% above the 2019-21 current service level. The states of Oregon and Washington are required by interstate compact to equally share the operational costs of the Commission. The Oregon adopted budget includes \$1,128,000 for joint operational expenses and \$32,612 for Oregon commissioner expenses. Due to budget development revenue concerns, Oregon initially passed a current service level budget for the Commission. That budget was then supplemented at the end of the Oregon legislative session in HB 5050 with an additional \$109,813 General Fund to finance Oregon's share of costs associated with a new Vital Sign Indicators Land Use Planner position and with the replacement of staff laptops and desktop computers. This additional appropriation will allow the

Commission to hire another staff land use planner since the Oregon action was made to match a previous appropriation made for the 2019-21 biennium by Washington.

Department of Energy

The legislatively adopted budget for the Department of Energy is \$85.5 million total funds and includes \$3 million Lottery Funds for debt service, \$32.8 million Other Funds, \$2.2 million Federal Funds, \$41 million Other Funds Nonlimited, \$104,000 Federal Funds Nonlimited, and 81 positions (79.25 FTE). The budget also includes General Fund, for the first time for this agency, in the amount of \$4.3 million to cover a budget shortfall related to debt service payments in the Small-Scale Energy Loan Program (SELP) and \$2 million for a solar rebate program approved in HB 2618 (2019). Nonlimited Other Funds and Federal Funds limitation is provided for the SELP program; however, no bond authority was approved to finance new loans.

The total funds budget is \$75 million (or 47%) less than the 2017-19 legislatively approved budget. A significant portion of the decrease is attributable to the removal of \$54.9 million Nonlimited Other Funds expenditure limitation to reflect limited activity in the SELP program and another \$23.4 million for refunding of outstanding SELP bonds.

Excluding the debt service and Nonlimited funds, the budget is a 2.8% decrease from the 2017-19 legislatively approved budget. Reductions of \$1.5 million Other Funds and eight vacant positions (8.00 FTE) were approved to decrease expenditures supported by the Energy Supplier Assessment (ESA). The budget includes the addition of two limited duration positions (2.00 FTE) for the energy siting program for workload anticipated from increased applications. Finally, the budget includes \$2 million of one-time General Fund for a solar rebate program. Of the \$2 million, \$1.5 million is available for rebates, with \$500,000 available for administration of the program. The Department will hire three limited duration positions (1.25 FTE) and utilize existing personnel for administration of this program.

Department of Environmental Quality

The legislatively adopted budget for the Department of Environmental Quality is \$458.7 million total funds, including \$53.8 million General Fund, \$5.3 million Ballot Measure 76 Lottery Funds, \$222.2 million Other Funds, \$29.4 million Federal Funds, and 779 positions (760.40 FTE). The budget also includes \$148 million of Nonlimited Other Funds for Clean Water State Revolving Fund loan activities and debt service.

The total funds budget is \$46.9 million (or 11.4%) higher than the 2017-19 legislatively approved budget level. The General Fund budget is \$5 million (or 10.3%) higher than 2017-19 due largely to a \$3.4 million state investment in overall water quality improvements. This includes positions to address water quality standards, implement clean water plans, test drinking water systems for harmful algal bloom, and issue stormwater and wastewater permits. Additional General Fund investments include one-time funding for wood stove replacement funding in the wood smoke reduction program, some costs related to the Environmental Data Management System information technology replacement project, and an internal auditor position.

The 2019-21 Other Funds budget is \$27.3 million higher than 2017-19 due to increases for the Electric Vehicle rebate program (\$5.7 million), implementation of the Air Toxics program known as Cleaner Air Oregon (\$2.6 million), positions to address the air quality permit backlog, a \$3.1 million addition to address solid waste orphan site cleanups, \$7.4 million for the Environmental Data Management System project, and positions for oil spill prevention for both vessels and pipelines and high hazard rail. The

budget includes fee increases for the heating oil tank program, oil spill prevention program, hazardous waste, wastewater permits, air contaminate discharge permits, underground control injection permits, and establishment of fees for the Cleaner Air Oregon program.

Department of Fish and Wildlife

The Department of Fish and Wildlife 2019-21 budget totals \$390 million, which includes \$35 million General Fund, \$7.6 million Ballot Measure 76 Lottery Funds, \$203 million Other Funds, \$144.4 million Federal Funds, and 1,357 positions (1,154.69 FTE). The Department's total funds budget is 7.0% higher than 2017-19 levels. General Fund support is up 19.1%, including funds for sealion predation, wolf plan implementation, water quality work, steelhead production for the Santiam waterways, and an anti-poaching campaign that will also fund additional Oregon State Police troopers. Ballot Measure 76 Lottery Funds are up 43% largely due to a one-time fund shift of General Fund expenses to utilize available ending balance from the May 2019 forecast.

The 2019-21 Other Funds expenditure limitation is \$9.2 million (or 4.7%) higher than 2017-19 due to \$1.9 million in fund shifts to provide General Fund savings, \$4.5 million for culvert fish passage in partnership with the Department of Transportation, a \$1 million increase for the required match in Pittman-Robertson apportionment from the federal government, and \$1.3 million for operation of the Leaburg Hatchery. Federal Funds expenditure limitation is 6.3% higher than 2017-19 due to an increase in the Pittman-Robertson apportionment that comes from the sale of sporting arms and ammunition, and limitation and positions to assist landowners in implementation of conservation projects outlined in the federal Farm Bill.

Department of Forestry

The budget for the Department of Forestry totals \$388.7 million and includes 1153 positions (848.99 FTE). This is a \$56.4 million reduction from the 2017-19 legislatively adopted budget, but that budget included one-time Other Funds expenditure limitation of \$100 million for bond proceeds for the partial decoupling of the Elliott State Forest from the Common School Fund.

The ODF budget recognizes personnel reorganizations in the Agency Administration and State Forests divisions. Both of these reorganizations were completed with existing budgetary resources; the State Forests division reorganization resulting in a cost savings of \$650,423 and the reduction of seven positions. Additional budgetary capacity of \$12 million Other Funds in the State Forests division was added to accommodate expanded use of log-sort sales. A one-time General Fund appropriation of \$200,000 is included in the budget for the purchase of a 160-acre tract of timber land for the Santiam State Forest. Bond funding of \$2.9 million was authorized for the completion of a shared facility being built in conjunction with the Department of Transportation at Toledo, Oregon. In addition to the roughly \$1.4 million total funds included in the agency's base budget, the budget includes an additional \$1.7 million General Fund appropriation for the control of Sudden Oak Death.

Although not included in the agency's total budget as stated above, supporting special purpose appropriations were made to the Emergency Fund of \$4 million for severity resources; \$2 million for catastrophic wildfire insurance premium costs; and \$2 million for supplemental Fire Program personnel costs due to extended fire seasons.

A \$3,201,253 General Fund appropriation and an increase of \$532,747 Other Funds expenditure limitation for the 2017-19 biennium was also included in the agency's budget bill to pay the premium costs of catastrophic wildfire insurance for the 2019 fire season.

Department of Geology and Mineral Industries

The Department's 2019-21 budget totals \$8.3 million and includes 39 positions (19.46 FTE). This reflects a one-year budget for the agency due to financial uncertainty caused by the Department having cash flow issues in both of its programs. Overall, the budget is 56.9% lower than the 2017-19 legislatively approved budget. The General Fund total has decreased 52.7%, the Other Funds limitation has decreased 63.6%, and the Federal Funds limitation has decreased 52%.

The budget includes the elimination of five positions in the Geologic Survey program that will provide the General Fund savings necessary to fund two new financial support positions within the agency to provide additional grant and contract oversight. The 2019-21 budget also included a budget note directing the Governor's Office and the Department of Administrative Services to report to the Joint Committee on Ways and Means in the 2020 legislative session on a detailed strategic plan for the future of the agency.

Department of Land Conservation and Development

The legislatively approved budget for the Department of Land Conservation and Development totals \$28,447,533 and supports 64 positions (62.09 FTE). This includes \$20.2 million General Fund, \$1.5 million Other Funds, and \$6.8 million Federal Funds. The budget is a \$5 million increase from the 2017-19 legislatively approved budget.

The budget includes additional \$846,294 Other Funds and \$515,074 Federal Funds expenditure limitation and the authority to establish five limited-duration positions (5.00 FTE) for updates to Oregon's Climate Change Adaptation Framework, natural hazard mitigation planning, and to assist local communities in working with the National Flood Insurance Program.

A General Fund appropriation of \$200,000 is included in the budget for the agency to receive, consolidate, and organize public records of federal, state, or local governments concerning shellfish mariculture as directed under HB 2474.

HB 2001 and HB 2003 included General Fund appropriations totaling \$4.5 million for specific local planning grants to provide technical assistance to local planning authorities for the development of housing production strategies (HB 2003), to support the requirements of local planning districts to update or amend comprehensive plans to encourage middle housing, and to develop middle housing ordinances (HB 2001). A General Fund appropriation of \$2 million and the establishment of seven limited-duration positions (6.00 FTE) associated with implementation of HB 2001 and HB 2003 is included in the agency's legislatively approved budget.

General, ongoing, local planning grant funding of \$1.64 million General Fund is continued at the current service level.

Land Use Board of Appeals

The budget for the Land Use Board of Appeals totals \$2,096,839 and 6 positions (6.00 FTE), including \$2.06 million General Fund and \$34,981 Other Funds. The budget is a 5.6% increase from the

legislatively approved budget for the 2017-19 biennium and continues funding for the agency at the current service level.

Marine Board

The Marine Board's total funds budget for 2019-21 is \$34,649,036 and 39 positions (38.75 FTE). The budget, which is a 2.6% decrease from the 2017-19 budget, includes \$28,328,774 Other Funds expenditure limitation and \$6,320,265 Federal Funds expenditure limitation. The Board's funding comes from three major sources: license and fee revenue, motor boat fuel tax revenues, and federal grants. The 2019-21 legislatively adopted budget reflects raising Vessel fees, Boat Certificate of Title fees, and Mandatory Boater Education Card fees, which will total \$3.1 million in additional revenue. SB 47 (2019) established the nonmotorized boat Waterway Access Fund within the Board for the purposes of awarding grants for acquisition, construction, and maintenance of boating facilities that serve nonmotorized boaters. When fully enacted, the Waterway Access Fund will generate approximately \$1 million Other Funds revenue per biennium. HB 2532 (2019) established the Towed Watersports Program to support the costs of administering and implementing the program and assist with paying the costs of law enforcement activities related to towed watersports in the Newberg Pool Congested Zone. The fees will generate approximately \$124,000 Other Funds revenue per biennium.

Parks and Recreation Department

The legislatively adopted budget for the Parks and Recreation Department totals \$264.1 million which includes \$116,785,754 Lottery Funds, \$130,655,323 Other Funds, \$16,685,823 Federal Funds, and 870 positions (602.55 FTE). The budget is a 16.3% increase from the 2017-19 legislatively approved budget. The budget recognizes fee revenues from a flexible fee schedule adopted by the Parks Commission and includes \$13 million in Lottery Funds for local park grants. The budget also includes \$5 million Other Funds expenditure limitation for bond proceeds for local Main Street program grants.

The budget makes significant investments in accessibility improvements, facilities maintenance, and development of existing parks and trail systems totaling \$16.35 million. Operational investments include \$500,000 for inclusivity programs to address recreation and service needs of under-represented and non-traditional users, \$2.7 million for increased costs of contracted services, and \$1.6 million for initial reservation system replacement planning. The budget includes an increase of \$3 million Lottery Funds for park property acquisition.

Expenditure limitation of \$12 million is included for grants that were awarded but not fully drawn down in the 2017-19 biennium. An additional \$3 million increase in Other Funds expenditure limitation is provided to allow the Department to distribute increased funding available for all-terrain vehicle recreational opportunities due to the increase in fuel taxes.

Department of State Lands

The 2019-21 biennium total budget for the Department of State Lands totals \$67,002,306 and 115 positions (113.00 FTE). This is a \$14.8 million (or 18.11%) reduction from the 2017-19 legislatively approved budget. The reduction is due primarily to the elimination of one-time expenditures that were authorized in the prior biennium.

In addition to ongoing program operations, the budget includes \$6.8 million for anticipated legal and consulting expenses due to the cost allocation and natural resource damage assessments related to the

Land Board's interest in the Portland Harbor Superfund site. Expenditure limitation totaling \$7.77 million was provided for remediation design work and initial project work within the site.

The budget includes \$4.06 million for costs related to the Elliott State Forest. These costs include: \$2 million for a third-party management contract that covers road maintenance, reforestation, and general property oversight of the forest, \$1.58 million for the continued development of a habitat conservation plan and public affairs consulting, and \$382,000 for a forester position and project management position related to the forest.

Continuation of temporary projects include \$450,000 to fund the planning phase for the replacement of the agency's Land Administration System and \$432,746 to continue the implementation of SB 912 (2015), inventorying the state's interest in historically filled lands.

Other Funds expenditure authority of \$355,776 and the establishment of two limited-duration positions is included in the budget for the implementation of HB 2436 to develop a proposal for the state's partial assumption of section 404 of the federal Clean Water Act.

Water Resources Department

The legislatively adopted budget for the Water Resources Department totals \$144,315,908, a \$38,087,649 (or 35.9%) increase from the legislatively approved budget for the 2017-19 biennium. The budget supports 177 positions (171.79 FTE) and continues support for place-based integrated water resources planning, makes permanent a position participating in shared payroll services that serves six agencies, and provides funding for a second basin groundwater study team.

The majority of the budget increase is due to the provision of Other Funds expenditure limitation for lottery revenue bond proceeds. Although \$22.9 million of a total \$53.6 million in Other Funds expenditure limitation that was approved for bond-funded projects in the 2017-19 biennium was scheduled to be phased-out of the 2019-21 budget, the adopted budget carried forward \$42 million in expenditure authority and added another \$43.8 million for projects funded from lottery revenue bonds in the current biennium. Other Funds expenditure limitation for bond-funded projects totals \$85.85 million (or 59.5%) of the 2019-21 biennial budget for the Water Resources Department. Lottery Funds debt service expenditures have increased at a rate of 53.7% since fiscal year 2013. Lottery Funds supported debt service totals \$7.6 million (or 13%) of the agency's budget excluding bond proceeds for the 2019-21 biennium.

Two vehicles were used to distribute bond proceeds in the agency's budget. An increase of \$25,521,689 in Other Funds expenditure limitation was established for the purpose of making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Development Fund, commonly referred to as the SB 839 fund. Of this amount, \$15 million is for Water Supply Development grants and loans to evaluate, plan, and develop in-stream and out-of-stream water development projects that repair or replace infrastructure to increase the efficiency of water use; provide new or expanded water storage; improve or alter operations of existing water storage facilities in connection with newly developed water; create new, expanded, improved, or altered water distribution, conveyance, or delivery systems in connection with newly developed water; allocate federally stored water; promote water reuse or conservation; provide streamflow protection or restoration; provide for water management or measurement in connection with newly developed water; and, determine seasonally varying flows in connection with newly developed water. The budget

includes \$521,689 for the payment of bond issuance costs. The remaining \$10 million expenditure limitation is for bond proceeds allocated to the fund for the Deschutes Basin Board of Control Piping Project. The funding will be combined with additional state, local, and federal funds to allow the Board of Control to pipe currently open canals with a total project cost of \$99.38 million. The second increase of \$18,327,563 in Other Funds expenditure limitation was for making grants, loans, and paying the cost of bond issuance from lottery bond proceeds deposited into the Water Supply Fund. Of the total increase, \$327,563 is for the estimated cost of bond issuance, \$14 million is for a grant to the Wallowa Lake Irrigation District for the rehabilitation of the Wallowa Lake Dam, and the remaining \$4 million is for a grant to the City of Newport for the planning, environmental permitting, and design costs of replacing the Big Creek Dams.

Oregon Watershed Enhancement Board

The budget for the Oregon Watershed Enhancement Board (OWEB) is divided into two areas, grants and operations. The Legislature provided OWEB with a total of \$8.3 million in Ballot Measure 76 Lottery Funds, \$18,000 Other Funds, \$2.5 million Federal Funds, and 34 positions (34.00 FTE) to support administration of the grant program during the 2019-21 biennium.

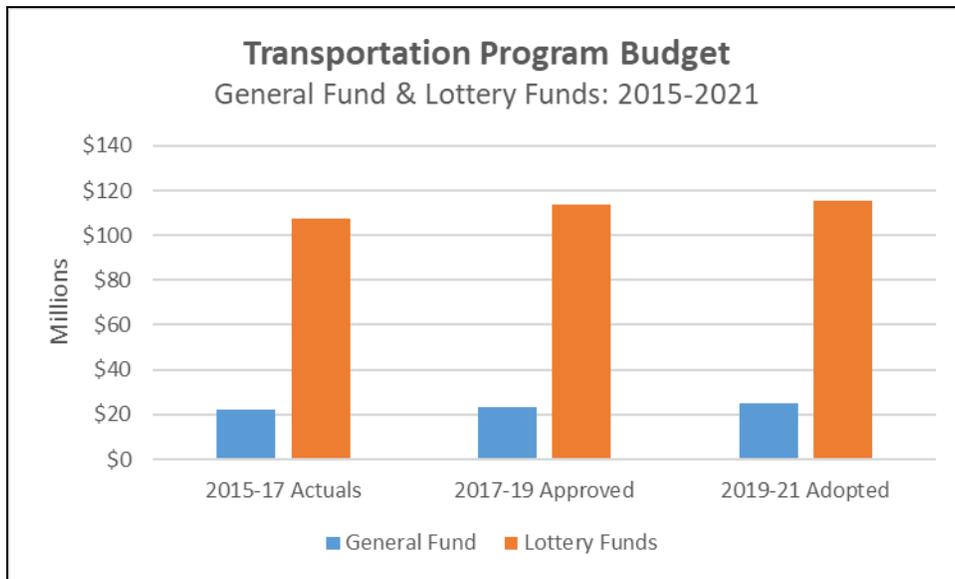
The grant program budget is \$3.1 million Other Funds and \$42.8 million Federal Funds. All Other Funds from the sales of Salmon Plates are in the grants program and are used solely for grants. Almost all of the federal monies are derived from the federal Pacific Coastal Salmon Recovery Fund. The grants program budget also includes \$82.2 million in Lottery Funds expenditure limitation (to be available for a 6-year period) for new grants awarded during the 2019-21 biennium. Many of the grant projects awarded Lottery Funds by OWEB are multi-year efforts and OWEB only makes final grant payments upon completion of the project. The Legislature addresses this by treating the local grants portion of the OWEB budget like capital construction projects, which have a six-year limitation, allowing time for approved grant projects to be completed.

TRANSPORTATION

The Transportation program area includes the Department of Transportation (ODOT) and the Department of Aviation. Transportation agencies are primarily funded by revenues generated through motor and jet fuel taxes, licenses and fees, bond revenue, and Federal Funds. The State Highway Fund is shared between ODOT, counties, and cities. Oregon's population growth rate, employment levels, vehicle fuel efficiency, and E-commerce continue to influence traffic congestion and demands for maintenance, pavement preservation, Driver and Motor Vehicle (DMV) services, and Motor Carrier Transportation activities.

The 2019-21 legislatively adopted budget for the Transportation program area totals \$4.55 billion, which is comprised of \$25.3 million General Fund, \$115.6 million Lottery Funds, \$4.2 billion Other Funds, and \$124.9 million Federal Funds. The budget also includes \$18 million in Nonlimited Other Funds for the Infrastructure Bank Loan program activity and \$21.2 million in Nonlimited Federal Funds for debt service supported by Federal Funds.

Excluding Nonlimited Funds, the total program area budget for 2019-21 is \$423.8 million (or 10.4%) above the 2017-19 legislatively approved budget. The increase in total funds is primarily due to projected payouts on projects in the Statewide Transportation Improvement Program and increased spending for public transit.



Department of Aviation

The Department of Aviation is supported entirely by Other Funds and Federal Funds. The agency’s total funds budget is \$31.3 million, which is \$8.3 million (or 35.9%) higher than the 2017-19 approved budget. This increase mostly reflects the ramp-up of aviation system grant programs created by HB 2075 (2015), funded by a temporary increase in aircraft fuel taxes. The Aviation budget includes \$7.95 million in capital construction for the following airport improvement projects:

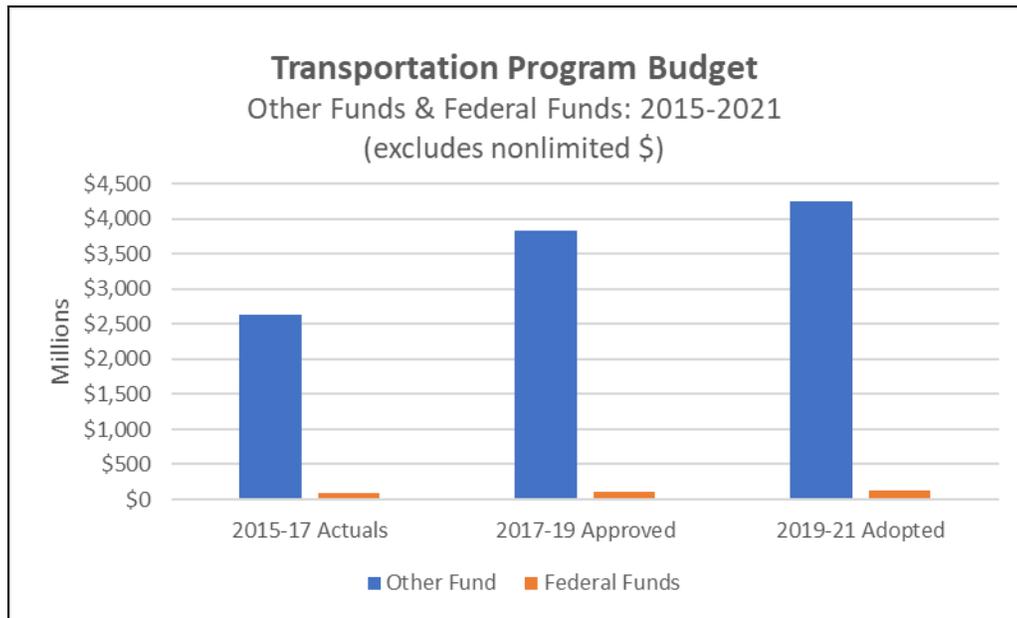
- Prospect State Airport Runway Reconstruction: \$2,160,000 Other Funds to conduct renovations at the Prospect State Airport. This project includes reconstruction of the runway, including design engineering and construction of a new subbase.
- Aurora State Airport Run-up Area Construction: \$1,845,000 Federal Funds and \$205,000 Other Funds to conduct rehabilitation at the Aurora State Airport. The project includes design engineering and construction of a run-up area for runway 17 to improve safety and reduce congestion.
- Condon State Airport Runway Rehabilitation: \$2,340,000 Federal Funds and \$260,000 Other Funds to conduct rehabilitation at the Condon State Airport. This project includes rehabilitation of the runway, which is needed to meet federal standards for safe operating conditions.
- Siletz Bay State Airport Taxiway Rehabilitation: \$1,026,000 Federal Funds and \$114,000 Other Funds to conduct rehabilitation at the Siletz State Airport. This project includes rehabilitation of the taxiway, which is needed to meet federal standards for safe operating conditions.

Department of Transportation

The ODOT total funds budget is \$4.5 billion, excluding Nonlimited funds, which is \$415.5 million (or 10.2%) higher than the 2017-19 approved budget. General Fund resources for ODOT increased by \$1.8 million (or 7.9%) from the 2017-19 approved budget. All General Fund in ODOT’s budget – \$25.3 million – is for debt service, mostly for the State Radio Project that was completed in 2017. Two programs that had been supported in recent years by the General Fund, namely intercity passenger rail and senior and disabled transit grants, are instead funded using Other Funds.

Lottery Funds expenditure limitation increased by \$2 million (or 1.8%) compared to the 2017-19 biennium. The Legislature approved the use of lottery-backed bonds for \$7 million to fund projects at the Port of Coos Bay and in the City of Sherwood. Bond issuance costs for the 2019-21 biennium are

estimated to be \$149,462 with no debt service on the new bonds in 2019-21 due to the timing of the planned sale date.



The Other Funds budget increased by \$403.8 million (or 10.6%) from the 2017-19 legislatively approved budget level. The total Other Funds expenditure limitation includes:

- \$12 million for the land purchase and design for a new South Coast Maintenance Station located in the Coos Bay area.
- \$8 million for the land purchase and design for a new Central Coast Maintenance Station located in the Lincoln County area.
- \$74.9 million for the ConnectOregon program, most of which will fund projects identified in HB 2017 (2017). No new lottery bonds were authorized for this program for 2019-21.
- \$30 million for the DMV Service Transformation Project.
- \$14.9 million for DMV operations, including 123 positions (63.96 FTE) for DMV field offices to begin issuance of REAL ID driver license and identification cards on July 1, 2020, and to implement HB 2015 (2019) which allows individuals without proof of legal presence to obtain regular – non-REAL ID – driver license and identification cards.
- \$10.3 million and 117 positions to issue REAL ID cards and driver licenses and implement HB 2015 (2019) related to identification for undocumented Oregonians.
- \$9.5 million for state radio system hardware replacement.
- \$161.2 million (189% increase) for ODOT public transit programs to increase bus service frequency, expand bus routes, and reduce bus fares.
- \$187.5 million for ODOT transportation projects, and highway operations and maintenance, including 55 positions (54.50 FTE) for HB 2017 (2018) project delivery.

Federal Funds expenditure limitation is decreased by \$7.9 million (or 7.5%) compared to the 2017-19 legislatively approved budget.

ADMINISTRATION

The Administration program area provides services to state agencies and local governments. Such services include: central administration and support of agencies, retirement administration, labor relations, government ethics and lobby regulation, library services, income and property tax administration, alcohol regulation, and pari-mutuel racing regulation. Additionally, it includes the Governor's Office, financial and performance auditing, elections, and records management by the Secretary of State, and financial and investment activities of the State Treasurer. State pass-through funding is included for public broadcasting, county fairs, and the Historical Society, among others.

The 2019-21 legislatively adopted budget for the program area is \$14.9 billion total funds. The adopted budget is \$1.8 billion (or 13.3%) more than the 2017-19 legislatively approved budget and includes 3,287 positions (3,184.86 FTE). This program area accounts for 17.4% of the \$85.8 billion statewide total funds budget.

Of the adopted budget for this program area, \$12.5 billion (or 83.9%) is attributable to benefit payments to state and local government retirees, which is an increase of \$1.4 billion (or 12.7%) over the 2017-19 legislatively approved budget. The remainder of the program area budget totals \$2.4 billion and experienced a \$335.3 million (or 16.2%) increase in funding over the prior biennium.

The program is supported by \$287.8 million General Fund (1.9%), \$26.6 million Lottery Funds (0.2%), \$1.9 billion Other Funds (13.1%), \$12.6 billion Other Funds Nonlimited (84.4%), and \$10.6 million Federal Funds (0.1%). Major sources of Other Funds revenue include: Public Employees Retirement System employer and employee contributions, including investment returns; assessments on state agencies and local government; corporate registration fees; and liquor sales. A portion of Other Funds revenues originates as General, Lottery, and Federal Funds.

Department of Administrative Services

The Other Funds 2019-21 legislatively adopted budget for the Department of Administrative Services totals \$1.134 billion, which is \$107 million (or 10%) above the 2017-19 legislatively approved total funds budget. Other Funds Nonlimited totals \$134 million for 2019-21, which is \$3 million more than 2017-19.

Major limited Other Funds increases mostly involved investments in information technology (IT) projects, including \$13.6 million for IT security compliance, \$9.4 million for implementation of a new statewide procurement system, \$15.3 million to replace equipment at the State Data Center that is past its useful life, \$5.4 million to start planning for the replacement of the Oregon State Payroll System, and \$3.6 million for a new online training and learning management system. Additional Other Fund supported increases included \$2 million to purchase new vehicles, \$1.5 million for positions related to an IT procurement initiative, and \$2.8 million to support 14 new positions in the Chief Human Resources Office. Other Funds reductions totaling \$15.7 million included assumed vacancy savings, cuts to services and supplies and professional services, reduced service provision, and the elimination of nine vacant positions.

The budget contains \$22.2 million General Fund for 23 local projects, including but not limited to, funding for census outreach, immigration defense, a local jail, fire protection district start-up costs, education facilities, and stream gauges. Also included was \$61.3 million Other Funds supported by revenues from the sale of lottery bonds for 15 projects around the state.

Fairs (County and State)

Under ORS 565.447, County Fairs are provided state support (as a pass-through from DAS) for financial assistance related to county fair activities. For 2019-21, County Fairs are provided \$3,828,000 Lottery Funds, which is the amount to be transferred under the existing formula. General Fund in the amount of \$1,015,299 for state support of the State Fair was approved for transfer to the State Fair Council, which now operates the State Fairgrounds. An additional \$581,701 General Fund was added to pay debt service on previously issued General Obligation bonds for facilities repairs. Three new bond-funded projects were approved for facilities at the State Fairgrounds: \$5.3 million for general deferred maintenance and capital improvements; \$3 million to make capital improvements and renovate the Horse Barn; and \$2 million to make capital improvements and renovate the Poultry Barn.

Oregon Historical Society

The Oregon Historical Society was provided \$2,000,000 General Fund to support daily operations. This is a \$1.1 million General Fund increase from the 2017-19 biennium. The budget also includes \$412,392 Lottery Funds to cover the bond debt service costs related to payment of mortgage costs associated with the Society's storage facility in Gresham.

Oregon Public Broadcasting

Oregon Public Broadcasting was provided \$1,000,000 General Fund to support daily operations. This is double the General Fund provided during 2017-19. In addition, \$915,135 Lottery Funds were allocated for debt service on bonds previously issued for infrastructure improvements.

Advocacy Commissions Office

The budget for the Advocacy Commissions Office is \$766,437 total funds, which is a 5 % increase from the 2017-19 legislatively approved budget. The budget includes \$760,506 General Fund, \$9,481 Other Funds, and 3 positions (2.50 FTE).

Employment Relations Board

The budget for the Employment Relations Board is \$5.4 million total funds, including \$3 million General Fund and \$2.4 million Other Funds. The total funds budget is \$247,744 (or 4.8%) more than the 2017-19 legislatively approved budget. The budget includes 13 positions (13.00 FTE).

Government Ethics Commission

The approved budget for the Government Ethics Commission totals \$2,903,298 Other Funds and 9 positions (9.00 FTE), which is a 5.2% increase from the 2017-19 legislatively approved budget and a 1.1% decrease from the 2019-21 current service level. Other Funds revenue of \$2,958,949 from assessments charged to state agencies and local government entities supports budgeted costs and a projected ending balance of \$795,819, which provides a six-month operating reserve.

Office of the Governor

The Office of the Governor's total funds budget of \$24.3 million represents a 0.2% decrease from the 2017-19 legislatively approved budget and a 5.5% increase over the 2019-21 current service level. The legislatively adopted budget includes \$16.5 million General Fund, \$4 million Lottery Funds, \$3.9 million Other Funds, and 62 positions (61.63 FTE).

The budget provides sufficient funding to continue ongoing programs and services, as well as to accommodate reclassification and realignment of positions in the Office. In addition, the budget

incorporates funding for a limited duration Census Coordinator position and a permanent Diversity and Inclusion Coordinator position. Other Funds limitation was included to provide Small Business Forums around the state and to replace vans for the Extradition program. A budget note requests the Office review the various funding sources for its positions and identify alternative funding methodologies, including an assessment-based approach. The budget note also states that it shall be the policy going forward that positions funded in another agency's budget that are assigned to or are otherwise "on loan" to the Office of the Governor be limited to needs and issues that are temporary in nature.

Oregon Liquor Control Commission

The 2019-21 legislatively adopted budget for the Oregon Liquor Control Commission totaled \$247.1 million Other Funds, a 14.6% increase from the 2017-19 legislatively approved budget. The budget is entirely Other Funds, funded from licensing fees and liquor sales. Major investments in OLCC services and programs include the following:

- A package to maximize shipping capacity from the Milwaukie warehouse totaled \$2,203,955 million and 11 positions (11.00 FTE).
- Additional Licensing and enforcement staff in the alcohol and marijuana programs amounted to \$4,694,377 and 18 positions (18.00 FTE).
- Approved increases for administrative capacity in financial services, human resources, and administration of the bottle bill resulted in additional Other Funds expenditure limitation of \$780,561 and 4 positions (4.00 FTE).
- Migrating dispatch services to a statewide interoperable radio network maintained by the state police and associated equipment increased Other Funds expenditures by \$1,036,320.
- Expenditure limitation to further develop new information technology systems related to alcohol licensing and enforcement, marijuana licensing and enforcement, privilege tax payment and reporting, and the distilled spirits supply chain totaled \$6.5 million Other Funds and 4 positions (4.00 FTE). The agency will request remaining funding needed during the 2020 legislative session or later, once remaining costs related to the various systems are known.
- Repairs to the roof of the primary warehouse totaling \$150,000, to remediate and prevent further water damage.

Liquor sales are projected to total \$1.5 billion. After liquor-related agency expenditures, remaining alcohol revenue is distributed to the state General Fund, cities, counties, and the Oregon Wine Board. Projected distribution amounts for the 2019-21 biennium are as follows:

- \$341.1 million to the General Fund.
- \$108 million to incorporated cities.
- \$75.6 million for City Revenue Sharing.
- \$54 million to counties.
- \$19.7 million for county mental health services.
- \$0.697 million to the Oregon Wine Board.

Public Employees Retirement System

The budget for the Public Employees Retirement System totals \$12.9 billion Other Funds. Of the total, \$12.5 billion is for benefit payments to retirees. The budget includes, for the first time, a General Fund appropriation of \$100 million to match employer contributions into side accounts. The administrative budget totals an additional \$263.3 million Other Funds and is a \$161.6 million (or 159%) increase from the 2017-19 legislatively approved budget. The budget includes 419 positions (414.32 FTE).

The single largest budget increase, besides the \$100 million General Fund appropriation and the corresponding \$100 million in Other Funds expenditure limitation, is \$40 million Other Funds and 43 positions for the implementation of SB 1049 – the PERS reform measure. Another material increase is \$11.5 million for the School District Unfunded Liability Fund due to a transfer of revenue from the Common School Funds under SB 1566 (2018).

Continued funding is provided for: Oregon Growth Savings Plan (\$1.6 million); an accountant position for the Individual Account Program’s target-date fund earnings reporting (\$198,066); cybersecurity/business continuity/disaster recovery (\$442,191); the agency’s move to the State Data Center (\$1.7 million); and a limited duration Accounting Technician 3 for collections activities related to the 2012 Oregon Supreme Court Decision to retroactively reduce the earnings credited to member accounts (\$357,679).

New funding was provided for: a one-time increase in deferred maintenance (\$1.2 million); cybersecurity/business continuity/disaster recovery (\$638,291); a Quality Assurance Engineer and an Electronic Content Management analyst for the Information Services Division (\$356,295); a Benefit Calculations Supervisor, an Operations and Policy Analyst for the Individual Account Program’s target-date fund, two Retirement Counselors, and an Office Specialist for Intake and Review for the Operations Division (\$568,790).

Reductions in the budget include the elimination of two long-term vacant positions (\$631,523), as well as the elimination of excess or unneeded budget authority for rent and temporary staff (\$644,528).

Racing Commission

The 2019-21 legislatively adopted budget for the Oregon Racing Commission of \$4 million is based on approximately one year of operating expenses. This is a \$2.5 million (39%) decrease from the 2017-19 legislatively approved budget, reflecting an assumed sale of Portland Meadows, the venue for Oregon’s only commercial race meet. Should this occur, there may be fewer race days and less need for full-time staff. The agency is directed to report to the February 2020 Legislative Assembly with a budget plan for the 2020-21 fiscal year, based on workload, resources, and the number of assumed licensees.

Department of Revenue

The budget for the Department of Revenue is \$339.2 million total funds, which is a \$14.9 million (or 4.6%) increase from the 2017-19 legislatively approved budget. The budget includes \$213.1 million General Fund, \$126.1 million Other Funds, and includes 1,057 positions (983.39 FTE).

Continued funding is provided for: The Core [tax] Systems Replacement project for post-implementation vendor support (\$7.1 million); document scanner project (\$847,833); administration of transportation taxes (\$1.5 million); and the administration of the Heavy Equipment Rental Tax (\$876,361).

New funding was provided for: Corporate Activities Tax (\$4 million); a fund shift from Other Funds to General Fund in the Property Tax Division to resolve long-standing funding issues (\$495,238); auditing of marijuana tax filings (\$833,216); state and local lodging taxes enforcement (\$883,936); and updating the Property Valuation System business case (\$210,500).

Reductions in the budget include the elimination of 26 vacant positions (\$3.2 million) and an expired vendor support contract (\$510,000).

DOR successfully completed reporting on nine budget notes from the 2017 session, which were a legislative effort to seek improvements to the agency's operations; however, the Legislature noted continued interest in monitoring agency performance and outcomes. Lastly, DOR undertook a number of organization changes to improve the tracking and transparency of the agency's financial activities including establishing a Corporate Tax Division and a Collections Division, among other changes.

Secretary of State

The Secretary of State's total funds budget of \$83.4 million is a 3.4% increase from the 2017-19 legislatively approved budget and a 6.5% increase over the 2019-21 current service level. The increase over the current service level is largely due to the continuation of motor voter payments which were included in the 2017-19 budget as one-time payments but are continued into the 2019-21 biennium budget and to the addition of funding for pre-paid postage for election ballots. The adopted budget includes \$14.2 million General Fund, a slight 1.4% reduction from the previous biennium, and also consists of \$63.9 million Other Funds, \$5.4 million Federal Funds, and 224 positions (223.42 FTE). The number of positions is a 3.2% increase over the 2017-19 biennium approved level.

The budget includes the following agency-specific adjustments affecting General Fund support levels:

- \$1,668,783 General Fund to pay postage costs for ballots returned by mail in all Oregon elections during the biennium held on or after January 1, 2020; this funding is associated with the passage of SB 861 and includes a special purpose appropriation to the Emergency Board of \$1,146,094 in case costs are higher than initially projected due to enhanced ballot return by mail.
- \$879,248 General Fund for county costs associated with expanded voter registration rolls generated by the Motor Voter program. Funding is essentially unchanged from the prior-biennium level; this expenditure represents the third of a four-biennium phase-in.
- \$336,696 General Fund for the establishment of two new limited duration Compliance Specialist 2 positions (1.75 FTE) to manually accept, review, and maintain lists of campaign finance filings, answer questions, conduct investigations, oversee civil penalties and case hearings, and fulfill public records requests associated with campaign finance changes in HB 2983.
- \$197,841 General Fund for the establishment of a new Operations and Policy Analyst 2 position to work with counties on the Oregon Centralized Voter Registration system and organize enhancement requests by operating a call center help desk.
- A \$75,000 General Fund reduction by eliminating the Oregon Motor Voter return letters and replacing them with a postcard that does not have a return envelope option.
- \$20,000 General Fund to enhance the Secretary's ability to travel both in-state and out-of-state on official business.

Principal Other Funds adjustments in the Secretary of State budget include:

- \$727,933 Other Funds to add five Public Service Representative 4 positions for the Corporation Division call center and for the Office of Small Business Assistance.
- \$502,044 Other Funds to continue a limited duration Training and Development Specialist 2 position as permanent and to add a new Principal Executive Manager C position as a Service Desk Manager for the Network Operations Security Center.
- \$500,000 Other Funds for phase three of the Archives Building compact shelving project.
- \$500,000 Other Funds for increased merchant fees due to growing use of credit cards to pay for report filing and business registration fees.
- \$271,528 Other Funds to finalize the migration of business information systems to the Cloud.

- \$80,700 Other Funds for maintenance of new security systems put into place during the 2017-19 biennium.
- \$50,000 Other Funds to allow the translation of 70 business forms used by the Secretary of State into five specified languages as required under HB 2998.

A \$465,550 Federal Funds expenditure limitation increase was also included in the adopted budget to continue two IT security positions approved at the May 2018 meeting of the Emergency Board as part of the enhanced federal funding for voting system security as part of the Help American Vote Act.

State Library

The budget for the State Library is \$16.5 million total funds, which is a 1.6% increase from the 2017-19 legislatively approved budget and a 2.5% increase from the 2019-21 current service level. The budget includes \$4.2 million General Fund, \$7 million Other Funds, \$5.2 million Federal Funds, and 41 positions (39.04 FTE). The budget provides sufficient funds to continue ongoing programs and reflects anticipated available federal funds revenue. A budget note was included directing the agency to work with partners, including the Commission for the Blind and the Oregon Textbook and Media Center, to evaluate ways to better use technology to meet the needs of visually impaired Oregonians.

State Treasurer

The budget for the State Treasurer is \$92.7 million Other Funds. The budget is a \$5.4 million (or 6.1%) increase from the 2017-19 legislatively approved budget. The adopted budget includes 166 positions and 164.47 FTE.

The Legislature continued, for the third consecutive biennium, an investment in the level of resources dedicated to the Investment Division (\$1.5 million). Supplemental funding was also approved for information security (\$780,691). The Legislature approved the consolidation and reorganization of the 529 College Savings and Achieving-a-Better-Life (ABLE) programs as well as other related changes to the Oregon Retirement Savings Board (ORSB), which included moving the ABLE and ORSB from General to entirely Other Fund support (\$1.5 million). Reductions in the budget include the elimination of one long-term vacant position (\$212,877).

LEGISLATIVE BRANCH

The 2019 Legislature adopted a budget of \$142.3 million General Fund and \$162.2 million total funds and 573 positions (459.00 FTE) for the seven legislative branch agencies. The General Fund budget is an 11% increase over the 2017-19 legislatively approved General Fund budget. The total funds budget is only a slight increase over the 2017-19 total funds budget.

The adopted budget includes branch-wide adjustments for pay equity costs, position reclassifications, and centralized phone system costs. Other actions in legislative agencies include the following:

Legislative Assembly

HB 3377 established a new Legislative Equity Office with a budget of \$1,393,318 General Fund and 2 positions (1.67 FTE).

Legislative Administration Committee

- Funding in the amount of \$550,000 General Fund to pay for ongoing security costs.
- Establishment of ongoing funds for Capitol building maintenance (\$2 million General Fund) and media replacement (\$100,000 General Fund).
- New positions in Information Technology (Developer and VOIP phone system positions), Facilities (Project Manager position), and Employee Services (Policy and Program Development position).
- Funding in the amount of \$250,000 General Fund for costs related to the Document Publishing and Management System project that cannot be paid from bond proceeds which will be used to finance the remainder of the project. An additional \$766,117 General Fund is provided to cover debt service costs in 2019-21; Other Funds expenditure limitation of \$5,168,000 was included reflecting bond proceeds, costs of issuing bonds, and actual project costs.
- General Fund in the amount of \$1,361,800 was included for planning of Phase II of the Capitol Accessibility, Maintenance and Safety (CAMS) project.

Legislative Counsel Committee

Establishment of a new Senior Editor/Team Leader position and three Editor positions.

Legislative Fiscal Office

Establishment of five new positions (3.77 FTE) to support the Joint Legislative Audit Committee, assist with Information Technology review functions, and for budget and fiscal impact statement workload.

EMERGENCY FUND

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

The 2019-21 legislatively adopted budget for the Emergency Board includes a \$75 million general purpose appropriation. The typical general purpose appropriation over the past several biennia has been \$30 million, with an increased general purpose appropriation of \$50 million in 2017-19 due to the potential for increased wildfire fighting costs. Similarly, the 2019-21 general purpose appropriation includes \$19 million in reservations for mental health services, and for Oregon's child welfare system, due to emerging needs for these program areas.

In addition to the general purpose appropriation, the 2019-21 legislatively adopted budget includes special purpose appropriations totaling \$265.8 million:

- \$200 million for state employee compensation changes.
- \$20 million for non-state employee compensation changes.
- \$20 million for the Public Defense Services Commission to support improvements to the public defense contract model and activities to reduce public defense caseloads.
- \$8 million for fire costs incurred by the Department of Forestry.

- \$5.7 million for the Oregon Health Authority to support interdisciplinary assessment teams that provide services to youth with behavioral health needs.
- \$4 million to assist the Department of Human Services with increasing capacity for non-Medicaid in-home services under the Family First Prevention Services Act.
- \$3 million for costs associated with grand jury recordings established by SB 505 (2017).
- \$2 million for Public Defense Services Commission costs related to acquisition of a new financial management system.
- \$1.1 million for costs related to prepaid postage for ballot return envelopes as established by SB 861 (2019).
- \$1 million for the Public Defense Services Commission and Department of Corrections for an anticipated increase in prosecutions for unauthorized use of a vehicle resulting from HB 2328 (2019).
- \$1 million for the Oregon Conservation and Recreation Fund, which is administered by the Department of Fish and Wildlife.

If the amounts in the special purpose appropriations are not allocated by the Emergency Board by December 1, 2020, the remaining amounts become available to the Board for any legal use.

State Bonding and Capital Construction

State Bonding

In January 2019, the State Debt Policy Advisory Commission (SDPAC) updated their recommended capacity limits for General Fund and Lottery Funds supported debt based upon the Office of Economic Analysis December 2018 revenue forecast.

The Commission recommended that the Legislature and Governor issue no more than \$1.148 billion in General Fund supported debt for the 2019-21 biennium. This recommendation is based on the SDPAC target debt capacity ratio of no more than 5% annual debt service to General Fund revenues. The SDPAC recommendation also considered that all debt authorized in the 2017 and 2018 sessions would be issued before the end of the 2017-19 biennium. However, there was \$113.1 million of General Fund debt that was not issued in 2017-19, including a \$6 million decrease in 2017-19 bond authorization approved during the 2019 session, which increased the available capacity to \$1.261 billion.

The Legislature approved \$946 million in General Fund debt. The amount authorized includes:

- \$121.5 million of Article XI-M and Article XI-N bonds for seismic rehabilitation grants to schools and emergency services facilities.
- \$126.1 million of Article XI-P bonds to fund matching grants to school districts for capital improvements.
- \$151.6 million of Article XI-Q bonds for the Local Innovation and Fast Track (LIFT) Housing program.
- \$50.7 million of Article XI-Q bonds for permanent supportive housing that combines affordable housing with support services.
- \$168.8 million of Article XI-Q bonds to finance the capital costs of state property, including deferred maintenance on state-owned facilities and information technology projects.
- \$173.4 million of Article XI-Q bonds for Clackamas County, Lane County, and Linn County courthouse replacement projects; Multnomah County Courthouse furnishings and equipment; and renovation of the Supreme Court building.
- \$78.6 million of Article XI-Q bonds to finance public university facilities capital improvement and renewal and a building and research equipment at the Oregon Manufacturing Innovation Center R&D campus.
- \$75.3 million of Article XI-G bonds to finance 11 community college projects.

General Fund supported debt authorized in the 2019-21 legislatively adopted budget represents a \$230.6 million (or 19.6%) decrease from the \$1.177 billion authorized in the 2017-19 legislatively approved budget. Excluding the \$107.1 million of debt authorized but not issued in 2017-19, debt authorized in 2019-21 is \$123.5 million (or 11.5%) less than debt issued in the 2017-19 biennium. There is \$315.1 million of remaining General Fund supported debt capacity for the 2019-21 biennium.

Direct revenue bond authorization for 2019-21 totals \$1.388 billion and includes \$500 million for housing bonds that finance single-family mortgage loans and multifamily housing projects; \$485 million for Highway User Tax bonds for transportation projects; and \$100 million for economic and community development projects through the Oregon Infrastructure Finance Authority Bond Bank Program. Lottery revenue bond authority of \$302.5 million is also included in this category. Pass-through revenue bonds total \$2.205 billion and include \$600 million in Industrial Development Bonds, \$1.000 billion for the

Oregon Facilities Authority, \$600 million for housing development projects, and \$5 million for the Beginning and Expanding Farmer Loan Program.

A complete list of General Fund projects can be found in Appendix B. General Fund debt service for approved projects is estimated to be \$27.4 million in 2019-21, rolling up to \$164.4 million in 2021-23.

Lottery Revenue Bonds

The State Debt Policy Advisory Commission's 2019 Report recommended that the Legislature and Governor issue no more than \$305.1 million in Lottery Funds supported debt for the 2019-21 biennium. This recommendation 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) and considered that all lottery bonds authorized in the 2017 and 2018 legislative sessions would be issued by the end of the 2017-19 biennium. However, \$27.9 million of Lottery Funds supported debt, including a \$3.4 million reduction in the authorization for the Portland Harbor Cleanup Fund approved during the 2019 session, as well as lottery bonds approved for the Coos Bay Channel Deepening project and Special Public Works Fund Levee Subaccount, was not issued in 2017-19, increasing the available capacity to \$333 million.

The Legislature authorized \$302.5 million of lottery revenue bonds to generate proceeds for project costs, costs of issuance, and debt service reserves. A total of \$273.2 million of net lottery bond proceeds finance 37 approved projects, including:

- \$30 million to recapitalize the Special Public Works Fund for municipal infrastructure projects.
- \$15 million for levee inspection, accreditation, certification, or repair project grants.
- \$15 million to reauthorize the Oregon International Port of Coos Bay Channel Deepening project.
- \$25 million for affordable housing preservation.
- \$15 million for an affordable market rate housing acquisition loan program.
- \$25 million for water supply development projects.
- \$18 million for planning and rehabilitation of high-hazard dams.
- \$5 million to recapitalize the Brownfields Redevelopment Fund for cleanup and redevelopment of brownfields properties.

Lottery Funds supported debt authorized in the 2019-21 legislatively adopted budget represents an \$84.8 million (or 39%) increase from the \$217.7 million authorized in the 2017-19 legislatively approved budget. Excluding the \$24.5 million of debt authorized but not issued in 2017-19, debt authorized in 2019-21 is \$109.4 million (or 56.6%) more than debt issued in the 2017-19 biennium. There is \$30.5 million in remaining Lottery Funds supported debt capacity for the 2019-21 biennium.

Lottery revenue bonds included in the 2019-21 legislatively adopted budget are scheduled to be issued in the spring of 2021, so no debt service payments are due in the 2019-21 biennium. Beginning with the 2021-23 biennium, the fully phased-in debt service costs are estimated to be \$48.3 million per biennium.

A complete list of lottery bond projects can be found in Appendix B.

Capital Construction

The Legislature provides six-year expenditure limitation for new capital construction projects. Projects in excess of \$1 million for the acquisition of land and the acquisition, planning, constructing, altering,

repairing, furnishing, and equipping of buildings and facilities are categorized as capital construction projects. Projects are funded with proceeds of bonds, as well as other revenues and federal grants received by agencies.

Capital construction projects in the 2019-21 legislatively adopted budget total \$528.8 million. Other Funds capital construction limitation of \$495.1 million and Federal Funds capital construction expenditure limitation of \$33.7 million is included in the budget for the approved projects. Significant capital expenditures include:

- \$150 million for family affordable housing through the LIFT Program.
- \$50 million for permanent supportive housing that combines affordable housing with tenancy supports and other services.
- \$77.7 million for distribution of general obligation bond proceeds to public universities for two new capital projects.
- \$24.9 million for distribution of general obligation bond proceeds to community colleges for three new capital projects and an increase in one reauthorized project.
- \$27.8 million to renovate the Oregon Supreme Court Building.
- \$34.1 million to the Department of Administrative Services for capital projects at state-owned buildings and facilities.
- \$24 million for the Department of Administrative Services to acquire a facility in Wilsonville.
- \$24.5 million to make improvements in several Department of Corrections facilities to address needs identified in the Facility Condition Assessment.
- \$20.6 million for the Military Department to complete Armory Service Life Extension Projects at four facilities through a combination of general obligation bond proceeds and federal grant funds.

A complete list of capital construction projects for all agencies is included in Appendix A.

Budget Notes

A budget note is a non-binding directive to a state agency on the legislative intent of a budget measure, directing administrative and managerial actions relating to the agency's execution of its biennial budget.⁶ A budget note originates from one legislative committee, the Joint Committee on Ways and Means, and is found exclusively in a budget report, which is the measure summary that accompanies most measures passed by Ways and Means. The only exception is when separate Senate and House budget committees are appointed.

Volume of Budget Notes (2019 session)

| | |
|---|----|
| Total number of budget notes | 75 |
| Total number of unique budget notes | 75 |
| Total number of duplicate budget notes | 0 |
| Total number of joint budget notes or those detailing more than one agency | 27 |
| Number of budget reports with a budget note (out of 121 budget reports) | 41 |
| Number of agencies with at least one budget note (out of approximately 100) | 38 |
| Number of agencies with more than one budget note | 17 |
| Greatest number of budget notes for one agency | 9 |

General Purpose of Budget Notes (2019 session)

| | |
|--|----|
| Number of budget notes dealing with submission of a report | 62 |
| Number of budget notes dealing with performance measures | 2 |
| Number of budget notes providing instruction on budget execution | 24 |
| Number of budget notes dealing with expenditure limitation or scheduling | 1 |
| Number of budget notes establishing work groups | 0 |

The following budget notes are sorted by program area, agency, measure number, and Oregon Chapter law reference.⁷ Please note that a budget note affecting more than one agency may only be listed once under the primary agency. Also, note that a measure's budget report may include additional language beyond the note itself that establishes context or provides additional information on a specific note.

EDUCATION

Department of Education

HB 5015 (Chapter 609, Oregon Laws 2019)

BUDGET NOTE: The Early Learning Division (ELD) of the Oregon Department of Education will study the feasibility of consolidating Early Learning Hubs and Child Care Resources and Referral entities to better align its regional entities into one regional body while maintaining the scope, purpose, and legislatively intended function of both. ELD shall report its findings to the

⁶ For a more complete discussion of what a budget note entails, refer to *Budget Information Brief #2007-3 "Budget Note"*, available via at <https://www.oregonlegislature.gov/lfo/Documents/2007-3%20Budget%20Note.pdf>

⁷ The Oregon Chapter Law legal citation is for an enrolled measure and does not serve as a reference for a budget report or budget note.

Legislature before February 1, 2020. The report will include, at a minimum: findings on fiscal and programmatic efficiencies; effect on organizational capacity; and anticipated effect on abilities to meet Early Learning Council designated outcomes. If the study determines that consolidation is deemed fiscally or programmatically efficient, it will present a plan to implement this consolidation as part of its report.

BUDGET NOTE: Prior to the distribution of any of the Formula Fund to a Regional Educator Network (REN), the Educator Advancement Council and its staff must determine that the REN has demonstrated its capacity to provide the administrative, fiscal, and policy-related responsibilities to carry out a set of professional development programs in its region. The plan and other required documents must meet all the requirements established by the Council. The Educator Advancement Council shall report to the Legislature no later than February 1, 2020 on the progress of the development of the programs of the Council and the Regional Educator Networks. The report shall include: (1) the results of the Request for Proposal and selection of the Regional Educator Networks; (2) their organization and activities to date; (3) the organization and activities of the Educator Advancement Council staff; and (4) the amount of funds distributed to each Regional Educator Network by the spending category above in the table.

BUDGET NOTE: The Oregon Department of Education is instructed to study the various K-12 Grant-in-Aid programs to determine if further programs can be combined with other programs or eliminated. The Department is to identify any barriers or required statutory changes in its study. Groups representing the various K-12 interest groups should be consulted in this effort. The Department is to submit a preliminary report to the Interim Ways and Means Committee by February 1, 2020 with a final report as part of its Ways and Means presentation to the 2021 legislative session.

HB 5047 (Chapter 220, Oregon Laws 2019)

BUDGET NOTE: The Oregon Department of Education shall explore the potential for combining grant applications, grant agreements, grant monitoring, and reporting for the School District Investment grants established in HB 3427 with other programs or grants administered by the agency, including grants made from the High School Graduation and College and Career Readiness Fund (Ballot Measure 98), Title I grants where appropriate, and other grant programs identified by the agency. The Department shall report to the 2021 Legislature on the results of this analysis during its budget presentation to the Joint Committee on Ways and Means.

BUDGET NOTE: The Early Learning Division (ELD) of the Oregon Department of Education is instructed to examine the potential for and provide recommendations for implementing a copay system for the Preschool Promise program. The report and recommendations must consider the income levels of families participating in the program, the level of the copay, whether it should be a sliding fee or not, and the impact on the families, providers and the Department. ELD shall submit the report, including recommendations, to the Legislature by January 15, 2020 for consideration during the 2020 legislative session.

BUDGET NOTE: The Early Learning Council, Early Learning Division staff, and Educator Advancement Council shall consult with other units of the Oregon Department of Education, Higher Education Coordinating Commission, and representatives of early learning Hubs,

providers and families in developing a plan on the most effective set of programs and initiatives for early learning educator professional development and expanded education/training opportunities. The plan shall include consideration of workforce retention, recruitment, a greater diversified education workforce, early learner educator scholarships, and the potential for a coordinated stackable system of programs incorporating work experience, community college credits and public university credits. The Division shall submit the report to the Legislature by January 15, 2020 for consideration during the 2020 legislative session.

Higher Education Coordinating Commission

HB 5024 (Chapter 666, Oregon Laws 2019)

BUDGET NOTE: The seven Public Universities shall collectively report to the Joint Committee on Ways and Means in February 2020 on cost management measures implemented during the 2019-20 academic year. The report should include administration and program reductions, use of fund reserve balances, positions eliminated or left vacant for more than six months, and any new positions established. An updated report for the 2020-21 academic year shall be provided to the Emergency Board in December 2020. The seven Public Universities and the Higher Education Coordinating Commission (HECC) are also directed to coordinate in the interim to identify public university financial data and measures that will be consistently provided to HECC to improve transparency and accountability. Financial information may include administrative costs, financial activity by fund, fund reserve balances, and results of audits. HECC shall report to the Joint Committee on Ways and Means or the Emergency Board no later than September 2020 on this effort.

BUDGET NOTE: The Joint Committee on Ways and Means requests that the Willamette Falls Locks Commission resubmit its proposal for lottery revenue bond authorization to repair and reopen the Willamette Falls navigation canal and locks in the 2020 legislative session. The request for state funding should include details on planned ownership of the locks, actions required to transfer ownership, contributions toward renovations from the U.S. Army Corps of Engineers, availability of other funds to support project costs, and a long-term sustainable business plan for continued operation and maintenance.

HUMAN SERVICES

Commission for the Blind

SB 5503 (Chapter 519, Oregon Laws 2019)

BUDGET NOTE: The Oregon Commission for the Blind (OCB) has initiated a project to replace an aging vocational rehabilitation case management system used to record required data on all clients receiving services as well as to track all services provided. The system is mission critical to OCB operations because it is used to satisfy federal reporting requirements and must be replaced as the current system software vendor has notified OCB that it will discontinue software maintenance and support as of December 31, 2020. Because the project is in the planning phase of its lifecycle, the Legislative Fiscal Office (LFO) recommends that OCB be directed to:

- Continue to work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and the LFO throughout the lifecycle of the project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Obtain and retain qualified project management and business analyst services with experience in planning and managing projects of this type, scope and magnitude.
- Update the Business Case and foundational project management documents as required.
- Work with OSCIO to acquire Independent Quality Management Services as required to Conduct an initial and ongoing risk assessment(s); Perform quality control (QC) reviews on the Business Case, solution vendor procurement documents, and foundational project management documents as appropriate; and perform ongoing, independent quality management services as directed by OSCIO.
- Submit the updated Business Case, procurement and project management documents, initial risk assessment, and QC reviews to OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on the project status in the 2020 legislative session and/or to interim legislative committees as required.

Department of Human Services

HB 5026 (Chapter 668, Oregon Laws 2019)

BUDGET NOTE: To improve transparency and accountability within the agency's budget, the Department of Human Services shall, for the 2021-23 budget cycle, request budget bill appropriations at a more detailed level than that presented in HB 5026. At a minimum, appropriations should be established at the following program levels: Vocational Rehabilitation; Self Sufficiency; Child Welfare; Aging and People with Disabilities; Intellectual and Developmental Disabilities; Central Services; State Assessments and Enterprise-wide Costs; and Shared Services. The Department of Administrative Services, Chief Financial Office, shall support this effort by providing any budget or accounting guidance needed to complete this task and will ensure that the budget bill submitted to the Legislature for the 2021 legislative session is consistent with budget note direction.

BUDGET NOTE: The Department of Human Services, along with Child Welfare residential providers, shall assess the workforce issues associated with the provider community and develop recommendations focused on regulatory barriers and provider culture. These recommendations shall focus on the system changes needed to encourage providers to enhance capacity in the State of Oregon, while also identifying strategies to help attract, develop, and retain a quality service provider workforce. A report is due back to the appropriate policy committee(s) no later than September 2020.

BUDGET NOTE: The Department of Human Services, in collaboration with the Oregon Health Authority, shall explore opportunities to obtain federal funding for the Oregon Project Independence program and family caregiver respite programs. The Department shall convene an advisory committee to make recommendations on the design of the programs, the benefit packages and the application for federal approval. The Department shall report the results of this work to the appropriate legislative policy committee(s) no later than December 31, 2020. Future implementation of any new program(s) would be contingent upon any necessary approvals from

the Centers of Medicaid and Medicare Services (CMS), potentially including a new 1115 demonstration project waiver. If a federal waiver is required, the Department shall apply for such a waiver, but only implement the program(s) if the budget is available, and CMS approves the program through a new and distinct waiver from the currently approved Oregon Health Plan waiver. Lastly, if CMS requires the state to amend the existing Oregon Health Plan waiver, the Department/state shall withdraw the request.

BUDGET NOTE: The Department of Human Services is directed to report to the Senate Human Services Committee and the House Human Services and Housing Committee during the 2020 legislative session on case management duties and training requirements for case managers serving individuals with intellectual and developmental disabilities.

BUDGET NOTE: It is the intent of the Legislature that providers serving people with intellectual and developmental disabilities will use the \$30 million General Fund (\$91.8 million total funds) approved for provider rate increases in HB 5026 to help bring the direct support professional wage as close as possible to \$15.00 per hour by the end of the 2019-21 biennium. In addition, the Legislature understands the Department of Human Services (DHS) will be transitioning to new rate models during the biennium. To ensure there is enough funding available to effectively implement these new structures, rate increases under the old models should be limited to no more than four percent (4%). DHS is also directed, to the best of its ability, to apply this investment in a manner that prioritizes supporting individuals with the highest need. By February 1, 2020, DHS will submit a report to the Interim Joint Committee on Ways and Means outlining how the funding has been and will be applied, describing stakeholder involvement in the process, identifying impacts on providers and workers, and providing an update on the transition to the new rate models.

HB 5050 (Chapter 644, Oregon Laws 2019)

BUDGET NOTE: Under a budget note in the budget report for HB 5026, the Department of Human Services is directed to report, by February 1, 2020, to the Interim Joint Committee on Ways and Means on the transition to new rate models for providers in the Intellectual and Developmental Disabilities program. As part of that report, the Department shall provide a status update on the development of a new rate model for adult foster homes serving people with intellectual and developmental disabilities and note any outcomes or timelines related to union negotiations, since these rates are collectively bargained.

Oregon Health Authority

SB 5525 (Chapter 695, Oregon Laws 2019)

BUDGET NOTE: For the enrollment period for the 2020 plan year, the Oregon Health Authority's priority in assigning members shall be to maintain, to the greatest extent practical, ongoing primary care and behavioral health relationships. After assignment, the agency shall ensure members retain the right to choose a different coordinated care organization, if more than one is available in their areas. The agency shall report to interim health care committees on its transition plans before the end of 2019.

BUDGET NOTE: The Oregon Health Authority, in consultation with the Department of Administrative Services Chief Financial Office, the Legislative Fiscal Office, and community mental health programs, shall make recommendations to the Legislature in the 2020 legislative session about how to update behavioral health caseload forecast methodologies, processes and related funding formulas. At a minimum, the agency shall consider if the price per case accurately captures the cost of community-based behavioral health treatment and how caseload methodologies and use of funding incentivizes regionally and nationally recognized best practices, and outcome-oriented strategies, to create a more effective system to meet the behavioral health needs of individuals in the community and prevent higher levels of care when appropriate. The agency shall present recommendations to the Legislature by December 1, 2019.

BUDGET NOTE: The Oregon Health Authority shall report to the Joint Interim Committee on Ways and Means by February 1, 2020 regarding coordinated care organization capitation rates developed by the agency for the 2020 plan year. At a minimum, the report shall include a comparison of the 2020 rates to the 2019 rates and demonstrate the steps the agency has taken to achieve its annual 3.4 percent (3.4 %) per member growth target. The agency shall report on the extent to which, if any, the Quality Incentive Pool or any other portion of the agency's budget has been used to support capitation payments. By January 1, 2021, the agency shall report the same information to the Joint Interim Committee on Ways and Means or the Emergency Board, but for plan year 2021 in comparison to plan years 2020 and 2019.

BUDGET NOTE: The Public Employees' Benefit Board and Oregon Educators Benefit Board shall pursue additional pharmacy cost savings tools that provide members individualized information on their costs paired with quality and plan cost information to help encourage consumerism and save the boards' employers money on their prescription costs.

PUBLIC SAFETY

Department of Corrections

HB 5050 (Chapter 644, Oregon Laws 2019)

BUDGET NOTE: The Department of Corrections shall require county recipients of Criminal Fines Account disbursements to report annually on the programs and services funded with this allocation and on the number of clients served.

SB 5504 (Chapter 688, Oregon Laws 2019)

BUDGET NOTE: The Department of Corrections is directed to notify the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office in the event of emergency repairs estimated to cost more than \$250,000. This notification is to be made in writing, prior to work being contracted for or undertaken, for each incident.

Criminal Justice Commission

SB 5506 (Chapter 520, Oregon Laws 2019)

BUDGET NOTE: The Criminal Justice Commission (CJC) is directed to allocate specialty court program funds among Oregon's specialty courts based on the current service level amount in fiscal year 2020, and to report to the Legislative Fiscal Office on the outcome of its court case regarding compliance with Title 8 U.S.C. § 1373 when the decision is announced. If Byrne grant funds are not available by January 2020, the CJC may request General Fund to backfill the specialty courts program in the 2020 legislative session.

District Attorneys and Their Deputies

HB 5014 (Chapter 608, Oregon Laws 2019)

BUDGET NOTE: The District Attorneys and Their Deputies, in consultation with the Oregon District Attorneys Association, the Association of Oregon Counties, and the Oregon Department of Justice, is to submit a report that details the biennial revenues and expenditures supporting each county's District Attorney's Office for the fiscal years that comprise the 2017-19 (actuals) and the 2019-21 (budgeted) biennia. The report is to be submitted to the Joint Committee on Ways and Means prior to the 2021 legislative session. For each district attorney's office, the report is to identify sources of revenue for: state funding; county supplemental funding for district attorney salaries, if any; other state funding; county General Fund; federal grants; and any other material source of revenue. For each district attorney's office, the report is to categorize expenditures by: criminal; civil or other; victims' assistance; child support; juvenile dependency; and any other material expenditure categories.

Department of Justice

SB 5515 (Chapter 692, Oregon Laws 2019)

BUDGET NOTE: The Department of Justice's support for the Oregon District Attorneys Association is to be limited to supporting the administrative functions of the state agency, District Attorneys and Their Deputies, as such functions relate to the Association, and to the exclusion of all political, legislative, or lobbying activities.

Oregon Youth Authority

SB 5541 (Chapter 427, Oregon Laws 2019)

BUDGET NOTE: The Oregon Youth Authority's (OYA) implementation of its Youth Reformation System and culture of positive human development has relied on double-filling positions and using funding from other agency programs to cover the cost. This practice has served as an expedient means for re-aligning resources within the agency to meet new program requirements, but it is not a long-term solution to maintaining the agency's workforce. OYA is directed to formalize the agency's recently developed efforts to improve position management practices by developing written policies and procedures for OYA managers to use within the

agency when proposing any changes to budgeted positions in agency programs. Changes include reclassifications, abolishing/establishing positions, or hiring any new staff member in the absence of a budgeted position. A copy of the written policies and procedures are to be provided to the Legislative Fiscal Office when completed, but no later than December 1, 2019.

BUDGET NOTE: Over-representation of youth of color and sexual minority youth in the juvenile justice system is of concern both nationally and in Oregon. The Oregon Youth Authority's (OYA) data shows both that over-representation worsens as youth become more involved in the juvenile justice system, and that rates of recidivism are higher for racial minority youth. The Oregon Youth Authority is directed to report to the Joint Committee on Ways and Means during the 2019-21 biennium on its efforts to improve diversity, equity, and inclusion in the agency and in its services. A progress report in the 2020 legislative session should include the following: Evaluation of the current state of OYA's efforts to improve diversity, equity, and inclusion in its workforce and services to youth; identification of agency efforts to improve culturally appropriate programs and services for youth of color and sexual minority youth, including transition services from OYA custody back to the community; strategies for identifying and correcting practices that worsen over-representation and exacerbate disparities in the juvenile justice system; and recommendations for actions OYA can take to improve diversity, equity, and inclusion in its programs and services. OYA is directed to return to the Joint Committee on Ways and Means in the 2021 legislative session with a full report and plan for implementing any needed improvements.

JUDICIAL BRANCH

Judicial Department

HB 5050 (Chapter 644, Oregon Laws 2019)

BUDGET NOTE: The Oregon Judicial Department, District Attorneys and Their Deputies, and the Association of Oregon Counties are to report to the Interim Joint Committee on Ways and Means in January of 2020 with a joint plan that provides for the most efficient, consistent, and cost-effective delivery of grand jury recordation across the state, including, but not limited to, the assignment by entity of responsibility for: (a) non-attorney staff to manage recording equipment and train grand jurors on the use of recording equipment; (b) non-attorney staff to review and redact grand jury recordings; (c) production of grand jury transcripts; and (d) information technology costs for the day-to-day upkeep of the recording devices and the storage or archiving of recordings.

SB 5513 (Chapter 691, Oregon Laws 2019)

BUDGET NOTE: The Oregon Judicial Department is directed to work collaboratively with the Public Defense Services Commission and other stakeholders to identify and implement changes to improve the Commission's oversight of public defense services contracts, specifically on indigent defense.

Public Defense Services Commission

HB 5050 (Chapter 644, Oregon Laws 2019)

BUDGET NOTE: The Public Defense Services Commission (PDSC) is directed to work with stakeholders to identify data public defense contractors should be required to submit to the Office of Public Defense Services as part of its contractual agreement. It is the Legislature's intent, in establishing reporting requirements, that PDSC obtain data that will allow the agency to the greatest extent possible to determine: (1) the level and quality of services provided to each defendant; and (2) improvements in case outcomes for defendants.

BUDGET NOTE: The Public Defense Services Commission (PDSC) shall evaluate options for delivering indigent public defense services and adopt an approach that delivers quality public defense services. In its evaluation of public defense contract options, the PDSC is directed to consider the findings of the January 2019 report by the Sixth Amendment Center, entitled "The Right to Counsel." As part of its new contract model, the PDSC shall require contract attorneys to provide information it determines is needed to demonstrate the level and quality of services provided, and the case outcomes.

SB 5532 (Chapter 303, Oregon Laws 2019)

BUDGET NOTE: The Public Defense Services Commission (PDSC) is directed to work collaboratively with the Oregon Judicial Department and other stakeholders to identify and begin implementing system changes to improve quality assurance and oversight of PDSC's public defense services contracts, specifically on indigent defense. PDSC is directed to report to the Joint Committee on Ways and Means in the 2020 legislative session on changes identified and/or implemented to address quality assurance issues raised in the 2019 report by the Sixth Amendment Center.

BUDGET NOTE: The Public Defense Services Commission is directed to work closely with the Legislative Fiscal Office (LFO) and regularly report on the status of the Financial Management System Replacement Project throughout the lifecycle of the project and follow the Stage Gate review process as administered by the LFO. The Commission is further directed to: (1) retain the services of qualified project manager(s) with experience in planning and managing projects of this type, scope and magnitude; (2) retain the services of business systems analyst(s) with demonstrated experience working on modernization programs of this type, scope and magnitude; (3) develop and update the business case and foundational project management documents as required; (4) work with LFO to acquire independent quality management services as necessary to conduct an initial risk assessment, perform quality control (QC) reviews on the business case, procurement documents and foundational project management documents as appropriate, and perform ongoing, independent quality management services as directed by the LFO; (5) submit the updated business case, project management documents, initial risk assessment, and QC reviews to LFO for Stage Gate Review; and (6) report back to the Legislature on project status in the 2020 legislative session and/or interim legislative committees.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

HB 2173 (Chapter 648, Oregon Laws 2019)

BUDGET NOTE: The Oregon Business Development Department, in coordination with the Oregon Broadband Advisory Council, is directed to submit a plan for the broadband program to the Joint Committee on Ways and Means during the February 2020 legislative session. The plan should include: Detailed information on areas in Oregon lacking broadband infrastructure, including identified gaps, barriers, and solutions to broadband deployment in underserved and unserved areas; best practices to promote and coordinate public-private partnerships; identified federal and private broadband funding opportunities; and criteria developed to prioritize and maximize the state's investment in broadband service infrastructure.

SB 5524 (Chapter 522, Oregon Laws 2019)

BUDGET NOTE: The Oregon Business Development Department, in collaboration with the Oregon Innovation Council, shall evaluate the feasibility and impact of eliminating ongoing state support for the three Signature Research Centers: ONAMI, OTRADI, and VertueLab. The Department shall report its findings to the Emergency Board in September 2020.

BUDGET NOTE: The Oregon Business Development Department is directed to report to the Emergency Board in September 2020 on the Rural Opportunity Initiative grant program. The report shall provide a comprehensive evaluation of the program since inception, including grants awarded, rural communities served, return on investment, coordination with other small business development resources, demonstration of increased entrepreneurial ecosystem capacity, and ongoing sustainability of local programs and technical support services. Return on investment metrics should include, but are not limited to, leveraged funds, number of companies assisted, jobs created, and access to capital.

Employment Department

HB 2005 (Chapter 700, Oregon Laws 2019)

BUDGET NOTE: To ensure the successful planning, management, and implementation of the Family and Medical Leave Insurance (FAMLI) program, the Employment Department is directed to conduct a risk assessment of its capacity to plan, manage and implement multiple major IT projects simultaneously, and report back to the Legislature prior to the 2020 legislative session on risk assessment findings and potential strategies – including changes to anticipated implementation timelines – to meet the objectives of both the FAMLI project, and the unemployment insurance tax system modernization project. In addition, the Employment Department is directed to obtain qualified business project managers, systems analysts, and other consulting contractors with experience in planning projects of this type, scope, duration, and magnitude. The Employment Department is further directed to work closely with, and regularly report project status to, the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO) throughout the lifecycle of the project, reporting to the Legislature

as requested, and follow the Joint State OSCIO/LFO Stage Gate Review Process, utilizing all associated reporting and project management protocols throughout the life of the project.

Housing and Community Services Department

SB 5512 (Chapter 642, Oregon Laws 2019)

BUDGET NOTE: The Housing and Community Services Department will report to the Legislature by June of 2020 on options to implement a statewide homeless management information system that enables clear outcome tracking for homeless individuals. The report will focus on a system implementation that meets federal and state requirements, improves data-driven decision making, and aligns with national best practices. Specific items to address include a recommendation on the capabilities of an optimal system, system governance, models from other states that enable data-driven decisions, the organization that is best positioned to administer the system, and an assessment of administrative workload options to fund administration.

CONSUMER AND BUSINESS SERVICES

Construction Contractors Board

HB 5010 (Chapter 34, Oregon Laws 2019)

BUDGET NOTE: The Construction Contractors Board is directed to report, during the 2020 legislative session, to the Joint Committee on Ways and Means regarding the status of an online licensing system launched as part of HB 2843 (2015) and any other information technology initiatives undertaken during the 2019-21 budget cycle.

Health-Related Licensing Boards

HB 5022 (Chapter 25, Oregon Laws 2019)

BUDGET NOTE: As a budget instruction, the Legislative Fiscal Office (LFO) analyst asks that the executive director of the Oregon Mortuary and Cemetery Board report to LFO in September 2019 on the status of hiring for the two inspector positions and the plan for inspecting 100% of the facilities during the biennium. The Board is also being asked to report back to LFO regarding its complaint closure backlog at that time. Additionally, the LFO analyst is recommending a new Key Performance Measure on timely closure of complaints.

BUDGET NOTE: As a budget instruction, the LFO analyst is recommending that the executive director of the Board of Speech-Language Pathology and Audiology report to LFO in September 2019 on the status of the investigative backlog. Additionally, the LFO analyst is recommending a new Key Performance Measure on the timely closure of complaints.

Bureau of Labor and Industries

SB 5516 (Chapter 633, Oregon Laws 2019)

BUDGET NOTE: The Bureau of Labor and Industries is directed to research and develop alternatives for generating non-General Fund operating revenue to support agency activities and services related to apprenticeship and training. The agency will report back to the 2020 Legislature with a recommended funding model.

NATURAL RESOURCES

Department of Agriculture

HB 5002 (Chapter 452, Oregon Laws 2019)

BUDGET NOTE: The Oregon Department of Agriculture is directed to work with the Oregon Liquor Control Commission (OLCC) and the Oregon Health Authority (OHA) to determine an appropriate funding mechanism for the reimbursement of the Department's laboratory expenses related to the testing of cannabis, in cases referred by OLCC and OHA, and report back to the Joint Committee on Ways and Means during the 2020 legislative session.

Department of Energy

SB 5545 (Chapter 698, Oregon Laws 2019)

BUDGET NOTE: The Department of Energy is directed to report back to the Joint Committee on Ways and Means during the 2020 legislative session, as the Governor did not propose a 2019-21 budget for the agency. Additionally, many of the Department's long-standing programs have sunset or are no longer active. The report should include an analysis of existing programs, the Department's key performance measures, a review of agency administration, the level of internal support versus services that could be provided through the Department of Administrative Services, and a review of the agency's indirect rate and usage of the Energy Supplier Assessment.

Department of Environmental Quality

HB 5017 (Chapter 663, Oregon Laws 2019)

BUDGET NOTE: While no fee increase to the Vehicle Inspection Program is included at this time, if the Department is to contemplate a fee increase in the future, the Department is directed to determine the most cost-effective method of conducting the program as required by ORS 468A.370. The Department is further directed to maintain the existing Vehicle Inspection Program stations and continue the current hours those stations are open to the public with the level of staffing provided by the 2019 Legislature.

BUDGET NOTE: For the Clean Water State Revolving Fund loan management software project, the Department is directed to continue to work closely with and regularly report project status to the Oregon State Chief Information Officer (OSCIO) and the Legislative Fiscal Office (LFO)

throughout the projects lifecycle and to follow the Joint State CIO/LFO Stage Gate Review Process. The Department is directed to work with OSCIO and DAS to establish a contract for Business Analyst Services to develop business requirements and perform market research and alternative analysis for the project. If qualified project management services are not available within the Department, then these services should be contracted out to ensure a qualified management. The Department is directed to update and submit the project's business case, requirements and foundational project management documents to the OSCIO and LFO as part of Stage Gate 2 review and endorsement and to report back to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means on project progress in achieving Stage Gate 2 endorsement during the 2020 Legislative session.

BUDGET NOTE: The Department is directed to return to the Legislature to request approval to proceed with project execution should the project scope be significantly modified, or project cost or schedule estimates increase by more than 10% from what was reported to the Joint Legislative Committee on Information Management and Technology.

BUDGET NOTE: The Department of Environmental Quality (DEQ), under the direction of the Department of Administrative Services Chief Financial Office (DAS CFO), is directed to undertake a comprehensive review of DEQ's accounting and budget structure through the Statewide Financial Management Application and its alignment with the Oregon Budget Information Tracking System. This review is to contemplate the following: Alignment of budget structure and organizational structure; alignment of the Department's current use of positions with legislatively authorized positions; establishment of distinct budgeted operating areas for dedicated funds; assessment of the current cost allocation system and solutions to reduce the number of costs allocations required; assessment of the current calculation of indirect rate that funds the Agency Management budgeted division and solutions to provide a more stable funding model; and application of existing state accounting and budget reporting systems to reduce the reliance on antiquated and cumbersome internal processes. The Department and DAS CFO are to jointly report their findings to the Joint Committee on Ways and Means during the 2020 legislative session.

Department of Geology and Mineral Industries

SB 5511 (Chapter 690, Oregon Laws 2019)

BUDGET NOTE: The Department of Geology and Mineral Industries (DOGAMI), with the assistance of Department of Administrative Services - Shared Client Services (DAS-SCS) must provide monthly financial reports that include actuals and projections for revenues and expenditures, for each of DOGAMI's programs, including the financial status on all projects and grants, to the Legislative Fiscal Office (LFO) and DAS - Chief Financial Office. Prior to submitting the initial report, DOGAMI and DAS-SCS must provide a detailed plan to LFO on what financial services will be provided by DASSCS and what activities will be performed by the Department.

BUDGET NOTE: The Department's requested fee increase to the Mined Land Regulation and Reclamation program has not been approved at this time due to uncertainty around the permitting process related to the chemical gold mine known as Grassy Mountain and its impact on program cash flow. The Department is directed to review the program's projected revenue

and expenditures and report to the Joint Committee on Ways and Means during the 2020 legislative session with a detailed fee increase proposal to fund the existing program, including appropriate indirect costs, that will also provide a sufficient ending fund balance.

Department of Land Conservation and Development

HB 5027 (Chapter 669, Oregon Laws 2019)

BUDGET NOTE: With respect to the funding provided in the agency's budget for the provision of planning services or planning grants provided to local planning districts, the Department of Land Conservation and Development is directed to seek recommendations from the Association of Oregon Counties and the League of Oregon Cities when formulating the qualifications and criteria required of contracted public planning professionals.

Department of State Lands

HB 5035 (Chapter 454, Oregon Laws 2019)

BUDGET NOTE: The Department of State Lands (DSL) is directed to work with the Office of the State Chief Information Officer (OSCIO) to conduct a comprehensive assessment of the agency's information technology-related (IT) operations. The assessment is to include, but not be limited to, an evaluation of the following: IT organizational structure, policies and practices, management and staffing, funding and expenditures, and governance; inventory of current systems, hardware, software, data resources, and applications; business drivers and organizational mandates for information technology and data management; operational and technical requirements for DSL's information technology infrastructure (network, servers, storage), applications, and data; current operational and technical deficiencies and gaps; and recommended changes or enhancements to IT management, staffing, operations, funding, policies, and practices. A report on this comprehensive assessment is to be submitted to the Legislative Fiscal Office in December 2019 and jointly presented by DSL and OSCIO to the Joint Legislative Committee on Information Management and Technology and to the Joint Committee on Ways and Means during the 2020 legislative session.

BUDGET NOTE: The Department of State Lands is directed to:

- Continue to work closely with and regularly report project status to OSCIO and LFO throughout the project's lifecycle.
- Continue to follow the Joint State CIO/LFO Stage Gate Review Process.
- Work with OSCIO and DAS Procurement Services to establish a contract for project management services – ensuring the project is led by a qualified project manager with experience in managing projects of this magnitude.
- Update the project's Business Case and foundational project management documents prior to the submission of Stage Gate 2 documents.
- Work with the OSCIO to obtain third-party, independent quality management services and ensure the contractor conducts an initial risk assessment and performs quality control reviews on the updated Business case, foundational project management documents, and business analysis contractor deliverables, as appropriate, prior the agency's request for Stage

Gate 2 endorsement; and performs ongoing, independent quality management services as directed by the OSCIO.

- Submit the updated business case, project management documents, risk assessment and quality control reviews to the OSCIO and LFO for Stage Gate 2 Review and endorsement.
- Report back to the Joint Legislative Committee on Information Management and the Joint Committee on Ways and Means on the project status in the 2020 legislative session.
- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system all project review, approval, and project status and QA reporting activities throughout the life of the DSL Land Administration Replacement Project.

Parks and Recreation Department

SB 5527 (Chapter 302, Oregon Laws 2019)

BUDGET NOTE: In addition to any other required materials, the Oregon Parks and Recreation Department shall provide a report to the Joint Committee on Ways and Means during the budget presentation hearings for the 2021-23 biennium detailing purchases of additional park property completed or anticipated to be completed during the 2019-21 biennium. The report must include, at a minimum, the specific location, acres, and price paid for each property, and the initial development and management plan for each property.

Water Resources Department

HB 5043 (Chapter 535, Oregon Laws 2019)

BUDGET NOTE: The Water Resources Department is directed to compile information regarding actions that the agency has taken that resulted in the agency being party to a contested case hearing or legal action since 2015. This includes past, current, and pending items as of July 1, 2019. For each case, the department must identify the legal question being addressed, the underlying statute(s) or administrative rule(s) that were, or are, the basis for the action that the agency undertook, and the fundamental basis or reasoning for the dispute against the agency's actions. If a statute or administrative rule is identified as being foundational to actions taken by the agency that are subject to multiple contested cases or other legal proceedings, the agency must provide a statement regarding the purpose for the statute or rule, what the agency is attempting to achieve by taking action on the statute or rule, and how future litigation regarding those actions might be avoided in the future. The agency is directed to report this information to the Joint Committee on Ways and Means in a format approved by the Legislative Fiscal Office by January 1, 2020.

TRANSPORTATION

Department of Aviation

HB 5004 (Chapter 115, Oregon Laws 2019)

BUDGET NOTE: The Department of Aviation is directed to develop a statewide plan for the use of grant funds targeting commercial air service in rural Oregon. To receive funds, grant applicants

should demonstrate how the proposed use serves that statewide plan. The Department is directed to include the statewide plan as part of the annual report required by ORS 319.020 and submit the report to the Interim Joint Committee on Ways and Means or Emergency Board during the 2020 legislative session. It is the Legislature's intent that grants awarded during the 2019-21 biennium conform to a statewide plan adopted by the State Aviation Board.

Department of Transportation

HB 5039 (Chapter 614, Oregon Laws 2019)

BUDGET NOTE: The Oregon Department of Transportation is directed to merge the Special Transportation Fund (STF) and the Statewide Transportation Improvement Fund (STIF) into one public transit program. The legislative intent is for the Department to accomplish this with the least possible disruption to the formula allocations and services provided by STF agencies. The Department shall not require STF agencies to submit new or revised plans for formula distributions in the 2019-21 biennium. The Department is directed to report during the 2020 legislative session on the status of the program consolidation, and the administrative costs, including the number of full-time equivalent positions required to administer the consolidated program.

HB 5050 (Chapter 644, Oregon Laws 2019)

BUDGET NOTE: The Department of Transportation shall study the I-5 Boone Bridge Project and provide an estimate of the cost to complete the project. The Department shall report back to the Joint Committee on Ways and Means and the Joint Committee on Transportation no later than February 1, 2021.

BUDGET NOTE: The Department of Transportation, in coordination with the City of Sherwood, shall report to the Joint Committee on Ways and Means on the results of the City of Sherwood's Pedestrian Connector Project implementation and related feasibility study and submit a funding request for the balance of project costs in February 2020.

ADMINISTRATION

Department of Administrative Services

HB 2005 (Chapter 700, Oregon Laws 2019)

BUDGET NOTE: The Department of Administrative Services is to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2020 legislative session on the scope, duration, and cost estimates associated with making HB 2005 required changes to the current, legacy Oregon State Payroll System. The report should include a comparison of the operational, financial, and schedule impacts associated with making HB 2005 required changes to the current system and how they will be addressed within the new Oregon State Payroll System as it is deployed.

SB 5502 (Chapter 518, Oregon Laws 2019)

BUDGET NOTE: The Department of Administrative Services (DAS) shall work with the Oregon CASA Network (OCN) in developing a transition plan to support the Oregon CASA Network's administration of the 23 independent nonprofit local CASA programs with OCN providing full support and oversight of local CASA programs by no later than June 30, 2023. The plan should: identify activities which would help the OCN build internal capacity; develop a funding allocation model that passes state funds through a state agency to the OCN to distribute to local CASA programs according to need; and require local CASA programs to continue to adhere to National CASA Association standards. DAS shall continue to provide limited financial management and limited oversight capacity as needed and requested by the OCN through June 30, 2023. DAS shall present the migration plan to the Emergency Board before October 15, 2020.

BUDGET NOTE: The Office of the State CIO (OSCIO) shall report to the Joint Legislative Committee on Information Management and Technology and the Interim Joint Committee on Ways and Means before the start of the 2020 legislative session on the results of the OSCIO Enterprise Security Office (ESO) efforts to develop a responsibility assignment matrix or RACI matrix that will delineate which information technology (IT) security roles and responsibilities are assigned to the ESO and which remain the responsibility of individual state agencies following the SB 90 (2017) unification of information security staff. This report should also identify any gaps in available ESO resources which are necessary to implement the completed RACI matrix on state IT security roles and responsibilities that reflects moving the ESO from predominantly an oversight, audit, and advisory role to a full-service model that includes the provision of unified IT security services to all executive branch agencies.

BUDGET NOTE: The Office of the State CIO (OSCIO) shall report to the Joint Legislative Committee on Information Management and Technology and the Interim Joint Committee on Ways and Means before December 31, 2020 on results of transitioning circuits to the new OregonFIBER Partnership's network. This report shall include information related to:

- The OregonFIBER Partnership – governance, membership, transfer, and use of state-leased fiber assets, status of network deployment, plan for completing full network deployment, and any associated costs to state government.
- Progress on transitioning existing state agency network circuits to the OregonFIBER Network, including the following quantifiable results: Increases in network capacity, including maximum bandwidth available and speed increases over previous network connections; average cost per megabyte (in aggregate and by agency) and comparison to previous average cost per megabyte (in aggregate and by agency); a comparison of the new cost and capacity for network core compared to 2015-17 expenditures and capacity; and network performance, including availability, service level adherence, and reliability.
- Establishment of network connections from the State Data Center to various government cloud services providers and the benefits accrued from these connections.
- Broadband connectivity improvements made possible through the state's participation and transition to the new OregonFIBER Partnership's network (i.e., increased broadband access to tribal governments, local governments, schools, and public bodies located in underserved and unserved areas throughout Oregon).

BUDGET NOTE: The Office of the State CIO (OSCIO) shall implement a project to migrate all executive branch agencies to an OSCIO managed and secured Enterprise Office 365 system by June 30, 2021. The mandatory migration project shall, among other things, lead to the elimination of independently hosted and managed email systems by state agencies within the executive branch. This migration project must identify information related to: operational and information security implications due to migration, any agencies that will not migrate within implementation timeframes, and the resources required to deploy and operate the system in the 2021-23 biennia. The project, with the assistance of the Chief Financial Office, must also collect agency specific information on existing 2019-21 costs associated with hosting and managing email systems by state agencies, other than OSCIO hosted email systems, and any other existing costs for office productivity software and tools that would instead be provided by OCIO hosted Office 365 after the transition. OSCIO shall present an Office 365 migration project progress report to the Joint Legislative Committee on Information Technology and to the Joint Committee on Ways and Means during the 2020 legislative session.

BUDGET NOTE: The Office of the State CIO (OSCIO) shall present to the Joint Legislative Committee on Information Management and Technology and the Interim Joint Committee on Ways and Means before December 31, 2020 a comprehensive 10 year Information Technology Modernization Plan for state agencies that includes: The roles and responsibilities assigned to the new Assistant State Chief Information Officers, Senior IT Portfolio Managers, and state agency Chief Information Officers; criteria by which the plan was developed; timelines for modernizing critical agency legacy systems; processes by which potential IT projects are reviewed, prioritized, and recommended for inclusion in the 2021-23 Governor's Budget; and current and future efforts to standardize IT solutions for similar agency business functions, up to and including the creation of centralized, shared-service entities and/or replacing standalone IT systems with enterprise level solutions.

BUDGET NOTE: The Department of Administrative Services (DAS) shall work closely with and regularly report on the status of the Oregon State Payroll System Replacement Project to the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO) and follow the Joint State CIO/LFO Stage Gate Review Process throughout the project's lifecycle. DAS shall continue to retain the services of qualified project manager(s), business analyst(s), and other project team members with experience in planning and managing projects of this type, scope and magnitude. DAS is further directed to work with OSCIO to acquire independent quality management services to: conduct an initial and ongoing risk assessment(s); perform quality control reviews on the business case, procurement documents, and foundational project management documents as appropriate; and, perform ongoing, independent quality management services as directed by OSCIO. DAS shall submit the updated project business case, project management documents, procurement documents, initial risk assessment and quality control reviews to OSCIO and LFO for Stage Gate Review. DAS is further directed to report on project status to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2020 annual legislative session. Finally, DAS shall request Legislative approval to proceed with the project prior to initiating project execution activities and utilize OSCIO's Enterprise Project and Portfolio Management system for all project review, approval, and project status and QA reporting activities throughout the life of the DAS Oregon State Payroll System Replacement Project.

Office of the Governor

HB 5021 (Chapter 665, Oregon Laws 2019)

BUDGET NOTE: The Office of the Governor, with the assistance of the Department of Administrative Services Chief Financial Office, shall review the various funding sources for its positions and identify alternative funding methodologies, including an assessment-based approach to all permanent positions in the Office. The Office should present a proposed methodology to the Legislature during the 2020 session so that the new methodology could potentially be used to develop the price list for state agencies for the 2021-23 biennium. It shall be the policy going forward that positions funded in another agency's budget that are assigned to the Office of the Governor or are otherwise considered "on loan" to the Office of the Governor should be limited to needs related to issues that are temporary in nature.

SB 5511 (Chapter 690, Oregon Laws 2019)

BUDGET NOTE: The Department of Geology and Mineral Industries has overspent its budgeted General Fund appropriation twice in the last four years, bringing into question the viability of the Department's current structure and funding mechanism. The Office of the Governor, with the assistance of the Department of Administrative Services, is directed to prepare a detailed strategic plan for the future of DOGAMI, including evaluating if the Department should continue to exist as an independent agency or recommendations to abolish the Department and move the individual programs to other entities. The Office of the Governor is directed to report to the Joint Committee on Ways and Means in the 2020 legislative session on the strategic plan so that any agreed upon recommendations can be incorporated into the 2021-23 biennial budget process.

Oregon Liquor Control Commission

SB 5519 (Chapter 694, Oregon Laws 2019)

BUDGET NOTE: As of April 2019, the Oregon Liquor Control Commission was withholding bank card fees based on sales data for related items that had last been provided and analyzed at least a decade ago, resulting in payments that do not accurately reflect the recent sales experience of contract liquor store agents. The Oregon Liquor Control Commission is directed to update the rates or amounts withheld from agents, by requesting and analyzing data on liquor and related item purchases. OLCC is directed to utilize the same methodology as in previous biennia, based on sales data from the previous calendar year (2018). Failure of an agent to present data requested by OLCC could result in the Commission assigning a withholding rate or amount that may not accurately reflect the actual rate of bank card sales for related items of that store. The Oregon Liquor Control Commission is directed to report back to the Legislative Fiscal Office on the change in payments to each agent, based on this updated information. It is intended that going forward, OLCC will request and receive sales data on related items purchases a minimum of once per biennium, so that compensation related to bank card fees can be based on more accurate and up-to-date information.

BUDGET NOTE: The OLCC shall work with the Department of Administrative Services and the Capital Projects Advisory Board to evaluate costs and risks associated with remaining at its

existing Milwaukie headquarters, and to identify available facility alternatives that could better meet the Department's long-term needs for storage, shipping, future growth, office space, maintenance, and ease of access to markets. The OLCC is directed to report back to the Emergency Board prior to submission of its 2021 Agency Request Budget, present findings and seek input on identified alternatives, or request additional funding for further analysis, if warranted.

Public Employees Retirement System

HB 5032 (Chapter 611, Oregon Laws 2019)

BUDGET NOTE: The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2020 legislative session on the implementation of SB 1049 (2019). The Department of Administrative Services and the Office of the State Chief Information Officer are to provide oversight of the PERS SB 1049 (2019) implementation project. The project shall adhere to the Stage Gate process. The Department of Administrative Services - Office of the State Chief Information Officer and the Department of Administrative Services - Chief Financial Officer, in their oversight roles, are to report separately to the Joint Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2020 legislative session on the implementation of SB 1049 (2019). The agencies' reports to the Legislature shall include: Update on project scope, schedule, and budget, and total cost of ownership; identification of costs associated with one-time solutions versus permanent solutions; independent quality assurance reporting on the project; impact of SB 1049 (2019) information technology project on routine agency operations; any exceptions from administrative rules, policies, or procedures, or statutes granted to PERS by the Department of Administrative Services; and any other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

Racing Commission

SB 5535 (Chapter 28, Oregon Laws 2019)

BUDGET NOTE: The Racing Commission is directed to report to the Joint Committee on Ways and Means during the 2020 legislative session for purposes of receiving additional expenditure limitation and position authority for the 2019-21 biennium. The report is to include the following: A status report on the sale of Portland Meadows; the likelihood of commercial race meets in 2020 or 2021; the conveyance of simulcast licensing authority and projected resultant revenue, as compared to the 2019-21 Agency Request Budget; any changes in activity related to advanced deposit wagering companies or multijurisdictional simulcasting and interactive wagering hubs since the adoption of the Racing Commission's 2019-21 budget; changes in the number of race participants, live race days, starts, and wagers at summer fairs and county race meets, from 2018 to 2019; updated projections on agency revenue and expenditures and number of licensees, as compared to the 2019-21 Agency Request Budget; identification of positions and related expenditures reduced or eliminated in the absence of a commercial race meet, as compared to the 2019-21 Agency Request Budget; and a request – based on experienced and anticipated

changes in resources and the need for regulatory oversight – for additional expenditure limitation and full-time equivalent positions for the 2020-21 fiscal year.

State Library

SB 5518 (Chapter 40, Oregon Laws 2019)

BUDGET NOTE: The State Library should evaluate ways to better meet the needs of visually impaired Oregonians through technology, especially in the Talking Book and Braille Library program and report findings as part of the agency's 2021-23 budget presentation to the Joint Committee on Ways and Means. It is expected that the agency will consult with partners, including the Commission for the Blind and the Oregon Textbook and Media Center (part of the Willamette Education Service District but serving all Oregon Regional Programs and other agencies) on the needs of the customers of those agencies and on opportunities to better partner and leverage resources. In addition, since the federal government supplies the materials for the Talking Book and Braille Library program, the State Library should confer with the Library of Congress National Library Service on opportunities to receive materials or access federal funds to meet current technology needs or to adopt new technologies as they become available.

State Treasurer

HB 5042 (Chapter 673, Oregon Laws 2019)

BUDGET NOTE: To improve the transparency and public understanding of the State Treasurer's budget, the agency is directed to establish Summary Cross References in the Oregon Budget Information Tracking System for the following divisions or programs: Finance; Debt Management; Investment Management; Executive Services Division; Oregon 529 College Savings Program; Oregon 529 Achieving a Better Life Program; the Oregon Retirement Savings Board; and any newly proposed or established program activity or division. This structure is to be in place for the 2021-23 biennium, for which the Legislature will establish line-item appropriations for each of the State Treasurer's major divisions or programs. The Treasurer of State is to report to the Legislature in 2020 on how the agency has overcome any potential barriers related to implementing this change.

LEGISLATIVE BRANCH

SB 5517 (Chapter 693, Oregon Laws 2019)

BUDGET NOTE: The Legislative Policy and Research Office is to prepare a plan for upcoming redistricting work. The plan should be completed by December 1, 2019 and include identification of any information technology, consulting, and staffing needs.

EMERGENCY FUND

HB 5019 (Chapter 664, Oregon Laws 2019)

BUDGET NOTE: The special purpose appropriation made to the Emergency Board for supplemental Fire Program personnel costs due to extended fire seasons is intended to be allocated to Oregon Department of Forestry only if an early fire season, or an extended fire season, warrants the need for additional or extended employment of personnel that the agency cannot accommodate with budgetary resources otherwise.

Information Technology

Information technology (IT) is a critical component in the State of Oregon's ability to operate government programs efficiently and effectively, provide access to government information, and to provide services to Oregonians.

During the 2019 legislative session, the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means performed the following:

- Reviewed proposed IT-related law and policy changes.
- Evaluated business case, value, and foundational project management work and provided recommendations on agency IT budget requests.
- Provided oversight for IT projects exceeding \$1 million.
- Identified IT projects and initiatives requiring budget notes or other legislative directives.
- Reviewed agency IT organizational structure, budget and project requests, project status, budget note progress, and proposed measures.

IT-related initiatives reviewed and discussed include:

- Statewide IT Overviews – executive, legislative, and judicial branches
- Office of the State Chief Information Officer – Program Area Information Resource Management Plans
- Information Security Reports: SB 1538 (2016) – Office of the State Chief Information Officer, Secretary of State, State Treasurer, Department of Justice, Legislative Administration Committee, Judicial Department
- Establishing the Oregon Broadband Office – Executive Order 18-31
- Oregon Broadband Advisory Council Report: Broadband in Oregon – ORS 285A.070 (section 4)
- Oregon Broadband Advisory Council Report – Local Broadband Champions per HB 4023 (2018)
- Unification of Information Security Resources per SB 90 (2017)
- Plan to establish an Oregon Cybersecurity Center of Excellence per SB 90 (2017)
- State Interoperability Executive Council – State Communications Interoperability Plan and FirstNet in Oregon per HB 3099 (2015)
- Oregon Geographic Information Council – Recommendations on geospatial data sharing among public bodies per HB 2906 (2017)
- Chief Data Officer and Open Data Standards per HB 3316 (2017)
- Enterprise IT Systems and budget note reports
- Agency IT Overview Presentations by more than 17 agencies including Department of Administrative Services, Department of Consumer and Business Services, Department of Corrections, Employment Department, Department of Environmental Quality, Oregon Health Authority, Department of Human Services, Judicial Department, Department of Justice, Oregon Liquor Control Commission, Legislative Administration Committee, Public Employees Retirement System, Oregon Youth Authority, Secretary of State, Department of State Police, State Treasurer, and Department of Transportation.

Information Technology Related Law and Policy Changes

- HB 2173 creates Oregon Broadband Office within Oregon Business Development Department. Repeals sunset on Oregon Broadband Advisory Council. Changes composition of council. Broadens duties of council to include recommending public policy and solutions to address state's broadband needs and goals. Directs council to champion statewide access to broadband services.
- HB 2184 modifies definitions applicable for purposes of universal service surcharge. Subjects sale of retail commercial mobile radio services and retail interconnected voice over internet protocol services to universal service surcharge. Reduces rate cap to 6% of sale of services subject to surcharge. Directs Public Utility Commission to transfer up to \$5 million per year of moneys deposited in universal service fund to Broadband Fund. Establishes Broadband Fund. Continuously appropriates moneys in Broadband Fund to Oregon Business Development Department to provide grants and loans under program for assisting qualified entities with projects for development of broadband service infrastructure. Directs Department to adopt program for providing grants and loans by rule. Directs Department to report annually to interim committee of Legislative Assembly related to telecommunications on status of Broadband Fund. Sunsets Broadband Fund, transfer of moneys from universal service fund to Broadband Fund and grant program January 2, 2030. Becomes operative January 1, 2020.
- HB 2395 requires manufacturer to equip connected device with reasonable security features that protect connected device and information that connected device stores from access, destruction, modification, use or disclosure that consumer does not authorize. Specifies what may constitute reasonable security features. Specifies exemptions and exclusions from requirement. Punishes violation as unlawful trade practice under Unlawful Trade Practices Act.
- HB 2449 increases rate of tax for emergency communications. Decreases percentage of moneys in Emergency Communications Account that may be expended for administrative costs. Phases in increase and decrease over one-year period. Delays sunset on tax for emergency communications. Provides that interest from Emergency Communications Account and 9-1-1 Subaccount must be credited to 9-1-1 Subaccount.
- HB 2684 repeals tax exemption for property of company that builds, maintains and operates project constituting certain communication services infrastructure.
- SB 69 expands purposes of plan of assistance established by Public Utility Commission under Oregon Telephone Assistance Program to include supporting broadband internet access service.
- SB 684 specifies requirements for covered entities that own, license, maintain, store, manage, collect, process, acquire, or otherwise possess personal information, and for vendors that provide services to covered entities, to notify consumers of breach of security. Specifies exemptions for certain covered entities that are subject to other laws governing protections and disclosures.

Budget Notes and Reports

Of the major IT projects and initiatives considered during the 2019 legislative session, several were of particular interest to the Legislature due to their overall cost, complexity and risk, cross-biennium implementation timeframes, or importance to state government. In nearly all cases, the sponsoring agency was requested to return to the Legislature during the 2019-21 interim, the 2020 regular session, and/or the 2021 regular session to report on project status and progress toward satisfying legislative direction or budget note requirements. By program area, these major IT projects and initiatives included the following:

Human Services

- Department of Human Services/Oregon Youth Authority – Integrated Eligibility Project
- Commission for the Blind – Vocational Rehabilitation Case Management Modernization Project

Public Safety and Judicial Branch

- Oregon Youth Authority – Juvenile Justice Information System Modernization Project
- Department of Corrections – Electronic Health Record (EHR) Project
- Public Defense Services Commission – Financial Management System Replacement Project

Economic and Community Development

- Employment Department – Employment Modernization Program
- Employment Department – Family Medical Leave Insurance Program (HB 2005)

Consumer and Business Services

- Department of Consumer and Business Services – Worker’s Compensation Division Modernization Program

Natural Resources

- Department of Environmental Quality – Environmental Data Management System
- Department of Environmental Quality – Clean Water State Revolving Fund Information System Project
- Department of State Lands – Land Administration System Replacement Project
- Department of State Lands – Office of the State CIO IT Operational Assessment

Administration

- Department of Administrative Services – Oregon State Payroll System Replacement Project
- Department of Administrative Services – OregonBuys: E-Procurement System
- Department of Administrative Services – Family Medical Leave Insurance Program (HB 2005)
- Office of the State Chief Information Officer – Assistant State Chief Information Officers
- Office of the State Chief Information Officer – Microsoft Office 365: Executive Branch Migration
- Office of the State Chief Information Officer – Broadband Office and OregonFIBER Partnership
- Office of the State Chief Information Officer – Unification of Information Security Positions (Roles and responsibilities of Enterprise Security Office and state agencies)
- Legislative Branch – Document Publishing and Management System Project
- Oregon Liquor Control Commission – Enterprise Modernization Program
- Public Employees Retirement System – Information Technology Project (SB 1049)

Although specific legislative direction was provided for each of the IT projects and initiatives, the responsible agency was generally directed to meet the following requirements:

- Work closely with and regularly report project status to the Office of the State Chief Information Officer (OSCIO) and Legislative Fiscal Office (LFO) throughout the lifecycle of the proposed project.
- Follow the Joint State CIO/LFO Stage Gate Review Process.
- Use experienced and qualified project management services. Develop or update the project’s business case and foundational project management documents.
- Work with OSCIO to acquire Independent Quality Management Services as required to conduct an initial risk assessment; perform quality control reviews; and perform quality management services.
- Submit the updated Business Case, project management documents, risk assessments, and Quality Control reviews to the OSCIO and LFO for Stage Gate Review.
- Report back to the Legislature on project status during the 2020 legislative session and/or to interim committees as required.

- Utilize the Office of the State CIO's Enterprise Project and Portfolio Management system for all project review, approval, and project status and closeout reporting activities throughout the life of the proposed IT project.

Additional IT Projects and Initiatives of Interest to be Initiated/Implemented in 2019-21

Public Safety and Judicial Branch

- Department of State Police – LEDS 20/20 project
- Department of Corrections – Facilities Statewide Radio Upgrade Project
- Department of Justice – Child Support System (Transition to Operations)

Economic and Community Development

- Department of Veterans' Affairs – Conservatorship System Replacement Project

Natural Resources

- Department of Geology and Mineral Industries – LIDAR Acquisition Program
- Department of Environmental Quality – Oregon Clean Vehicle Rebate Program

Transportation

- Department of Transportation DMV – Service Transformation Program

Administration

- Department of Administrative Services – Workday: Transition to Operations
- Department of Administrative Services – Risk Management Information System (RMIS)
- Department of Administrative Services – Learning Management System
- Office of the State Chief Information Officer – SDC Facilities Upgrade Project
- Office of the State Chief Information Officer – SDC Lifecycle Replacement Project
- Office of the State Chief Information Officer – SDC Co-location Service
- Office of the State Chief Information Officer – IT Security: Risk Mitigation and Federal Compliance Program
- Public Employees Retirement System – Production Data Center Migration
- Public Employees Retirement System – Business Continuity and Disaster Planning Program
- Public Employees Retirement System – Information Security Program
- Public Employees Retirement System – Warmsite/Backup Capability
- Department of Justice – Migration of Child Support System to State Data Center Facility
- Department of Revenue – Processing Center Modernization Project

Fiscal Impact Statements

A fiscal impact statement is an independent, objective analysis of the expenditure, revenue, staffing, and organizational effects of a substantive legislative measure on state and local government. A fiscal impact means an increase or decrease in program expenditures, revenues (non-tax), positions, or full-time equivalent (FTE) compared to the amounts in the current biennium's approved budget. There are four general types of fiscal impact statements:⁸

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

Process

ORS Chapter 173 states that fiscal impact statements are required on measures that are reported out of committee. During the 2019 session, House and Senate substantive committees were required by rule to receive and review a fiscal impact statement prior to a measure being reported out of committee. This rule applied to most substantive measures, including those with subsequent referrals to the Committees on Finance and Revenue and/or the Joint Committee on Ways and Means.⁹ The purpose of the rule is to inform substantive committee decision-making on the fiscal implications of a particular measure.

Fiscal Impact Statistics

The fiscal impact process is affected by a number of factors including the volume of measures introduced; the number of substantive committees; committee rules; committee scheduling of a measure; whether the measure is amended; the number of amendments; the fiscal nature and complexity of the measure or amendment; the duration of the session; and Legislative Fiscal Office and state and local government staffing and their experience with the legislative and fiscal impact processes.

There were 2,768 measures introduced during the session, which is 61 less than the 2017 session and 50 fewer than the average of the last five biennia. There were 3,425 amendments drafted for those bills, which is 9% less than the average of the last five biennia. While not every measure introduced or amendment drafted advanced had a fiscal impact prepared, LFO produced 2,771 fiscal impact

⁸ A budget report is also considered a type of fiscal impact. A budget report, however, is a product of the Joint Committee on Ways and Means and is produced for any bill, substantive or budgetary, that appropriates or allocates funds, limits expenditures, or provides for a new position or full-time equivalent authority.

⁹ A complete fiscal impact statement is not required for measures with a subsequent referral to another substantive committee. A "fiscal lite," which states that the fiscal impact of the bill will be reviewed in another committee, may be issued instead. There were 371 fiscal lites issued during the 2019 session, a 15% increase from 2017.

statements during the 2019 session, which is 113 (4%) less than the 2017 session and 181 (6%) less than the average for the past five biennia.

Of the 2,771 fiscal impacts issued, 1,325 (48%) were written Fiscal Impact Statements; 858 (31%) were Minimal Fiscals; and 588 (21%) were No Fiscals. The number of written Fiscal Impact Statements is 39 more than the average of the past five biennia.

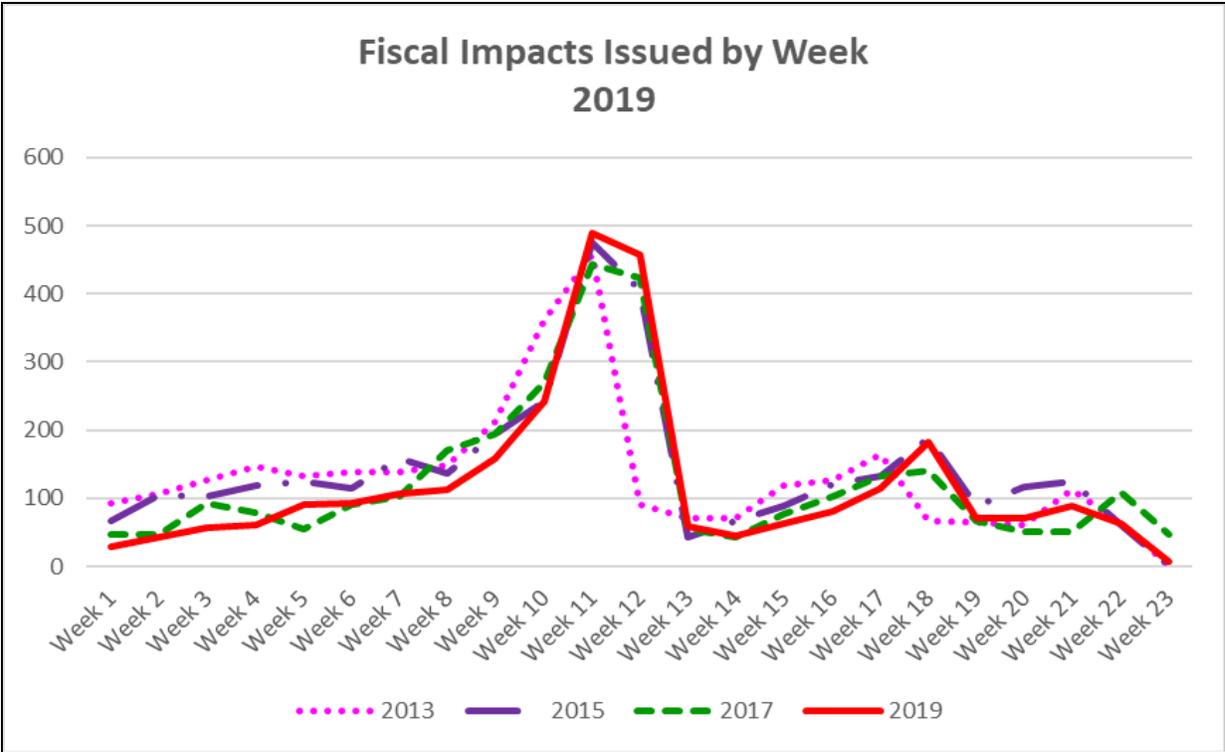
The following table provides a comparison of fiscal impact-related information as well as an average for the last five regular legislative sessions.

| Regular Legislative Session | 2011 | 2013 | 2015 | 2017 | 2019 | Five Biennia Average |
|---|--------|--------|--------|--------|--------|----------------------|
| Biennium/Statistic | | | | | | |
| Length of Regular Session | 150 | 155 | 155 | 157 | 160 | 155 |
| Number of Measures and Admendments | | | | | | |
| Measures Introduced | 3,020 | 2,675 | 2,799 | 2,829 | 2,768 | 2,818 |
| Admendment Drafted | 3,629 | 3,941 | 4,106 | 3,781 | 3,425 | 3,776 |
| Total | 6,649 | 6,616 | 6,905 | 6,610 | 6,193 | 6,595 |
| Measureas Enrolled | 793 | 720 | 847 | 811 | 760 | 786 |
| % of Measures Introduced Enrolled | 26.26% | 26.92% | 30.26% | 28.67% | 27.46% | 27.90% |
| Fiscal Impact Statement (FIS) | | | | | | |
| Written Fiscal Analysis | 1,123 | 1,275 | 1,475 | 1,234 | 1,325 | 1,286 |
| Minimal Fiscal | 880 | 1,198 | 1,007 | 992 | 858 | 987 |
| No Fiscal | 740 | 613 | 793 | 658 | 588 | 678 |
| Total | 2,743 | 3,086 | 3,275 | 2,884 | 2,771 | 2,952 |
| % Written Analysis | 40.94% | 41.32% | 45.04% | 42.79% | 47.82% | 43.58% |
| % Minimal Fiscal | 32.08% | 38.82% | 30.75% | 34.40% | 30.96% | 33.44% |
| % No Fiscal Impact | 26.98% | 19.86% | 24.21% | 22.82% | 21.22% | 22.98% |

Note 1: The primary sources of information for this table include the Oregon Legislative Information System LFO Fiscal Docket; the Final Status Report(s) for House and Senate Measures; and Legislative Counsel's Statistical Summaries.

Note 2: Budget report statistics are excluded from this analysis.

The following chart outlines the number of fiscal impacts issued each week in the 2013, 2015, 2017, and 2019 sessions. The volume of fiscals issued in 2019 peaked during the weeks of April 7 and April 14, which corresponds to the deadline for bills to be reported out of the committee of origin. This not only resulted in a substantially increased workload, over triple the average, but also an increase in bills subsequently referred to the Rules Committees, Revenue Committees, and the Joint Committee on Ways and Means. During this two-week period, there were 947 fiscal impacts issued, 34% of all fiscals issued, which is comparable to 2017 for the same period. There was a total of 502 bills referred to the Joint Committee on Ways and Means (combined budget and policy bills) and, of this number, 214 (43%) received a hearing and 212 (42%) were ultimately passed out to the chambers.



Substantive Bills Enacted into Law with a Budget Effect

In addition to appropriations bills, the Legislature approved a number of substantive bills that had a budgetary or fiscal impact. The following is a summary, by program area, of noteworthy substantive bills reported out of the Joint Committee on Ways and Means which either became law or were referred to voters.¹⁰ Several bills which would otherwise be included in this section are included elsewhere in the document, including SB 1049, which makes significant changes to the Public Employees Retirement System; HB 3427, the Student Success Act and its corresponding budget bill; HB 5047; and HB 2005, the Paid Family Medical Leave Act.

Referrals to the Joint Committee on Ways and Means

Of the 2,768 measures introduced during the 2019 session, 502 (18%) were referred to Ways and Means.¹¹ Of the referred bills, 110 (22%) were budget bills referred directly to Ways and Means. The remaining 392 (78%) bills were substantive or non-budget bills. Of the substantive bills in Ways and Means, 123 (31%) received a public hearing and 121 (31%) were reported out.

EDUCATION

HB 2024 (Chapter 573, Oregon Laws 2019) directs the Early Learning Division of the Department of Education (ODE) to administer a “Baby Promise” pilot program to improve access to high quality infant and toddler care for families that are eligible for the Employment Related Day Care program and whose incomes are at or below 200% of federal poverty guidelines. The pilot will be funded with \$8.3 million from the federal Child Care Development Fund which was included in the agency’s budget bill.

HB 2025 (Chapter 646, Oregon Laws 2019) establishes in statute the existing Preschool Promise Program within the Early Learning Division in the Department of Education (ODE). The bill: expands the eligibility requirements for Oregon pre-kindergarten; specifies teaching and funding requirements to participate in the program; establishes a scholarship and grant program to develop early childhood care and education professionals; and sets forth criteria preschool providers must meet to participate in the program. The budget bill for ODE includes General Fund for the Preschool Promise program (\$37.1 million), the OR Prekindergarten program (\$156.4 million) and the Early Head Start program (\$1.7 million). The budget bill for the Student Success Act, HB 5047, includes an additional \$30.8 million for the Preschool Promise program, \$44.4 million for OR Prekindergarten, and \$22.3 million for Early Head Start beginning the second year of the biennium.

HB 2579 (Chapter 590, Oregon Laws 2019) expands the types of entities that may receive grants from the Farm-to-School Grant Program to include Oregon food producers such as farmers, ranchers, and seafood harvesters, and eligibility for centers-based programs for children in the Child and Adult Care Food Program and entities that provide Summer Food Service. The bill directs the Department of

¹⁰ Additional information can be found in a measure’s budget report, an agency budget report, the budget reconciliation bill (i.e., HB 5050), or a fiscal impact statement. This information is available on the Oregon Legislative Information System (OLIS) website. Other information posted on the Legislature’s website includes summaries of major legislation produced by the Legislative Revenue Office and Legislative Policy and Research Office.

¹¹ The average number of measures referred to the Joint Committee on Ways and Means during odd-numbered years since the 2003 biennium is 14% of introduced measures.

Education (ODE) to evaluate the effectiveness of the programs and to ensure that technical assistance and resources are provided to certain entities. An additional \$7.4 million is made available for agricultural product purchases, \$500,000 is available as a transfer to the Department of Agriculture (ODA) for funding for infrastructure and equipment, and the remainder of the \$10.35 million total General Fund appropriation is for education, training, technical assistance, and program administration.

HB 2910 (Chapter 596, Oregon Laws 2019) extends the eligibility for the Oregon Promise Program to individuals under the supervision of the Department of Corrections and the Oregon Youth Authority. The bill appropriates \$200,000 General Fund to the Higher Education Coordinating Commission to cover the additional grants, which are separate and distinct from the Oregon Promise program and will be administered separately.

SB 155 (Chapter 618, Oregon Laws 2019) requires all investigations involving suspected sexual conduct by school employees or other individuals interacting with children in school-related settings to be conducted by either the Teacher Standards and Practices Commission (TSPC) or the Department of Education (ODE). The Department of Human Services (DHS) is required to investigate reports of child abuse tied to school-related settings. In addition, regardless of setting, the bill makes DHS responsible for investigating all third-party reports of child abuse that are not investigated by a law enforcement agency. The bill appropriates \$1.3 million General Fund for 6 positions (4.22 FTE) in ODE, \$1.1 million General Fund and an increase of \$1.2 million Federal Fund limitation in DHS for 13 positions (9.75 FTE), and increases the Other Funds limitation for TSPC by \$525,000 to fund 3 positions (2.25 FTE).

SB 490 (Chapter 679, Oregon Laws 2019) permanently prohibits individuals who are required to report as sex offenders, and individuals who have been the subject of a substantiated report of child abuse in which victim suffered serious harm or death, from providing child care. The bill also expands the list of individuals who are required to be enrolled in the Central Background Registry before providing license-exempt care. The Office of Child Care anticipates an increase in workload related to performing suitability determinations in enrollment and monitoring. If, after the bill is operational, the Office identifies a quantifiable and unmanageable workload directly related to the bill, the agency may seek a budget adjustment.

HUMAN SERVICES

HB 2010 (Chapter 2, Oregon Laws 2019) extends the sunset dates for hospital assessments, insurance premium assessments, and the Oregon Reinsurance Program. The bill increases insurance premium assessments from 1.5% to 2% and expands the assessment to include stop-loss insurance. The bill also specifies that the 2% assessment on premiums received by the Public Employees' Benefit Board is excluded from determining the Board's 3.4% annual increase in per-member expenditures. For the 2019-21 biennium, the bill results in anticipated revenue of \$152.5 million collected by the Department of Consumer and Business Services and \$182 million collected by the Oregon Health Authority related to the changes to insurance premium assessments. This estimated revenue, along with related federal matching funds, will help support the Oregon Health Plan, as well as payments from the Oregon Reinsurance Program to help stabilize health insurance rates and premiums. The bill increases the minimum reimbursement received by the Oregon Health and Science University for providing Medicaid services from 84% to 87% of the university's cost of providing these services. The bill authorizes this increase for the period of July 1, 2019 to July 1, 2025.

HB 2032 (Chapter 202, Oregon Laws 2019) establishes three pilot programs assisting families receiving Temporary Assistance for Needy Families (TANF) services: (1) for the TANF Housing Pilot Program, \$10.5 million in TANF funds will allow the Housing and Community Services Department to provide grants to local housing service providers for longer-term rental assistance and services for families at risk of homelessness; (2) for the Mental and Behavioral Health Pilot Program, \$1.5 million General Fund will pay for Oregon Health Authority grants to coordinated care organizations; and (3) for the Education and Training Pilot Program, \$3.5 million in federal TANF funds will be used by the Department of Human Services (DHS) to administer a pilot program to provide educational opportunities and vocational training. Spending authority for the pilot programs is included in the DHS budget bill, HB 5026, and in HB 5050, the budget reconciliation bill.

HB 2257 (Chapter 583, Oregon Laws 2019) declares substance use disorder (SUD) as a chronic illness, enhances access to SUD medication-assisted treatment, and requires a study on the treatment of people with SUD in the corrections system. The measure also establishes a framework for the adoption of SUD accreditation standards and requires the Oregon Health Authority (OHA) to establish a pilot project in up to four counties to treat pregnant women with SUD. This pilot project is based on the Project Nurture program and allows for the use of peer mentors, doulas, and any SUD treatment necessary during the first year after an infant's birth. The estimated cost of the pilot project in 2019-21 is \$2.5 million General Fund, which is included in OHA's budget bill.

HB 2267 (Chapter 529, Oregon Laws 2019) authorizes the Oregon Health Authority (OHA) to establish a reinsurance program to make payments to coordinated care organizations (CCOs) that face particularly high costs in caring for members who require new, exceptionally costly drugs or treatments. OHA estimates the cost of administering the reinsurance program to be \$1,211,309 total funds and 4 positions (2.42 FTE) for the 2019-21 biennium. These costs will be offset by savings from reduced CCO administrative costs under the current reinsurance program, which has averaged more than \$3 million of savings per year in recent years.

HB 2508 (Chapter 589, Oregon Laws 2019) appropriates \$2 million General Fund, on a one-time basis, to the Department of Human Services (DHS) for grant awards to eligible refugee resettlement agencies providing services to refugees who reside in Oregon. The bill directs DHS to send \$200,000 from the appropriation to an employment services provider that is an established culturally responsive organization providing employment and workforce development services to refugees.

HB 2600 (Chapter 592, Oregon Laws 2019) requires long term care facilities, conversion facilities, and residential care facilities providing care to six or more residents to adopt protocols and procedures for preventing and reporting communicable disease outbreaks. The bill requires the Department of Human Services to conduct annual onsite inspections of facilities' kitchens and food preparation areas; the agency is also authorized to charge a fee for inspections conducted outside of a legally required facility survey. The budget bill for DHS, HB 5026, included \$270,759 total funds (\$135,591 Other Funds and \$135,168 Federal Funds) and 3 positions (1.14 FTE) to implement this bill.

HB 2849 (Chapter 594, Oregon Laws 2019) limits the circumstances under which a child may be placed into protective custody by the Department of Human Services (DHS), or others, without a protective custody order from the court. While this will result in consistent, statewide application of the updated (tighter) standards for removal, the bill is not expected to drive a significant increase in requests for protective custody orders. DHS will monitor the impact of this bill on the child welfare division and

collect data on protective custody order requests. The bill's fiscal impact is indeterminate; DHS may incur additional costs if there are more requests for Department of Justice (DOJ) assistance, but also may see cost savings from fewer removals. Any fiscal impacts on DOJ, as counsel to DHS, or on the Judicial Department, are contingent on DHS actions in response to this bill.

HB 3165 (Chapter 601, Oregon Laws 2019) directs the Oregon Health Authority (OHA), in consultation with the Department of Education, to select 10 school districts or education service districts to receive planning grants and technical assistance in evaluating the need and developing a plan for school-based health services, which must include an alternative model to the school-based health center model. The alternative approach should focus on services for a specific community need; must involve a partnership with a coordinated care organization, a federally qualified health center, a local public health authority, or another major medical sponsor; and must identify a process for billing insurance, medical assistance, or another third-party payer, or identify other funding for the cost for services. The bill appropriates \$950,000 General Fund to the OHA Public Health Division for the 2019-21 biennium to fund 10 planning grants at \$95,000 each.

HB 3183 (Chapter 602, Oregon Laws 2019) modifies statutes related to the Temporary Assistance for Needy Families (TANF) program at the Department of Human Services. This includes the clean-up of TANF redesign statute changes made in 2007 that have been suspended each biennium since then due to funding, caseload, and other changing program dynamics. The bill's fiscal impact results in cost avoidance of \$12.2 million General Fund due to the removal of the 2007 requirements, which is assumed in the agency's budget bill, HB 5026.

HB 3413 (Chapter 504, Oregon Laws 2019) allows the Long Term Care Ombudsman to hire up to 10 deputy ombudsmen; the additional program capacity is expected to support enough volunteers to cover 100% of long term care facilities. The bill appropriates \$575,670 General Fund to cover the cost of adding 3 more deputies to the 7 already authorized in the budget.

SB 1 (Chapter 616, Oregon Laws 2019) establishes the 25-member System of Care Advisory Council to improve the effectiveness of state and local systems of care and develop a data dashboard for youth served by state agencies. The bill also provides the framework for establishing interdisciplinary assessment teams to provide evaluation and stabilization services to youth who need specialized treatment but are placed in hotels, out-of-state facilities, emergency departments, and other settings away from their homes or communities. The total funds impact in 2019-21 is \$8.6 million, which includes \$6.7 million General Fund. Of the General Fund amount, \$1 million is appropriated to the Oregon Health Authority to support the Advisory Council and \$5.7 million is included as a special purpose appropriation for distribution by the Emergency Board for interdisciplinary assessment teams.

SB 22 (Chapter 536, Oregon Laws 2019) amends statutes relating to the Patient-Centered Primary Care Home program to include behavioral health homes, requiring the Oregon Health Authority (OHA) to establish a program to identify, monitor, and regulate behavioral health homes. The budget bill for OHA includes \$560,500 total funds (\$325,054 General Fund and \$235,446 Federal Funds) and 2 positions (1.76 FTE) for this program.

SB 23 (Chapter 537, Oregon Laws 2019) authorizes the Oregon Health Authority (OHA) to obtain discharge records from hospitals, ambulatory surgical centers, and extended stay centers. The measure permits OHA to charge fees to ambulatory surgical centers to defray the costs of compiling and

abstracting these records. The measure also allows OHA to contract with a third party to receive and process these records. The budget bill for OHA includes \$150,000 General Fund to contract with an outside vendor to compile, process, and abstract discharge data from required entities.

SB 27 (Chapter 509, Oregon Laws 2019) restructures the schedule of fees paid by water suppliers to support the regulation of public drinking water systems by the Oregon Health Authority (OHA). The change in fee structure is expected to increase fee revenue by \$1.9 million in the 2019-21 biennium. OHA will use the increased revenue to support five additional positions to improve its ability to adequately monitor the safety of Oregon's drinking water and respond to detection of contaminants. The additional revenue will also allow OHA to increase support for local public health authorities performing drinking water safety inspections.

SB 28 (Chapter 510, Oregon Laws 2019) increases statutorily-defined licensing and inspection fees related to tourist facilities, public spas and pools, bed and breakfasts, restaurants and vending machines, and for plan reviews for restaurant construction or remodeling. The Public Health Division of the Oregon Health Authority (OHA) delegates most of the related licensing and inspection work to local public health authorities (LPHAs), which collect the fees to support their program costs. The Public Health Division directly performs the work when LPHAs transfer their public health authority status to OHA. The impact of the fee increases on the OHA budget is expected to be \$64,450 in 2019-21.

SB 138 (Chapter 544, Oregon Laws 2019) re-establishes the Mental Health Clinical Advisory Group within the Oregon Health Authority (OHA) and expands the group from 15 to 18 members. The group is responsible for creating algorithms for mental health treatments to help standardize treatment decisions and improve access to effective therapies. The OHA budget bill includes an increase in total funds of \$718,544, of which \$396,907 is General Fund, to implement this bill.

SB 171 (Chapter 619, Oregon Laws 2019) creates a statutory framework for the Department of Human Services (DHS) to operate child welfare programs consistent with the federal Family First Prevention Services Act, which reforms federal financing streams to pay for services to families that are at risk of entering the child welfare system. The Act limits federal funding for children who are placed in a setting that is not a foster family home unless the setting is a qualified residential treatment program (QRTP). The measure primarily affects DHS but also involves courts and the Oregon Youth Authority (OYA), which uses many of the same residential service providers. The bill has an indeterminate, but likely minimal, fiscal impact specifically related to reporting and agencies' work around developing potential impacts of the QRTP model. Changes that residential providers will need to make to meet QRTP requirements may drive future rate increases or require financial assistance for accreditation, and time limits around certain placements may mean an additional cost to cover temporary lodging for some children; these costs cannot currently be quantified.

SB 491 (Chapter 551, Oregon Laws 2019) transfers funds in the Fairview Trust, from the Department of Human Services (DHS) to the Oregon Community Foundation on January 1, 2020; the transfer amount is projected to be approximately \$6.3 million. The bill also establishes foundation reporting requirements regarding use of funds; expenditures are authorized to help meet housing needs of people experiencing intellectual and developmental disabilities. An expenditure advisory group will consult on the management of funds. This bill permanently removes a potential revenue source from the DHS budget.

SB 526 (Chapter 552, Oregon Laws 2019) requires the Oregon Health Authority (OHA) to establish a voluntary universal nurse home visiting program to support child development and strengthen families. The home visiting services are available to all families in Oregon with newborns and offer at least one visit during the newborn's first three months. The bill requires health benefit plans to reimburse the cost of these services without cost-sharing for families who choose to receive them. The OHA budget bill includes \$1.6 million total funds, of which \$1.4 million is General Fund, to establish the program.

SB 669 (Chapter 680, Oregon Laws 2019) makes changes to the licensing, inspection, and regulation of in-home care agencies, which provide services to assist individuals with daily needs. The bill directs the Oregon Health Authority (OHA) to establish training requirements for the workers who provide these services and authorizes OHA to deny or revoke the license of an in-home care agency for failure to comply with the training requirements or employment and wage laws. The measure also accelerates OHA's on-site inspection cycle of in-home care agencies from once every three years to once every two years. Additionally, the measure requires the Department of Human Services to develop recommendations for methods to assess and monitor services provided by home care workers. The OHA budget bill includes \$524,587 General Fund and Federal Funds expenditure limitation of \$125,000 Federal Funds for 4 positions (1.64 FTE).

SB 889 (Chapter 560, Oregon Laws 2019) creates the Health Care Cost Growth Benchmark program to ensure statewide health care costs grow at a sustainable level. To achieve this, the program is responsible for establishing a benchmark for the annual rate of growth of health care expenditures across all payers and providers in Oregon. The bill also creates an implementation committee to design the benchmark program and make recommendations to the Legislature. The bill includes a General Fund appropriation of \$993,797 in OHA to support the costs of the program.

SB 994 (Chapter 631, Oregon Laws 2019) requires the person who receives a child into protective custody to request a criminal records check from the Department of Human Services (DHS) on the noncustodial parent and all adults in the home prior to releasing the child to the noncustodial parent. The bill has an indeterminate fiscal impact; if, after the bill is operational, the agency identifies unmanageable workload and/or cost changes directly related to this bill, DHS will notify the Legislature.

PUBLIC SAFETY AND JUDICIAL BRANCH

HB 2328 (Chapter 530, Oregon Laws 2019) modifies the mental state necessary to prove the crime of Unlawful Use of a Vehicle, allowing conviction upon proof that the defendant was aware of and consciously disregarded a substantial and unjustifiable risk that the owner did not consent to use the vehicle. Passengers may also be convicted if it is proved they knew that the owner of the vehicle did not consent to its use. A special purpose appropriation of \$1 million was included for distribution by the Emergency Board for costs that may be incurred by the Public Defense Services Commission or the Department of Corrections related to prosecutions or convictions pursuant to this bill.

HB 2515 (Chapter 489, Oregon Laws 2019) requires correctional facilities to provide a range of sanitary products to adults in custody at no cost, and to keep a sufficient supply of such products on hand. The bill appropriates \$102,108 General Fund to the Department of Corrections to cover the cost of supplies.

HB 2631 (Chapter 481, Oregon Laws 2019) directs the Department of Corrections and the Criminal Justice Commission to establish a pilot program at the Coffee Creek Correctional Facility to provide legal

services to women in custody addressing employment, housing, benefits, and other issues related to their re-entry into the community. The measure appropriates \$800,000 General Fund to the Criminal Justice Commission for a grant to the Oregon Justice Resource Center to hire three attorneys for the pilot program, and it instructs both agencies to evaluate the efficacy of the pilot program and report results to the Legislature.

HB 3064 (Chapter 598, Oregon Laws 2019) makes changes to the Justice Reinvestment Grant Program administered by the Criminal Justice Commission (CJC) to improve the equity in allocation of Justice Reinvestment grant funds. The bill appropriates \$110,000 General Fund to CJC on a one-time basis to conduct a required assessment of county use of state prison capacity.

SB 488 (Chapter 550, Oregon Laws 2019) directs the Department of Corrections (DOC) to offer each adult in custody an appointment to receive a free flu vaccination during the medically accepted standard timing for immunization against the flu virus. The adult in custody may decline the offer. The bill appropriates \$114,181 General Fund to DOC to purchase a sufficient supply of flu vaccinations.

SB 577 (Chapter 553, Oregon Laws 2019) makes changes to the crime of intimidation, including renaming it “bias crime,” and defining a “bias incident”; requires that data collected on bias crimes and bias incidents by the Department of State Police, district attorneys and the Department of Justice be reported to and analyzed by the Criminal Justice Commission; and creates a Hate Crimes Response Coordinator in the Department of Justice to receive and respond to calls regarding bias crimes. The bill appropriates \$46,453 General Fund and provides limitation of \$201,380 Federal Funds to hire an Operations and Policy Analyst 3 at the Department of Justice and appropriates \$235,476 General Fund to the Criminal Justice Commission for a Research Analyst 4. The costs to the Department of State Police and local district attorney offices are anticipated to be minimal.

SB 643 (Chapter 516, Oregon Laws 2019) removes a statutory cap on the total amount of money that can be disbursed through the Fuel Storage Facility Compatibility Grant program administered by the Office of Emergency Management. This grant program provides grants to cardlock facilities to install generator connectors to their fuel storage tanks, to provide access to fuel in emergencies. The bill removes a cap on the size of the grants, and clarifies that funds provided for the program by the Emergency Board in 2018 be deposited into the Fuel Storage Facility Compatibility Fund for the program’s use.

SB 973 (Chapter 563, Oregon Laws 2019) establishes the Improving People’s Access to Community-based Treatment, Supports and Services program within the Criminal Justice Commission. The grant program will provide funding to counties, tribal nations, and regional consortiums to strengthen local and regional supports and services for people with serious mental illnesses and substance addictions with the goal of reducing arrests, jail bookings, emergency department visits, and state hospital admissions. The bill provides \$10 million for grants, which includes \$300,000 for research and analysis of the grant program’s outcomes. The Grant Review Committee established by the bill will also explore policy options for consideration by the Legislature in 2020.

ECONOMIC AND COMMUNITY DEVELOPMENT

HB 2001 (Chapter 639, Oregon Laws 2019) requires most local governments to accommodate “middle housing” (e.g. duplexes, triplexes, quadplexes, cottage clusters, and townhouses). Cities and counties of

a certain size are directed to update their land use regulations or amend comprehensive plans to allow for middle housing. The Department of Consumer and Business Services is directed to establish standards for a municipality to allow alternate approval of construction that converts a single-family dwelling into four or fewer residential dwelling units. The bill appropriates \$3.5 million General Fund to the Department of Land Conservation and Development to provide technical assistance to local governments to assist with the adoption of regulations or amendments to comprehensive plans.

HB 2003 (Chapter 640, Oregon Laws 2019) appropriates \$1 million General Fund to the Department of Land Conservation and Development for the purpose of providing technical assistance grants to local governments for housing production strategies. The bill also appropriates \$655,274 General Fund to the Housing and Community Services Department to develop a methodology for calculating and conducting a detailed regional housing needs analysis.

HB 2006 (Chapter 641, Oregon Laws 2019) appropriates \$3 million General Fund to the Housing and Community Services Department for grants to support or develop programs that provide tenant education service for low-income tenants; fair housing training for tenants and landlords; technological solutions, such as phone applications, for finding and locating available housing; and other education or services for low-income tenants, prospective tenants, and landlords who serve them. An additional \$3 million General Fund is appropriated to the Department of Justice for housing assistance for victims of domestic violence and sexual assault.

HB 2201 (Chapter 527, Oregon Laws 2019) establishes the Veteran Educational Bridge Grant Program at the Department of Veterans' Affairs. Grants of up to \$5,000 may be awarded to veterans who are pursuing and enrolled in an approved course of study, eligible to receive federal financial assistance based on prior service in the U.S. Armed Forces, and unable to complete a degree program within the expected completion period due to course availability. The bill provides \$300,000 Lottery Funds expenditure limitation for program grants and an additional \$147,719 for the establishment of a Program Analyst 1 position to conduct outreach and administer the program.

HB 2202 (Chapter 528, Oregon Laws 2019) directs the Bureau of Labor and Industries to develop and administer a program to conduct outreach to residents of Oregon who served in the Oregon National Guard or a reserve component of the armed forces to inform them about trade careers and connect interested individuals with available apprenticeship opportunities. An allocation of \$250,000 Lottery Funds from the Veteran's Service Fund (Ballot Measure 96) is provided to the Bureau of Labor and Industries to carry out the provisions of the measure.

HB 2173 (Chapter 648, Oregon Laws 2019) repeals the sunset date on the Oregon Broadband Advisory Council and creates the Oregon Broadband Office within the Oregon Business Development Department (OBDD). The Office is charged with supporting broadband infrastructure deployment, including awarding and managing funds allocated to OBDD for use by the office to support broadband projects. The bill increases Lottery Funds expenditure limitation by \$178,180 and Other Funds expenditure limitation by \$764,939 and adds four permanent positions (3.25 FTE) to establish the Broadband Office. Lottery Funds allocated from the Administrative Services Economic Development Fund will support the first six months of the Broadband Office costs. Other Funds that would have been available from transfers to the Broadband Fund, established in HB 2184 (2019), were anticipated to support costs for the remainder of the biennium; however, HB 2184 was not passed by the Legislature during the 2019 session, resulting in

a lack of funding for broadband project awards and costs to support the Broadband Office for the remaining 18 months of the 2019-21 biennium.

HB 2896 (Chapter 595, Oregon Laws 2019) creates a loan program at the Housing and Community Services Department for non-profit corporations to support manufactured dwelling park preservation and affordability for tenants. The bill establishes a loan program to assist manufactured home owners with replacing older less efficient homes and creates a grant program for decommissioning and disposing of dwellings. An advisory committee on manufactured housing is created, and an infrastructure grant for a dwelling park in Springfield, Oregon is also funded. The bill appropriates \$15 million General Fund to the Housing and Community Services Department toward these efforts: (1) \$9.5 million to seed the preservation and affordability loans; (2) \$2.5 million for manufactured dwelling replacement, decommissioning, and for advisory committee expenses; and (3) \$3 million for infrastructure development at a manufactured dwelling park in Springfield Oregon. Other Funds in the amount of \$5.5 million is transferred to the Manufactured Home Preservation Fund for the replacement, decommissioning, and infrastructure efforts outlined in the bill.

SB 586 (Chapter 625, Oregon Laws 2019) changes manufactured dwelling park statutes and adds marinas and floating homes to Housing and Community Services Department oversight. The Department is directed to establish a Manufactured and Marina Communities Dispute Resolution Advisory Committee to advise the Department on mediation and grantmaking. This measure increases the Housing and Community Services Department's Other Funds limitation by \$193,314. Funds will be used to hire a Program Analyst 2 to perform outreach to parks and marinas, and to increase payments to community dispute resolution centers for mandatory mediation.

CONSUMER AND BUSINESS SERVICES

HB 2706 (Chapter 593, Oregon Laws 2019) directs the Department of Consumer and Business Services (DCBS) to contract with a vendor to: (1) evaluate the feasibility of administering a program to provide oral health care to low-income citizens of Pacific Islands in Compact of Free Association (COFA) who reside in Oregon and lack access to affordable dental coverage by conducting a study to determine the needs of low-income COFA citizens residing in Oregon; (2) issue a request for information to prepaid managed care health services organizations and coordinated care organizations operating in Oregon to gauge the interest of dental care organizations in providing oral health care to COFA citizens; and (3) obtain estimates of the cost to contract with dental care organizations to provide oral health care to COFA citizens. DCBS must report to the Legislature the findings from the study and an estimate of the cost for administering this program by April 15, 2020. The bill includes a onetime appropriation of \$99,319 General Fund for DCBS for one half-time limited duration position (0.25) FTE for 12 months and a contract with a vendor to conduct the demographic study.

SB 883 (Chapter 557, Oregon Laws 2019) removes cities and counties as the enforcing entity for animal rescue facilities and transitions the responsibilities to the State Veterinarian, within the Department of Agriculture. ODA is permitted to charge a fee and issue annual licenses to support the agency's inspection and enforcement costs for rescue facilities. The bill has a fiscal impact of 2 positions (1.50 FTE) and \$316,133 General Fund and \$114,168 Other Funds in the 2019-21 biennium.

NATURAL RESOURCES

HB 2084 (Chapter 482, Oregon Laws 2019) extends the sunset date for the Water Resources Department grant program for place-based integrated water resources strategies. Funding for the program is included in the budget bill for the Water Resources Department.

HB 2209 (Chapter 581, Oregon Laws 2019) requires railroads that own or operate a high hazard train route to have an oil spill prevention and emergency response plan approved by the Department of Environmental Quality (DEQ). Railroads required to submit these plans must pay a fee, capped in statute at five hundredths of one percent of gross operating revenues derived from within Oregon. The owner of the oil must pay the Department of Revenue a fee, capped at \$20 per rail car loaded with oil, for transport through Oregon. The fee revenue will be used to fund additional positions at DEQ and the Office of the State Fire Marshal. The costs to DEQ are anticipated to be \$461,394 Other Funds and 2 positions (1.25 FTE), which are included in the Department's budget bill (HB 5017). Due to uncertainty on the timing of anticipated revenue, the State Fire Marshal may return to the Legislature to request limitation and position authority.

HB 2436 (Chapter 652, Oregon Laws 2019) increases Other Funds expenditure limitation for the Department of State Lands (DSL) by \$355,776 and adds two limited duration positions (1.50 FTE) to develop a legislative proposal for partial assumption of the authority to administer permits for the discharge of dredge or fill materials under section 404 of the Federal Water Pollution Control Act.

HB 2437 (Chapter 699, Oregon Laws 2019) provides exceptions to permitting by the Department of State Lands for removal or fill activities for conducting maintenance of a traditionally maintained channel. The measure requires a person to file notice with the Department of Agriculture who will then notify the Department of Fish and Wildlife. Both agencies are authorized to conduct site visits and make recommendations. The measure provides \$251,043 General Fund and 1 position (0.88 FTE) to the Department of Agriculture and \$202,433 General Fund and 1 position (0.88 FTE) to the Department of Fish and Wildlife to oversee the notification review process and conduct site visits.

HB 2444 (Chapter 588, Oregon Laws 2019) directs the Oregon Department of Education (ODE) and the Oregon Future Farmers of America (FFA) Association to coordinate to increase student achievement and improve graduation rates, college preparation, and career placement for students enrolled in secondary agricultural courses. The bill appropriates \$1.43 million General Fund to be expended for the Oregon FFA Association for a variety of activities including: (1) assist in enrolling students in grades 9 through 12 in a school agricultural education program for a minimum of one course per school year of an approved agriculture, science, and technology program of study as a member of the National FFA Organization; (2) provide support for leadership development and training; (3) coordinate at least 24 state-level competitive events; and (4) provide general and financial activities of the FFA programs. Another \$600,000 General Fund is appropriated for grants to school districts for extended duty contracts allowing personnel to manage approved agricultural sciences and technology programs during summer months between school years.

HB 2574 (Chapter 654, Oregon Laws 2019) includes three separate but related provisions regarding shellfish resources in Oregon. First, the bill appropriates \$200,000 General Fund to the Department of Land Conservation and Development to receive, consolidate, and organize public records of federal, state, or local governments concerning shellfish mariculture in Oregon, to arrange those materials into a

suitable format for stakeholder access, and to make that information publicly accessible. Second, the bill requires prospective applicants for the cultivation of oysters, clams, or mussels to participate in a preapplication conference with the Department of Agriculture and other appropriate local, state, and federal agencies at least 30 days prior to the filing of an application and appropriates \$200,000 from the General Fund to the Department for work related to the preapplication conferences. Third, the bill requires the Department of Fish and Wildlife (ODFW) to establish and administer a program for community outreach and education regarding opportunities for the recreational harvest of shellfish and requires ODFW to cooperate with Indian Tribes and the Department of State Police in an effort to enhance enforcement of commercial and recreational shellfish catch limits. The measure appropriates \$160,000 from the General Fund to ODFW for administration and enforcement of the program.

HB 2618 (Chapter 655, Oregon Laws 2019) directs the Department of Energy (DOE) to administer a program to provide rebates for the purchase, construction, or installation of a solar electric system. The rebates can be claimed by a contractor that installs an eligible system for a residential customer or a low-income service provider. The contractor must use the full cost of the rebate to reduce the net cost to the customer. A one-time General Fund appropriation of \$2 million is included in HB 5050 for the rebate program. Of that \$2 million, \$1.5 million will be for rebates and \$500,000 for administration. DOE anticipates hiring three limited duration positions to assist with program establishment, implementation, and oversight.

HB 2829 (Chapter 531, Oregon Laws 2019) establishes the Oregon Conservation and Recreation Fund within the Department of Fish and Wildlife for carrying out activities that serve to protect, maintain, or enhance fish and wildlife resources in Oregon. The measure also establishes the Oregon Conservation and Recreation Advisory Committee to make recommendations on the use of the money in the fund. The bill establishes a \$1 million General Fund special purpose appropriation to the Emergency Board. This money is set aside for the 2019-21 biennium and can be released to the Department of Fish and Wildlife if \$1 million of private funds from non-state or federal sources are received as match. If matching funds are received, the Department may return to the Legislature for any necessary limitation or position authority. If matching funds are not received, the money in the special purpose appropriation is returned to the General Fund at the end of the 2019-21 biennium.

HB 3273 (Chapter 659, Oregon Laws 2019) requires certain specified manufacturers to use program operators to participate in a drug take-back program. Covered manufacturers must pay all costs associated with participating in a drug take-back program. A program operator of a drug take-back program must be organized as an entity that is exempt from income taxes under section 501(c)(3) of the Internal Revenue Code. The Department of Environmental Quality (DEQ) and the Oregon Board of Pharmacy are responsible for ensuring compliance with the drug take-back program, with DEQ authorized to assess fees to pay for the costs of administering the program. The DEQ budget includes Other Funds expenditure limitation of \$258,202 and 2 positions (0.94 FTE) to cover administrative costs related to this program.

SB 40 (Chapter 457, Oregon Laws 2019) increases the annual license fees for businesses and individuals engaged in heating oil tank services and modifies the certification fee for corrective actions into a tiered system based on the complexity of the necessary action. The revenue from the annual license fees fund the Department of Environmental Quality's Underground Storage Tank Program and have not been changed since the program was established in 1999. The certification fees were last raised in 2007. Current revenue is not sufficient to support the four existing positions within the program. The increases

are expected to generate \$383,959 Other Funds in the 2019-21 biennium, which will allow the Department to fully fund the current program.

SB 41 (Chapter 540, Oregon Laws 2019) establishes two new fees and increases existing oil spill prevention fees charged by the Department of Environmental Quality (DEQ) to offshore and onshore petroleum facilities, vessels, and pipelines. Fee revenue is used to fund DEQ's Oil Spill Prevention and Contingency Planning Program. This measure will increase Other Funds revenue by \$1.1 million in 2019-21. The DEQ budget includes 1 position, an Information Systems Specialist 5, at an estimated cost of \$224,097 Other Funds, funded by the fee revenue from this bill.

SB 98 (Chapter 541, Oregon Laws 2019) requires the Public Utility Commission (PUC) adopt rules to encourage natural gas utilities to invest in renewable natural gas infrastructure. The PUC will establish renewable natural gas reporting requirements and processes for recovery of prudently-incurred infrastructure investments for large and small natural gas utilities. The bill allows the PUC to use an automatic adjustment clause for recovery of qualified investments by large natural gas utilities.

SB 884 (Chapter 558, Oregon Laws 2019) expands qualified uses of the Clean Water State Revolving Fund, which is administered by the Department of Environmental Quality. The fund currently provides below-market rate loans for water pollution control activities. This bill would expand the eligible use of monies in the Fund to allow certified community development financial institutions to receive monies from the fund in order to finance projects to repair or replace failing on-site septic systems. In the past, demand for onsite septic loans has far exceeded available funding. By expanding the eligible use of the Clean Water State Revolving Fund, there should be a larger pool of available funding for onsite septic loans to better meet demand.

TRANSPORTATION

HB 2007 (Chapter 645, Oregon Laws 2019) extends the authorized uses of monies from the Volkswagen Environmental Mitigation Trust Agreement and authorizes the Department of Environmental Quality (DEQ) to adopt rules for certification of approved retrofit technologies to diesel engines as part of the registration and titling requirements. The measure also allows DEQ to adopt rules for a voluntary emissions control label program. The bill appropriates \$407,718 General Fund to DEQ for two permanent full-time positions (1.66 FTE) to lead rulemaking and development of the certification program and the voluntary label program. Additional positions may be required to fully implement these programs as the rulemaking process progresses.

HB 2015 (Chapter 701, Oregon Laws 2019) requires the Department of Transportation, Driver and Motor Vehicle Division (DMV), to issue regular (non-Real ID) driver licenses, instruction permits, or identification cards to applicants without requiring proof of lawful status in the United States. Applicants will pay the regular fee required for the document they are seeking and must present proof of age, identity, and Oregon residency. The bill provides \$4,264,589 for 68 limited duration positions (25.92 FTE) and development of an outreach program to inform eligible applicants.

HB 2352 (Chapter 651, Oregon Laws 2019) establishes a Towed Watersports Program within the Oregon State Marine Board for the Newberg Pool Congested Zone. The Marine Board is authorized to collect a fee, estimated at \$124, for the issuance and renewal of a two-year towed watersports endorsement decal. Fees collected must support the costs of administering and implementing the program and to

assist with paying the costs of law enforcement activities related to towed watersports. The bill provides \$124,001 Other Funds expenditure limitation to the Marine Board for a Program Analyst 2 (0.50 FTE) to develop the towed watersport education program and administer the endorsements.

SB 47 (Chapter 507, Oregon Laws 2019) establishes new fees on nonmotorized boats over ten feet, dedicating the revenues to the Waterway Access Fund within the Oregon State Marine Board for the purpose of awarding grants to fund land acquisition for construction and maintenance of boating facilities that serve non-motorized boaters; grants to public bodies, tribal governments, and non-profit boater safety education courses; and for purchasing equipment to use for projects that reduce barriers to under-served communities. The bill establishes a new one-week waterway access permit which would dedicate \$1 of every permit sale to the Aquatic Invasive Species Prevention Fund. The bill establishes a two-year fee of \$30 per boat, a one-year fee of \$17 per boat, and a weekly fee of \$5 per boat. The bill will generate an estimated \$1.4 million Other Funds per biennium. The Marine Board must also submit two reports regarding the implementation of this legislation to the Legislative Assembly no later than September 15, 2020; and the second no later than September 15, 2021.

SB 792 (Chapter 630, Oregon Laws 2019) makes several changes to the current Department of Transportation auto dismantler program, including reducing the certification period from three years to one, lowering the fee from \$800 to \$500, requiring a fire response plan approved by ODOT, and proof of any applicable permits required by the Department of Environmental Quality. In addition, local governments are required to notify all property owners that are or will be adjacent to a dismantling business before the business moves, expands, or opens an additional location prior to issuing the supplemental certificate. ODOT received an increase in Other Funds expenditure limitation of \$160,183 in its budget bill and 0.75 FTE to support the changes in this measure.

SB 1051 (Chapter 687, Oregon Laws 2019) establishes a tax credit program to mitigate the carbon price indirectly paid through the purchase of fuel used to operate passenger vehicles. Individuals will be able to apply for this credit on their personal tax return. It also creates a refund program – administered by the Department of Transportation – for fuels used for the production, management, and transportation of agricultural and forestry products.

ADMINISTRATION

HB 2998 (Chapter 597, Oregon Laws 2019) requires the Secretary of State to make business filing forms available in five of the most commonly spoken languages in Oregon. The bill increases the Secretary of State's Other Funds limitation by \$50,000 to cover translation costs for 70 business filing forms.

HB 3136 (Chapter 600, Oregon Laws 2019) creates a pilot program under which the Department of Revenue (DOR) will collect local lodging taxes for participating governments. DOR's startup costs are funded by diverting to DOR, on a one-time basis, a collection discount retained by transient lodging intermediaries for administering lodging taxes. The measure also directs DOR to contract with a private vendor to collect online data for a small pilot program to enhance local and, possibly, state transient lodging tax compliance. The measure provides \$574,533 Other Funds expenditure limitation and one limited duration position to implement the measure.

SB 116 (Chapter 674, Oregon Laws 2019) outlines requirements in the event that a measure passed by the Legislature this session is referred to voters by referendum petition. Specifically, the measure provides that if HB 3427 is referred, then a special election is to be held on January 21, 2020. For special elections, the Secretary of State incurs administrative costs and reimburses counties for the costs of the election. Based on previous special elections, the Secretary of State estimates costs of about \$3.5 million General Fund for a special election in January 2020.

SB 454 (Chapter 678, Oregon Laws 2019) transfers administration of the Uniform Disposition of Unclaimed Property Act, unclaimed estates, and escheated property and funds from the Department of State Lands to the State Treasurer with an operative date of July 1, 2021.

SB 861 (Chapter 638, Oregon Laws 2019) requires the state to pay postage costs for ballots returned by mail for all elections in Oregon. Voters will also have the option to continue to return their ballot to ballot drop sites, at no additional cost to the state. The cost to the state of prepaid postage for ballots will vary. Factors influencing costs could include voter turnout, how many voters return ballots by mail, and the size of the ballot. The measure includes a General Fund appropriation of \$1.7 million to the Secretary of State for implementation. A special purpose appropriation of \$1.1 million is included in HB 5050 (2019) for distribution by the Emergency Board to the Secretary of State in the event the costs of prepaid postage for ballots exceed budgeted election expenditures.

LEGISLATIVE BRANCH

HB 3377 (Chapter 604, Oregon Laws 2019) creates the Joint Committee on Conduct as a standing legislative committee and the Legislative Equity Office as an independent, nonpartisan office of the Legislative Assembly. The measure specifies the duties of the Committee, including adoption of respectful workplace policies and the provision of policy direction and oversight of the Legislative Equity Office. Responsibilities of the Equity Office are specified, including provision of confidential process counseling, respectful workplace training, and contracting with an independent investigator to receive complaints and conduct investigations. The bill includes an appropriation of \$1,393,318 General Fund for the costs of the new legislative office.

OTHER

Bills Establishing Task Forces, Work Groups, Advisory Councils

Of the 392 referred substantive or non-budget bills, 25 (6%) established a task force or advisory work group. Of these 25 bills, 4 (16%) received a public hearing and 2 (8%) were reported out by the Joint Committee on Ways and Means.

HB 2346 (Chapter 586, Oregon Laws 2019) establishes the 17-member Task Force on Access to Quality Affordable Child Care to: (1) study why eligible families are not using child care subsidies and make recommendations on how to increase eligible families' use of child care subsidies; and (2) study and make recommendations on how to expand access to high-quality, subsidized child care for families that currently are not eligible for subsidized child care and cannot otherwise afford or access child care. The bill appropriates \$235,857 of General Fund to the Early Learning Division within ODE to partner with the Oregon Child Care Research Partnership (OCCRP) at Oregon State University to conduct studies and prepare reports to support the task force.

SB 770 (Chapter 629, Oregon Laws 2019) establishes a 20-member Task Force on Universal Health Care, charged with recommending the design of the Health Care for All Oregon Plan. The program will be administered by the Health Care for All Oregon Board. This plan would be publicly funded, equitable, affordable, comprehensive, and provide high-quality care to all Oregon residents. The task force must submit to the 2021 Legislative Assembly a report of its findings and recommendations for the design of the Health Care for All Oregon Plan and the Health Care for All Oregon Board. The bill will sunset on January 2, 2022. The bill also directs the Oregon Health Authority (OHA) to develop a plan for a Medicaid Buy-In program or public option to provide an affordable health care option to all Oregon residents. The bill appropriates \$1,174,816 General Fund to the OHA for the 2019-21 biennium to support the Task Force on Universal Health Care, as well as to develop a plan for a Medicaid Buy-In program to provide an affordable health care option to all Oregon residents.

Appendix A

2019-21 Capital Construction Projects

Higher Education Coordinating Commission – Community Colleges

The Legislature approved three new capital projects and reauthorized eight capital projects approved in prior biennia for community colleges to finance total project costs of \$80,606,991. Other Funds Capital Construction six-year expenditure limitation of \$24,860,000 was added to the budget of the Higher Education Coordinating Commission (HECC) for the three new community college projects and an increase in one reauthorized project. Projects are funded with proceeds from the issuance of Article XI-G general obligation and lottery revenue bonds and will be disbursed as grants pursuant to grant agreements between HECC and each community college. The approved projects are listed below.

Blue Mountain Community College – Facility for Agricultural Resource Management (FARM) Phase 2: \$5,000,000 (Article XI-G bonds) was reapproved and an additional \$1,500,000 (Article XI-G bonds) and \$6,500,000 (Lottery bonds) was approved to design and construct a new facility to support animal science programs, including veterinary assistant/technician, equine, and the livestock judging and rodeo teams. The constitutionally required match for the Article XI-G bonds is expected to be provided from the lottery revenue bond proceeds authorized for the project.

Central Oregon Community College – Classroom Building Redmond Campus: \$8,000,000 (Article XI-G bonds) was approved to construct a new 30,000 sq. ft. classroom building on the Redmond campus. The facility will include science and computer laboratories, classrooms, student study areas, and support spaces. In addition, the project will include instructional technology and technology infrastructure. The community college will provide the constitutionally required match for the Article XI-G bonds through various sources, which may include a local bond levy, capital campaign donations, and/or grant proceeds.

Clatsop Community College – Maritime Science Building: \$7,996,994 (Article XI-G bonds) was reapproved to purchase currently leased Marine and Environmental Research Training Station (MERTS) campus land, renovate the existing science building, and construct a new Maritime Science Building on the MERTS campus, which will include classrooms, laboratories, and expanded faculty and support space. The community college will provide the constitutionally required match for the Article XI-G bonds through various funding options, including bonds and a capital campaign.

Klamath Community College – Apprenticeship and Industrial Trades Center: \$3,910,000 (Article XI-G bonds) was approved to construct a new 19,050 sq. ft. Apprenticeship and Industrial Trades Center that will consolidate trade-related programs in a centralized location. The project will include shop space for apprenticeship programs such as electrical, plumbing, and industrial occupations along with Career Technology Education (CTE) programming space for fire sciences and emergency medical operations. In addition, the facility will include inside and outside storage areas as well as paved and gravel space for truck and fire engine driving practice. The community college will provide the constitutionally required match for the Article XI-G bonds through grants and/or donations.

Lane Community College – Health Care Village Facility: \$8,000,000 (Article XI-G bonds) was reapproved to construct a new facility on the main campus for the dental clinic, dental laboratory, medical office assistant, faculty offices, and support spaces. This facility is expected to provide sufficient space for program consolidation, sterilization, student workspace, and modern equipment/technology for the dental programs. The community college will provide the constitutionally required match for the Article XI-G bonds through a local bond levy and/or private fundraising.

Mt. Hood Community College – Maywood Park Center: \$8,000,000 (Article XI-G bonds) was reapproved to construct a new 60,000 sq. ft. building, the Maywood Park Center, to replace the current Maywood Park building. The new facility will provide space for classrooms, student services, workforce support, administration, community meetings, and building support space. The building will house the college's western district workforce training, certificate, and degree programs. The community college will provide the constitutionally required match for the Article XI-G bonds through various possible revenue sources which may include grants, donations, partnership contributions, a local bond levy, or some combination of sources.

Oregon Coast Community College – Workforce Education and Resiliency Center: \$8,000,000 (Article XI-G bonds) was reapproved to construct a new 30,000 sq. ft., two-story building to provide space for workforce development academic programs, student study areas, as well as administrative and faculty offices. The community college will provide the constitutionally required match for the Article XI-G bonds through various revenues, including a local bond levy and a capital construction campaign.

Portland Community College – Health Technology Building Renovation: \$8,000,000 (Article XI-G bonds) was reapproved to demolish the 55,800 sq. ft. interior space, reconstruct instructional spaces, replace restroom fixtures and locker rooms, incorporate seismic standards, and replace non-code compliant mechanical, electrical, and plumbing systems. The community college will provide the constitutionally required match for the Article XI-G bonds with proceeds from a bond levy.

Southwestern Oregon Community College – Sumner and Coaledo Halls Remodel: \$2,749,997 (Article XI-G bonds) was reapproved and the project modified to the remodel of Sumner and Coaledo Halls that will expand and modernize career and technical education programs and create space for future instructional needs. The remodel of Sumner Hall will create flexible space to accommodate new allied health industry-requested programs. The remodel of Coaledo Hall will create space for technology-capable, collaborative student areas, and classrooms. The community college will provide the constitutionally required match for the Article XI-G bonds with donations, grants, or possibly a bond levy.

Treasure Valley Community College – Nursing-Allied Health Professions Center: \$4,950,000 (Article XI-G bonds) was approved to construct a new 30,000 sq. ft. building to serve as a Nursing-Allied Health Professions Center that will provide classrooms and laboratory spaces for students, as well as an office suite for nursing instructor and instructional support spaces. The new facility is expected to be built on land owned by the community college. The college will provide the constitutionally required match for the Article XI-G bonds through fundraising.

Umpqua Community College – Industrial Technology Building: \$8,000,000 (Article XI-G bonds) was reapproved to construct a new two-story, 68,000 sq. ft. building that will bring together automotive, welding/fabrication, and manufacturing programs into one facility. The project includes a 20-bay

automotive service shop, tools room, auto classroom, laboratory, small lobby, and four faculty offices. The community college will provide the constitutionally required match for the Article XI-G bonds with a bond levy and/or fundraising.

Higher Education Coordinating Commission – Public Universities

The Legislature approved \$77,700,000 Other Funds Capital Construction six-year expenditure limitation in the HECC's budget for two new public university projects. Projects are funded with proceeds from the issuance of Article XI-Q general obligation bonds and will be disbursed as grants, pursuant to grant contracts between HECC and each university. The approved projects are listed below.

All Public Universities

Capital Improvement and Renewal: \$65,000,000 (Article XI-Q bonds) was approved for capital improvement projects that will address deferred maintenance, code compliance, safety issues, and Americans with Disabilities Act (ADA) accessibility improvements for campus facilities. The projects will not involve: acquisition of buildings, structures, or land; classroom or laboratory modernization; or improvements to auxiliary facilities, which are typically self-supporting.

Oregon Institute of Technology

OMIC R&D Rapid Toolmaking Center, Rapid Prototyping Education Lab, and Sinter HIP Equipment: \$12,700,000 (Article XI-Q bonds) was approved to construct a 35,000 sq. ft. steel frame structure to house the Rapid Toolmaking Center of Excellence, which is expected to be built on the existing Oregon Manufacturing Innovation Center (OMIC) R&D 10-acre site in Scappoose. The project also includes acquisition of research equipment for operating the rapid tooling and gear making centers of excellence including equipment for build space, laboratory, post process and quality assurance area; developing an education laboratory at the Oregon Institute of Technology Klamath Falls campus for students to learn skills in design, prototyping, manufacture, and inspection using additive manufacturing technologies; and acquisition of a sinter hot isostatic press (HIP) system at the OMIC R&D campus for research in the development of new alternative alloys for cutting tools and products reliant on carbide.

Department of Administrative Services

Deferred Maintenance: \$10,524,000 Other Funds (Capital Projects Fund) was approved for various capital and tenant improvements in multiple DAS-owned buildings. These improvements include: roof replacements for the Executive Building, Human Services Building, Revenue Building, Publishing and Distribution, and the General Services Building Annex; resealing and flashing the roof of the State Data Center; energy efficient upgrades to lighting and control systems for the Agriculture Building, Public Service Building, and Department of Environmental Quality Building; addition of redundant power supply for the Agriculture Building; and upgrades to boilers, heaters, and HVAC systems in multiple buildings, including the Labor and Industry Building.

Justice Building Exterior Updates: \$5,000,000 Other Funds (Article XI-Q bonds) was approved to replace wood window casements with double-hung, vented, or sliding windows and install an additional ten secondary electrical distribution panels and feed power transformers and circuit breakers.

Portland State Office Building Upgrades: \$8,600,000 Other Funds (Article XI-Q bonds) was approved to repair the roof, replace exterior windows, update security, upgrade the HVAC system, and install high efficiency lighting and lighting controls.

Revenue Building Electrical System Upgrades: \$10,000,000 Other Funds (Article XI-Q bonds) was approved to plan, design, and replace the electrical and HVAC system components of the building.

Wilsonville Building Purchase: \$24,000,000 Other Funds (Article XI-Q bonds) was approved to acquire a 175,000 sq. ft. facility in Wilsonville that offers warehouse, laboratory, and office space as well as high-bay doors.

Department of Aviation

Aurora State Airport Run-up Area Construction: \$1,845,000 Federal Funds (Federal Aviation Administration) and \$205,000 Other Funds (aircraft registration fees) was approved to conduct rehabilitation at the Aurora State Airport. This project includes design engineering and construction of a run-up area for runway 17 to improve safety and reduce congestion.

Condon State Airport Runway Rehabilitation: \$2,340,000 Federal Funds (Federal Aviation Administration) and \$260,000 Other Funds (aircraft registration fees) was approved to conduct rehabilitation at the Condon State Airport. This project includes rehabilitation of the runway, which is needed to meet federal standards for safe operating conditions.

Prospect State Airport Runway Reconstruction: \$2,160,000 Other Funds (jet fuel and AV gas taxes) was approved to conduct renovations at the Prospect State Airport. This project includes reconstruction of the runway, including design engineering and construction of a new subbase.

Siletz Bay State Airport Taxiway Rehabilitation: \$1,026,000 Federal Funds (Federal Aviation Administration) and \$114,000 Other Funds (aircraft registration fees) was approved to conduct rehabilitation at the Siletz State Airport. This project includes rehabilitation of the taxiway, which is needed to meet federal standards for safe operating conditions.

Department of Corrections

Camera Systems Upgrades: \$8,633,804 Other Funds (Article XI-Q bonds) was approved to acquire and install upgraded camera systems at 10 correctional facilities and place additional cameras in strategic locations to improve monitoring of activity.

Capital Improvement and Renewal: \$24,478,039 Other Funds (Article XI-Q bonds) was approved for facility improvements in several facilities including building envelope, electrical systems, water systems, roofs, HVAC, fire systems, and infrastructure improvements to address needs identified in the Facility Condition Assessment completed on the Department's facilities.

Radio System Replacement: \$13,998,225 Other Funds (Article XI-Q bonds) was approved to acquire and install wireless communications systems at 10 correctional facilities for mobile radio communications.

Department of Transportation

Central Coast Maintenance Station: \$8,000,000 Other Funds (fee revenue) was approved for the land purchase and design of a new Central Coast Maintenance Station to be located in the Lincoln County area, a joint project with the Department of Forestry for a co-located site.

South Coast Maintenance Station: \$12,000,000 Other Funds (fee revenue) was approved for the land purchase and design of a new South Coast Maintenance Station to be located in the Coos Bay area, consolidating services from three sites to one centralized location.

Housing and Community Services Department

Local Innovation and Fast Track (LIFT) Housing: \$150,000,000 Other Funds (Article XI-Q bonds) was approved 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 for citizens in historically underserved communities and communities of color. This amount is estimated to provide financing for 2,168 units.

Permanent Supportive Housing: \$50,000,000 Other Funds (Article XI-Q bonds) was approved to acquire, construct, remodel, repair, equip, or furnish real property in which the Department will take an operational or ownership interest to provide affordable housing that will be combined with tenancy supports and other services for low income citizens with high needs, including persons with disabilities and persons coming out of chronic homelessness. This amount is assumed to provide financing for an estimated 500 units.

Judicial Department

Multnomah County Courthouse Furnishings and Equipment: \$8,500,000 Other Funds (Article XI-Q bonds) was approved to purchase state-owned furniture and equipment for the new Multnomah County Courthouse.

Oregon Supreme Court Building Renovation: \$27,820,000 Other Funds (Article XI-Q bonds) was approved to renovate the Oregon Supreme Court building, including seismic updates, energy efficiency improvements, and various systems and safety code upgrades.

Military Department

Boardman Tactical Unmanned Aerial Vehicle Facility: \$12,000,000 Federal Funds (National Guard Bureau) was approved for construction of a new tactical unmanned aerial vehicle facility at the Naval Bombing Range in Boardman. The facility will include a hanger to store and maintain the aircraft and office space for assigned personnel. The project also involves construction of site improvements, including an aircraft runway and landing systems, parking, lighting, fencing, roadways, and required utilities.

Grants Pass Armory Service Life Extension: \$4,300,000 Federal Funds (National Guard Bureau) was approved for additions and alterations to the Grants Pass Armory to more closely align the facility to

current federal criteria for supporting the assigned units. The required state match is expected to be Article XI-Q bond proceeds from bonds issued in the 2017-19 biennium to renovate the facility.

Jackson Armory Service Life Extension: \$4,275,000 Other Funds (Article XI-Q bonds) was approved for design and construction of additions and alterations to the Portland Jackson Armory to bring the building into conformance with current building codes. This will include replacing mechanical, electrical, and plumbing systems as well as remodeling existing classrooms, administrative space, latrines, showers, equipment storage areas, kitchen, and assembly hall areas. In addition, the project will include replacement of failed paving areas and existing site lighting, landscaping, and fencing.

Oregon Military Museum: \$2,000,000 Other Funds (Article XI-Q bonds) was approved for construction and installation of exhibit galleries within the 9,000 sq. ft. former drill floor of the Clackamas Armory at Camp Withycombe that includes casework, graphics, lighting, interpretive panels with inset cases, and dioramas.

Salem and Anderson Readiness Center Service Life Extension: \$5,800,000 Other Funds (Article XI-Q bonds) and \$6,200,000 Federal Funds (National Guard Bureau) was approved for design and construction of additions and alterations to two facilities located in Salem, the Owen Summers Building and the Anderson Readiness Center. The improvements will bring the facilities into conformance with current building code and will include replacing mechanical, electrical, and plumbing systems as well as remodeling existing classrooms, administrative space, latrines, showers, equipment storage areas, kitchen, and assembly hall areas. In addition, the project will include replacement of failed paving areas and existing site lighting, landscaping and fencing.

Salem and Pendleton Aviation Facility Emergency Enhancements: \$9,852,000 Other Funds (Article XI-Q bonds) was approved to make seismic improvements to the building structures at the Army Aviation Support Facilities in Salem and Pendleton and acquire generators for backup power, wells, pumps, and storage tanks for potable water, storage systems for emergency supplies, and seismically stable fuel storage for use in the event of an emergency.

Umatilla Wastewater Treatment Facility and Water Supply Line: \$6,000,000 Federal Funds (National Guard Bureau) was approved for construction of a new wastewater treatment system and a new main water supply line for potable water at Camp Umatilla.

Oregon Youth Authority

Control Room Renovations: \$1,772,500 Other Funds (Article XI-Q bonds) was approved for capital improvements to renovate the control rooms at the Rogue Valley, Eastern Oregon, and Oak Creek Youth Correctional Facilities.

MacLaren Infirmary and Pharmacy Renovation: \$1,804,000 Other Funds (Article XI-Q bonds) was approved for capital improvements to renovate and expand the infirmary, clinic, and pharmacy at the MacLaren Youth Correctional Facility to meet operational needs.

Oak Creek Medical and Dental Clinic Renovations: \$1,271,202 Other Funds (Article XI-Q bonds) was approved for capital improvements to remodel and expand the medical and dental clinic at the Oak

Creek Youth Correctional Facility, including addressing needs identified by the Facility Condition Assessment completed on Oregon Youth Authority facilities.

Tillamook Medical and Dental Renovations: \$1,521,875 Other Funds (Article XI-Q bonds) was approved for capital improvements to remodel and expand the medical and dental clinic at the Tillamook Youth Correctional Facility to meet operational needs.

Appendix B

2019-21 State Paid Bonds

GENERAL FUND

| Agency | Type | Amount |
|---|------|-------------|
| <u>Higher Education Coordinating Commission - Community Colleges</u> | | |
| Blue Mountain CC - Facility for Agricultural Resource Management (carryover) | XI-G | 6,615,000 |
| Central Oregon CC - Classroom Building Redmond Campus | XI-G | 8,125,000 |
| Clatsop CC - Maritime Science Building (carryover) | XI-G | 8,120,000 |
| Klamath CC - Apprenticeship and Industrial Trades Center | XI-G | 3,965,000 |
| Lane CC - Health Care Village Facility (carryover) | XI-G | 8,125,000 |
| Mt. Hood CC - Maywood Park Center (carryover) | XI-G | 8,125,000 |
| Oregon Coast CC - Workforce Education and Resiliency Center (carryover) | XI-G | 8,125,000 |
| Portland CC - Health Technology Building Renovation (carryover) | XI-G | 8,125,000 |
| Southwestern Oregon CC - Sumner and Coaledo Halls Remodel (carryover) | XI-G | 2,800,000 |
| Treasure Valley CC - Nursing-Allied Health Professions Center | XI-G | 5,015,000 |
| Umpqua CC - Industrial Technology Building (carryover) | XI-G | 8,125,000 |
| <u>Higher Education Coordinating Commission - Public Universities</u> | | |
| All Universities - Capital Improvement and Renewal | XI-Q | 65,715,000 |
| OIT - OMIC R&D Rapid Toolmaking Center, Rapid Prototyping Education Lab, and Sinter HIP Equipment | XI-Q | 12,905,000 |
| <u>Oregon Business Development Department</u> | | |
| Seismic Rehabilitation Grant Program - Schools | XI-M | 101,240,000 |
| Seismic Rehabilitation Grant Program - Emergency Services Buildings | XI-N | 20,270,000 |
| <u>Department of Education</u> | | |
| Oregon School Capital Improvement Matching Program | XI-P | 126,090,000 |
| <u>Department of Administrative Services</u> | | |
| State Fair Facilities Capital Improvements | XI-Q | 5,430,000 |
| State Fair Horse Barn | XI-Q | 3,050,000 |
| State Fair Poultry Barn | XI-Q | 2,045,000 |
| <u>Department of Corrections</u> | | |
| Camera System | XI-Q | 8,790,000 |
| Capital Improvement and Renewal | XI-Q | 24,810,000 |
| Radio System | XI-Q | 14,235,000 |

| Agency | Type | Amount |
|---|-------------|--------------------|
| <u>Department of Environmental Quality</u> | | |
| Environmental Data Management System | XI-Q | 5,065,000 |
| <u>Department of Forestry</u> | | |
| Toledo Facility Replacement | XI-Q | 1,249,223 |
| <u>Department of Human Services</u> | | |
| ONE Integrated Eligibility and Medicaid Eligibility System | XI-Q | 38,165,000 |
| <u>Housing and Community Services Department</u> | | |
| Local Innovation and Fast Track (LIFT) Housing Program | XI-Q | 151,550,000 |
| Permanent Supportive Housing | XI-Q | 50,730,000 |
| <u>Legislative Administration Committee</u> | | |
| Document Publishing and Management System | XI-Q | 9,280,000 |
| <u>Oregon Judicial Department</u> | | |
| Clackamas County Courthouse | XI-Q | 31,935,000 |
| Lane County Courthouse | XI-Q | 88,455,000 |
| Linn County Courthouse | XI-Q | 16,180,000 |
| Multnomah County Courthouse (FFE) | XI-Q | 8,625,000 |
| Oregon Supreme Court Building Renovation | XI-Q | 28,230,000 |
| <u>Oregon Military Department</u> | | |
| Oregon Military Museum | XI-Q | 2,045,000 |
| Portland Jackson Armory Service Life Extension | XI-Q | 4,335,000 |
| Salem Owen Summers and Anderson Readiness Center Service Life Extension | XI-Q | 5,910,000 |
| Salem and Pendleton Aviation Facility Emergency Enhancement | XI-Q | 9,985,000 |
| <u>Oregon Youth Authority</u> | | |
| Capital Improvements | XI-Q | 5,305,000 |
| Control Room Renovations | XI-Q | 1,850,000 |
| MacLaren Infirmary and Pharmacy Renovation and Expansion | XI-Q | 1,875,000 |
| MacLaren West Cottages Renovation | XI-Q | 14,325,000 |
| Oak Creek Medical and Dental Renovations | XI-Q | 1,345,000 |
| Rogue Valley Facility Improvements | XI-Q | 8,135,000 |
| Tillamook Medical and Dental Renovations | XI-Q | 1,595,000 |
| General Fund Total | | 946,014,223 |

LOTTERY FUNDS

| Agency | Type | Amount |
|---|---------|------------|
| <u>Department of Administrative Services</u> | | |
| Center for Hope and Safety - Hope Plaza | Lottery | 2,765,000 |
| City of Gresham - Gradin Community Sports Park | Lottery | 2,220,000 |
| City of Roseburg - Southern Oregon Medical Workforce Center | Lottery | 11,110,000 |
| Curry Health District - Brookings Emergency Room | Lottery | 2,220,000 |
| Eugene Family YMCA Facility | Lottery | 16,565,000 |
| Hacienda CDC - Las Adelitas Housing Project | Lottery | 2,220,000 |
| Jefferson County - Jefferson County Health and Wellness Center | Lottery | 4,510,000 |
| Multnomah County School District - Reynolds High School Health Center | Lottery | 2,585,000 |
| Oregon Coast Aquarium | Lottery | 5,540,000 |
| Parrott Creek Child and Family Services - Building Renovation | Lottery | 3,860,000 |
| Port of Cascade Locks - Business Park Expansion | Lottery | 2,660,000 |
| Port of Morrow - Early Learning Center Expansion | Lottery | 1,565,000 |
| Umatilla County Jail - Expansion/Mental Health Facility | Lottery | 1,785,000 |
| Wallowa Valley Center for Wellness | Lottery | 2,765,000 |
| YMCA of Columbia-Willamette - Beaverton Hoop YMCA | Lottery | 5,540,000 |
| <u>Department of Transportation</u> | | |
| City of Sherwood - Pedestrian Connectors | Lottery | 2,220,000 |
| Port of Coos Bay - Coos Bay Rail Line Repairs and Bridge Replacement | Lottery | 5,540,000 |
| <u>Department of Veterans' Affairs</u> | | |
| YMCA of Marion and Polk Counties - Veterans' Affordable Housing | Lottery | 4,405,000 |
| <u>Higher Education Coordinating Commission - Community Colleges</u> | | |
| Blue Mountain CC - Facility for Agricultural Resource Management | Lottery | 7,175,000 |
| <u>Housing and Community Services Department</u> | | |
| Affordable Housing Preservation | Lottery | 27,550,000 |
| Affordable Market Rate Housing Acquisition (Loan Program) | Lottery | 16,760,000 |
| <u>Parks and Recreation Department</u> | | |
| Oregon Main Street Revitalization Grant Program | Lottery | 5,540,000 |
| <u>Oregon Business Development Department</u> | | |
| Beaverton Arts Foundation - Patricia Reser Center for the Arts | Lottery | 1,675,000 |
| Brownfields Redevelopment Fund | Lottery | 5,605,000 |
| City of Mill City - Storm Drainage Improvements | Lottery | 2,090,000 |
| City of Salem - Drinking Water Improvements | Lottery | 22,025,000 |
| City of Sweet Home - Wastewater Treatment Plant Upgrade | Lottery | 7,725,000 |

| Agency | Type | Amount |
|--|---------|--------------------|
| Confederated Tribes of Warm Springs - Wastewater Treatment Plant Upgrade, Water Meter and Distribution projects | Lottery | 8,595,000 |
| Hood River Waterfront Stormwater Line | Lottery | 1,895,000 |
| Levee Grant Program | Lottery | 16,565,000 |
| Lincoln City Cultural Center - Cultural Plaza and Exterior Grounds | Lottery | 1,675,000 |
| Port of Coos Bay Channel Improvements | Lottery | 16,565,000 |
| Special Public Works Fund | Lottery | 33,385,000 |
| <u>Water Resources Department</u> | | |
| City of Newport - Big Creek Dams | Lottery | 4,455,000 |
| Deschutes Basin Board of Control Piping Project | Lottery | 11,110,000 |
| Wallowa Lake Dam Rehabilitation | Lottery | 15,475,000 |
| Water Supply Development Fund | Lottery | 16,565,000 |
| Lottery Funds Total | | 302,505,000 |

Appendix C

Number of Positions and Full-Time Equivalency

| | 2017-19 | 2017-19 | 2019-21 | 2019-21 |
|--|---------------|------------------|---------------|------------------|
| | LEG | LEG | LEG | LEG |
| | APPROVED | APPROVED | APPROVED | APPROVED |
| | Positions | FTE | Positions | FTE |
| PROGRAM AREA: EDUCATION | | | | |
| EDUCATION, DEPT OF | 584 | 550.43 | 693 | 653.30 |
| HIGHER EDUCATION COORDINATING COMMISSION | 134 | 120.33 | 148 | 137.37 |
| CHIEF EDUCATION OFFICE | 15 | 12.50 | | |
| TEACHER STANDARDS AND PRACTICES COMMISSION | 27 | 25.71 | 26 | 24.75 |
| EDUCATION TOTAL | 760 | 708.97 | 867 | 815.42 |
| PROGRAM AREA: HUMAN SERVICES | | | | |
| BLIND, COMMISSION FOR THE | 68 | 62.53 | 68 | 66.00 |
| HUMAN SERVICES, DEPT OF | 9,075 | 8,616.92 | 9,444 | 9,324.14 |
| LONG TERM CARE OMBUDSMAN | 27 | 25.50 | 30 | 29.14 |
| OREGON HEALTH AUTHORITY | 4,200 | 4,281.80 | 4,290 | 4,243.01 |
| PSYCHIATRIC SECURITY REVIEW BOARD | 11 | 11.00 | 11 | 11.00 |
| HUMAN SERVICES TOTAL | 13,381 | 12,997.75 | 13,843 | 13,673.29 |
| PROGRAM AREA: PUBLIC SAFETY | | | | |
| CORRECTIONS, DEPT OF | 4,605 | 4,572.07 | 4,731 | 4,699.06 |
| CRIMINAL JUSTICE COMMISSION | 17 | 14.54 | 23 | 21.51 |
| DISTRICT ATTORNEYS AND THEIR DEPUTIES | 36 | 36.00 | 36 | 36.00 |
| JUSTICE, DEPT OF | 1,409 | 1,358.53 | 1,453 | 1,420.13 |
| MILITARY DEPARTMENT | 477 | 426.82 | 517 | 463.00 |
| PAROLE AND POST PRISON SUPERVISION, BOARD OF | 28 | 28.00 | 25 | 25.00 |
| PUBLIC SAFETY STANDARDS AND TRAINING, DEPT. OF | 166 | 157.97 | 152 | 149.87 |
| STATE POLICE, DEPT OF | 1,370 | 1,346.62 | 1,402 | 1,382.29 |
| YOUTH AUTHORITY, OREGON | 1,023 | 950.68 | 1,008 | 980.88 |
| PUBLIC SAFETY TOTAL | 9,131 | 8,891.23 | 9,347 | 9,177.74 |
| PROGRAM AREA: JUDICIAL BRANCH | | | | |
| JUDICIAL DEPARTMENT | 1,900 | 1,776.58 | 1,935 | 1,817.22 |
| JUDICIAL FITNESS AND DISABILITY, COMM. ON | 1 | 0.50 | 1 | 0.50 |
| PUBLIC DEFENSE SERVICES COMMISSION | 77 | 76.23 | 81 | 80.80 |
| JUDICIAL BRANCH TOTAL | 1,978 | 1,853.31 | 2,017 | 1,898.52 |

| | 2017-19 | 2017-19 | 2019-21 | 2019-21 |
|---|--------------|-----------------|--------------|-----------------|
| | LEG | LEG | LEG | LEG |
| | APPROVED | APPROVED | APPROVED | APPROVED |
| | Positions | FTE | Positions | FTE |
| PROGRAM AREA: ECONOMIC AND COMMUNITY DEVELOPMENT | | | | |
| BUSINESS DEVELOPMENT DEPARTMENT | 136 | 134.50 | 140 | 138.63 |
| EMPLOYMENT DEPARTMENT | 1,320 | 1,259.03 | 1,389 | 1,323.58 |
| HOUSING AND COMMUNITY SERVICES DEPT. | 171 | 155.62 | 224 | 216.71 |
| VETERANS' AFFAIRS, DEPT OF | 100 | 97.13 | 105 | 104.47 |
| ECONOMIC AND COMMUNITY DEVELOPMENT TOTAL | 1,727 | 1,646.28 | 1,858 | 1,783.39 |
| PROGRAM AREA: CONSUMER AND BUSINESS SERVICES | | | | |
| ACCOUNTANCY, BOARD OF | 8 | 7.50 | 8 | 7.50 |
| CHIROPRACTIC EXAMINERS, BOARD OF | 6 | 5.10 | 6 | 5.10 |
| CONSTRUCTION CONTRACTORS BOARD | 61 | 61.00 | 61 | 61.00 |
| CONSUMER AND BUSINESS SERVICES, DEPT OF | 969 | 959.53 | 963 | 957.92 |
| DENTISTRY, BOARD OF | 8 | 8.00 | 8 | 8.00 |
| <i>HEALTH RELATED LICENSING BOARDS</i> | | | | |
| MORTUARY AND CEMETERY BOARD | 7 | 7.00 | 7 | 7.00 |
| NATUROPATHIC MEDICINE | 3 | 3.00 | 4 | 4.00 |
| OCCUPATIONAL THERAPY LICENSING BOARD | 2 | 1.50 | 2 | 1.75 |
| MEDICAL IMAGING | 3 | 3.00 | 4 | 3.50 |
| SPEECH PATHOLOGY AND AUDIOLOGY | 3 | 2.31 | 3 | 3.00 |
| VETERINARY MEDICAL EXAMINERS BOARD | 4 | 3.75 | 4 | 3.75 |
| LABOR AND INDUSTRIES, BUREAU OF | 107 | 105.38 | 113 | 109.80 |
| MENTAL HEALTH REGULATORY AGENCY | 11 | 11.00 | 12 | 12.00 |
| MEDICAL BOARD, OREGON | 40 | 40.00 | 41 | 41.00 |
| NURSING, BOARD OF | 49 | 48.90 | 54 | 53.90 |
| PHARMACY, BOARD OF | 20 | 20.00 | 22 | 22.00 |
| PUBLIC UTILITY COMMISSION | 127 | 125.76 | 130 | 127.75 |
| REAL ESTATE AGENCY | 29 | 29.00 | 29 | 29.00 |
| SOCIAL WORKERS, BOARD OF LICENSED | 6 | 6.00 | 6 | 6.00 |
| TAX PRACTITIONERS, STATE BOARD OF | 3 | 2.50 | 3 | 2.50 |
| CONSUMER AND BUSINESS SERVICES TOTAL | 1,466 | 1,450.23 | 1,480 | 1,466.47 |
| PROGRAM AREA: NATURAL RESOURCES | | | | |
| AGRICULTURE, DEPT OF | 505 | 376.86 | 509 | 383.77 |
| ENERGY, DEPT. OF | 97 | 93.87 | 81 | 79.25 |
| ENVIRONMENTAL QUALITY, DEPT OF | 766 | 737.17 | 779 | 760.40 |
| FISH AND WILDLIFE, DEPT OF | 1,375 | 1,154.05 | 1,357 | 1,154.69 |
| FORESTRY, DEPARTMENT OF | 1,181 | 867.89 | 1,153 | 848.99 |
| GEOLOGY AND MINERAL INDUSTRIES, DEPT OF | 43 | 42.92 | 39 | 19.46 |
| LAND CONSERVATION AND DEVELOPMENT, DEPT OF | 58 | 56.90 | 64 | 62.09 |
| LAND USE BOARD OF APPEALS | 6 | 6.00 | 6 | 6.00 |
| LANDS, DEPT. OF STATE | 113 | 110.67 | 115 | 113.00 |
| MARINE BOARD | 39 | 39.00 | 40 | 39.25 |
| PARKS AND RECREATION, DEPT OF | 867 | 596.05 | 870 | 602.55 |
| WATER RESOURCES DEPARTMENT | 170 | 167.59 | 177 | 171.79 |
| WATERSHED ENHANCEMENT BOARD | 33 | 33.00 | 34 | 34.00 |
| NATURAL RESOURCES TOTAL | 5,253 | 4,281.97 | 5,224 | 4,275.24 |

| | 2017-19 | 2017-19 | 2019-21 | 2019-21 |
|--|---------------|------------------|---------------|------------------|
| | LEG | LEG | LEG | LEG |
| | APPROVED | APPROVED | APPROVED | APPROVED |
| | Positions | FTE | Positions | FTE |
| PROGRAM AREA: TRANSPORTATION | | | | |
| AVIATION, DEPT OF | 15 | 14.25 | 16 | 15.49 |
| TRANSPORTATION, DEPT OF | 4,715 | 4,502.97 | 4,867 | 4,709.25 |
| TRANSPORTATION TOTAL | 4,730 | 4,517.22 | 4,883 | 4,724.74 |
| PROGRAM AREA: ADMINISTRATION | | | | |
| ADMINISTRATIVE SERVICES, DEPT OF | 914 | 906.96 | 916 | 906.95 |
| ADVOCACY COMMISSIONS OFFICE | 3 | 2.50 | 3 | 2.50 |
| EMPLOYMENT RELATIONS BOARD | 13 | 13.00 | 13 | 13.00 |
| GOVERNMENT ETHICS COMMISSION | 9 | 9.00 | 9 | 9.00 |
| GOVERNOR, OFFICE OF | 61 | 59.13 | 62 | 61.63 |
| LIBRARY, STATE | 42 | 40.04 | 41 | 39.04 |
| LIQUOR CONTROL COMMISSION | 326 | 312.62 | 364 | 362.00 |
| PUBLIC EMPLOYEES RETIREMENT SYSTEM | 379 | 375.18 | 419 | 414.32 |
| RACING COMMISSION | 14 | 12.27 | 14 | 6.14 |
| REVENUE, DEPT OF | 1,102 | 963.68 | 1,057 | 983.39 |
| SECRETARY OF STATE | 217 | 215.03 | 224 | 223.42 |
| TREASURER OF STATE | 160 | 150.09 | 166 | 164.47 |
| ADMINISTRATION TOTAL | 3,240 | 3,059.50 | 3,288 | 3,185.86 |
| PROGRAM AREA: LEGISLATIVE BRANCH | | | | |
| INDIAN SERVICES, COMM | 2 | 2.00 | 2 | 2.00 |
| LEGISLATIVE ADMINISTRATION | 87 | 72.66 | 79 | 74.42 |
| LEGISLATIVE ASSEMBLY | 423 | 251.52 | 335 | 253.44 |
| LEGISLATIVE COUNSEL | 58 | 50.84 | 62 | 55.08 |
| LEGISLATIVE FISCAL OFFICER | 22 | 22.00 | 27 | 25.77 |
| LEGISLATIVE POLICY AND RESEARCH OFFICE | 61 | 41.29 | 61 | 41.29 |
| LEGISLATIVE REVENUE OFFICER | 8 | 8.00 | 7 | 7.00 |
| LEGISLATIVE BRANCH TOTAL | 661 | 448.31 | 573 | 459.00 |
| STATE OF OREGON TOTAL POSITIONS/FTE | 42,327 | 39,854.77 | 43,380 | 41,459.67 |

Appendix D

Program Area Budget Totals

| 2019-21 Legislatively Adopted Budget by Program Area and Fund Type | | | | | | |
|--|-----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Program Area | General Fund | Lottery Funds | GF&LF Total | Other Funds | Federal Funds | Total Funds |
| State School Fund | 7,718,687,417 | 530,146,857 | 8,248,834,274 | 751,165,726 | - | 9,000,000,000 |
| Education - Post Secondary | 2,184,067,916 | 144,428,093 | 2,328,496,009 | 404,958,445 | 151,846,937 | 2,885,301,391 |
| Education - Other | 899,275,407 | 692,870 | 899,968,277 | 1,647,178,301 | 1,516,562,703 | 4,063,709,281 |
| Human Services - Oregon Health Authority | 2,719,376,308 | 17,093,071 | 2,736,469,379 | 7,685,454,433 | 12,769,227,237 | 23,191,151,049 |
| Human Services - Dept. of Human Services | 3,855,078,525 | - | 3,855,078,525 | 673,915,109 | 8,034,133,180 | 12,563,126,814 |
| Human Services - Other | 17,560,298 | - | 17,560,298 | 2,405,467 | 15,955,857 | 35,921,622 |
| Public Safety | 2,762,483,480 | 10,559,076 | 2,773,042,556 | 823,811,040 | 577,114,835 | 4,173,968,431 |
| Judicial Branch | 862,417,437 | - | 862,417,437 | 221,853,486 | 1,355,846 | 1,085,626,769 |
| Natural Resources | 274,512,466 | 243,944,703 | 518,457,169 | 1,311,821,218 | 310,241,018 | 2,140,519,405 |
| Economic Development | 204,042,491 | 169,714,348 | 373,756,839 | 4,738,499,971 | 577,725,208 | 5,689,982,018 |
| Consumer and Business Services | 16,193,497 | 250,000 | 16,443,497 | 785,540,084 | 103,030,689 | 905,014,270 |
| Transportation | 25,306,026 | 115,592,980 | 140,899,006 | 4,264,477,189 | 146,226,733 | 4,551,602,928 |
| Administration | 387,780,726 | 26,546,069 | 414,326,795 | 14,586,127,728 | 10,608,560 | 15,011,063,083 |
| Legislative Branch | 142,327,537 | - | 142,327,537 | 19,823,946 | - | 162,151,483 |
| Miscellaneous (Emergency Fund) | 340,846,094 | - | 340,846,094 | - | - | 340,846,094 |
| Total | 22,409,955,625 | 1,258,968,067 | 23,668,923,692 | 37,917,032,143 | 24,214,028,803 | 85,799,984,638 |

Appendix E

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 2017-19 legislatively approved column. Special purpose appropriations for specific agencies are not included within the agency General Fund budgets for the 2019-21 legislatively adopted amounts but are included in the legislatively adopted amount appropriated to the Emergency Board and will be displayed under the Emergency Board until allocated to the specific agency.
- The 2017-19 legislatively approved amounts represent expenditure authorizations through all 2017-19 Emergency Board actions and all 2017-19 budget adjustments addressed during the 2019 legislative session. The 2017-19 legislatively approved budget also includes certain administrative actions taken by the Department of Administrative Services approving increases to Nonlimited Other Funds and Federal Funds.
- The 2019-21 legislatively adopted budget does not yet include line-item veto actions taken by the Governor in August 2019.

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--|---------------|---------------|---------------|---------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| EDUCATION | | | | |
| Higher Education Coordinating Commission | | | | |
| General Fund | 38,038,197 | 35,163,956 | 39,235,606 | 39,587,633 |
| Other Funds | 22,674,703 | 35,976,039 | 29,218,892 | 37,337,696 |
| Other Funds Nonlimited | 1,144,104 | 206,000 | 206,000 | 206,000 |
| Federal Funds | 81,642,393 | 118,191,072 | 127,286,360 | 127,560,060 |
| Federal Funds Nonlimited | 2,489,208 | 18,968,831 | 19,689,647 | 19,689,647 |
| Total Expenditures | 145,988,605 | 208,505,898 | 215,636,505 | 224,381,036 |
| State Support for Public Universities | | | | |
| General Fund | 942,156,082 | 1,054,908,092 | 1,154,905,146 | 1,216,963,815 |
| Lottery Funds | 40,418,608 | 64,121,610 | 95,424,861 | 93,150,451 |
| Other Funds | 322,798,793 | 406,176,426 | - | 82,576,783 |
| Other Funds Nonlimited | 682,127,120 | 243,816,758 | 203,917,130 | 203,917,130 |
| Federal Funds Nonlimited | 625,641 | 4,598,450 | 4,597,230 | 4,597,230 |
| Total Expenditures | 1,988,126,244 | 1,773,621,336 | 1,458,844,367 | 1,601,205,409 |
| State Support for Community Colleges | | | | |
| General Fund | 598,210,325 | 640,447,543 | 671,100,268 | 715,028,372 |
| Lottery Funds | 10,171,150 | 11,699,204 | 11,520,140 | 11,277,642 |
| Other Funds | 106,925,333 | 103,720,642 | 45,810 | 28,032,665 |
| Other Funds Nonlimited | - | - | - | - |
| Federal Funds Nonlimited | - | - | - | - |
| Total Expenditures | 715,306,808 | 755,867,389 | 682,666,218 | 754,338,679 |
| State Support for Oregon Health and Science University (OHSU) | | | | |
| General Fund | 80,856,311 | 99,027,769 | 101,025,993 | 102,977,683 |
| Other Funds | 237,760,882 | 38,576,738 | 30,871,500 | 30,919,866 |
| Other Funds Nonlimited | 14,159,401 | - | 7,298,890 | 7,298,890 |
| Total Expenditures | 332,776,594 | 137,604,507 | 139,196,383 | 141,196,439 |
| Oregon Opportunity Grant Program | | | | |
| General Fund | 128,349,485 | 125,217,521 | 129,975,787 | 109,510,413 |
| Lottery Funds | 4,951,069 | 20,746,268 | 21,534,626 | 40,000,000 |
| Other Funds | 402,364 | 163,213 | 169,415 | 14,669,415 |
| Total Expenditures | 133,702,918 | 146,127,002 | 151,679,828 | 164,179,828 |
| Education, Dept of | | | | |
| General Fund | 571,910,203 | 825,289,988 | 1,013,230,556 | 899,275,407 |
| Lottery Funds | 1,434,923 | 651,225 | 692,870 | 692,870 |
| Other Funds | 129,285,726 | 482,142,998 | 611,937,136 | 1,517,507,009 |
| Other Funds Nonlimited | 139,400,800 | 120,364,721 | 120,364,721 | 120,364,721 |
| Federal Funds | 852,293,108 | 1,069,793,915 | 1,090,210,472 | 1,109,446,757 |
| Federal Funds Nonlimited | 402,949,244 | 388,007,727 | 407,115,946 | 407,115,946 |
| Total Expenditures | 2,097,274,004 | 2,886,250,574 | 3,243,551,701 | 4,054,402,710 |

| | | 2015-17 | | 2017-19 | | 2019-21 | | 2019-21 |
|---|---------------------------|-----------------------|--|-----------------------|--|-----------------------|--|-----------------------|
| | | Actuals | | Legislatively | | Current | | Legislatively |
| | | | | Approved | | Service Level | | Adopted |
| | | \$ | | \$ | | \$ | | \$ |
| State School Fund | | | | | | | | |
| | General Fund | 6,904,804,561 | | 7,582,892,067 | | 8,150,549,940 | | 7,718,687,417 |
| | Lottery Funds | 447,703,907 | | 535,719,907 | | 535,719,907 | | 530,146,857 |
| | Other Funds | 1,175,156 | | 85,248,393 | | 85,248,393 | | 751,165,726 |
| | Total Expenditures | 7,353,683,624 | | 8,203,860,367 | | 8,771,518,240 | | 9,000,000,000 |
| Chief Education Office* | | | | | | | | |
| | General Fund | 10,485,209 | | 8,207,271 | | - | | |
| Teacher Standards and Practices Comm | | | | | | | | |
| | General Fund | 200,000 | | 1,700,000 | | - | | - |
| | Other Funds | 6,576,291 | | 9,106,410 | | 9,063,665 | | 9,306,571 |
| | Federal Funds | - | | - | | - | | - |
| | Total Expenditures | 6,776,291 | | 10,806,410 | | 9,063,665 | | 9,306,571 |
| EDUCATION PROGRAM AREA TOTAL | | | | | | | | |
| | General Fund | 9,275,010,373 | | 10,372,854,207 | | 11,260,023,296 | | 10,802,030,740 |
| | Lottery Funds | 504,679,657 | | 632,938,214 | | 664,892,404 | | 675,267,820 |
| | Other Funds | 827,599,248 | | 1,161,110,859 | | 766,554,811 | | 2,471,515,731 |
| | Other Funds Nonlimited | 836,831,425 | | 364,387,479 | | 331,786,741 | | 331,786,741 |
| | Federal Funds | 933,935,501 | | 1,187,984,987 | | 1,217,496,832 | | 1,237,006,817 |
| | Federal Funds Nonlimited | 406,064,093 | | 411,575,008 | | 431,402,823 | | 431,402,823 |
| | Total | 12,784,120,297 | | 14,130,850,754 | | 14,672,156,907 | | 15,949,010,672 |
| * Previously known as the Oregon Education Investment Board | | | | | | | | |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--|----------------|----------------|----------------|----------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| HUMAN SERVICES | | | | |
| Blind, Commission for the | | | | |
| General Fund | 3,690,478 | 3,535,937 | 4,331,786 | 6,634,036 |
| Other Funds | 1,035,705 | 1,482,049 | 1,567,683 | 1,560,451 |
| Federal Funds | 14,088,099 | 17,609,075 | 16,071,581 | 15,955,857 |
| Total Expenditures | 18,814,282 | 22,627,061 | 21,971,050 | 24,150,344 |
| Health Authority, Oregon | | | | |
| General Fund | 2,152,357,931 | 2,162,870,267 | 3,176,978,132 | 2,719,376,308 |
| Lottery Funds | 11,113,255 | 12,498,909 | 13,035,809 | 17,093,071 |
| Other Funds | 5,683,251,462 | 7,794,873,473 | 6,872,981,111 | 7,645,454,433 |
| Other Funds Nonlimited | 212,475,263 | 40,000,000 | 40,000,000 | 40,000,000 |
| Federal Funds | 11,189,125,905 | 11,714,407,633 | 11,608,886,871 | 12,663,030,976 |
| Federal Funds Nonlimited | 85,956,641 | 106,457,226 | 106,196,261 | 106,196,261 |
| Total Expenditures | 19,334,280,457 | 21,831,107,508 | 21,818,078,184 | 23,191,151,049 |
| Human Services, Department of | | | | |
| General Fund | 2,713,968,780 | 3,203,132,651 | 3,723,069,270 | 3,855,078,525 |
| Other Funds | 484,567,909 | 666,808,960 | 570,282,885 | 673,915,109 |
| Federal Funds | 4,601,139,098 | 5,575,122,100 | 5,823,621,440 | 6,094,787,849 |
| Federal Funds Nonlimited | 2,129,912,523 | 2,214,345,331 | 2,214,345,331 | 1,939,345,331 |
| Total Expenditures | 9,929,588,310 | 11,659,409,042 | 12,331,318,926 | 12,563,126,814 |
| Long Term Care Ombudsman | | | | |
| General Fund | 4,929,019 | 6,401,552 | 7,212,903 | 7,728,112 |
| Other Funds | 679,823 | 908,057 | 954,159 | 845,016 |
| Total Expenditures | 5,608,842 | 7,309,609 | 8,167,062 | 8,573,128 |
| Psychiatric Security Review Board | | | | |
| General Fund | 2,658,376 | 3,047,827 | 3,229,021 | 3,198,150 |
| Other Funds | 6,090 | 2,248 | - | - |
| Total Expenditures | 2,664,466 | 3,050,075 | 3,229,021 | 3,198,150 |
| HUMAN SERVICES PROGRAM AREA | | | | |
| General Fund | 4,877,604,584 | 5,378,988,234 | 6,914,821,112 | 6,592,015,131 |
| Lottery Funds | 11,113,255 | 12,498,909 | 13,035,809 | 17,093,071 |
| Other Funds | 6,169,540,989 | 8,464,074,787 | 7,445,785,838 | 8,321,775,009 |
| Other Funds Nonlimited | 212,475,263 | 40,000,000 | 40,000,000 | 40,000,000 |
| Federal Funds | 15,804,353,102 | 17,307,138,808 | 17,448,579,892 | 18,773,774,682 |
| Federal Funds Nonlimited | 2,215,869,164 | 2,320,802,557 | 2,320,541,592 | 2,045,541,592 |
| Total | 29,290,956,357 | 33,523,503,295 | 34,182,764,243 | 35,790,199,485 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|---------------|---------------|---------------|---------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| PUBLIC SAFETY | | | | |
| Corrections, Dept of | | | | |
| General Fund | 1,604,985,118 | 1,749,428,249 | 1,835,848,829 | 1,853,930,976 |
| Other Funds | 34,513,976 | 82,154,515 | 44,460,244 | 95,327,375 |
| Other Funds Nonlimited | 27,167,985 | - | - | - |
| Federal Funds | 4,134,712 | 5,094,910 | 4,533,582 | 4,533,582 |
| Federal Funds Nonlimited | 1,123,728 | 1,040,976 | 940,120 | 940,120 |
| Total Expenditures | 1,671,925,519 | 1,837,718,650 | 1,885,782,775 | 1,954,732,053 |
| Criminal Justice Commission | | | | |
| General Fund | 54,221,723 | 65,021,569 | 67,538,012 | 79,843,528 |
| Lottery Funds | - | - | - | 555,000 |
| Other Funds | 695,077 | 2,661,890 | 4,052,440 | 14,962,708 |
| Federal Funds | 4,209,944 | 8,224,498 | 1,211,518 | 5,337,957 |
| Total Expenditures | 59,126,744 | 75,907,957 | 72,801,970 | 100,699,193 |
| District Attorneys and Their Deputies | | | | |
| General Fund | 11,995,440 | 13,328,561 | 12,945,651 | 12,839,916 |
| Justice, Department of | | | | |
| General Fund | 77,042,764 | 90,195,436 | 99,293,387 | 114,789,120 |
| Other Funds | 294,674,558 | 332,801,936 | 326,302,268 | 351,837,618 |
| Other Funds Nonlimited | 4,361,977 | - | - | - |
| Federal Funds | 154,388,574 | 201,118,887 | 138,497,693 | 186,995,478 |
| Federal Funds Nonlimited | 15,740,252 | - | - | - |
| Total Expenditures | 546,208,125 | 624,116,259 | 564,093,348 | 653,622,216 |
| Military Department | | | | |
| General Fund | 25,478,056 | 27,496,725 | 28,098,484 | 33,533,168 |
| Other Funds | 99,229,072 | 130,596,339 | 111,705,471 | 134,078,273 |
| Other Funds Nonlimited | 60,623 | - | - | - |
| Federal Funds | 130,412,869 | 315,698,794 | 288,142,779 | 318,358,977 |
| Total Expenditures | 255,180,620 | 473,791,858 | 427,946,734 | 485,970,418 |
| Parole and Post Prison Supervision, Bd. Of | | | | |
| General Fund | 6,728,521 | 9,048,876 | 8,781,722 | 8,680,101 |
| Other Funds | 523 | 11,254 | 11,682 | 11,682 |
| Total Expenditures | 6,729,044 | 9,060,130 | 8,793,404 | 8,691,783 |
| Police, Department of State | | | | |
| General Fund | 280,102,391 | 303,642,384 | 309,033,782 | 318,475,460 |
| Lottery Funds | 7,740,839 | 8,145,961 | 9,073,617 | 10,004,076 |
| Other Funds | 101,465,180 | 158,371,032 | 146,073,822 | 164,937,371 |
| Federal Funds | 6,420,284 | 12,274,226 | 12,639,865 | 12,616,262 |
| Total Expenditures | 395,728,694 | 482,433,603 | 476,821,086 | 506,033,169 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--|----------------------|----------------------|----------------------|----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| Public Safety Standards and Training, Dept of | | | | |
| General Fund | 10,052,511 | 9,795,963 | 9,665,010 | 9,665,010 |
| Other Funds | 39,321,468 | 49,438,284 | 50,395,589 | 48,102,591 |
| Other Funds Nonlimited | - | - | - | - |
| Federal Funds | 6,394,657 | 8,338,314 | 7,364,566 | 7,689,376 |
| Total Expenditures | 55,768,636 | 67,572,561 | 67,425,165 | 65,456,977 |
| Youth Authority, Oregon | | | | |
| General Fund | 290,295,711 | 311,705,013 | 336,271,676 | 330,726,201 |
| Other Funds | 6,478,056 | 60,852,433 | 7,316,478 | 14,553,422 |
| Federal Funds | 26,348,882 | 37,328,320 | 40,671,277 | 40,643,083 |
| Federal Funds Nonlimited | - | - | - | - |
| Total Expenditures | 323,122,649 | 409,885,766 | 384,259,431 | 385,922,706 |
| PUBLIC SAFETY PROGRAM AREA | | | | |
| General Fund | 2,360,902,235 | 2,579,662,776 | 2,707,476,553 | 2,762,483,480 |
| Lottery Funds | 7,740,839 | 8,145,961 | 9,073,617 | 10,559,076 |
| Other Funds | 576,377,910 | 816,887,683 | 690,317,994 | 823,811,040 |
| Other Funds Nonlimited | 31,590,585 | - | - | - |
| Federal Funds | 332,309,922 | 588,077,949 | 493,061,280 | 576,174,715 |
| Federal Funds Nonlimited | 16,863,980 | 1,040,976 | 940,120 | 940,120 |
| Total | 3,325,785,471 | 3,993,815,345 | 3,900,869,564 | 4,173,968,431 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|----------------|----------------------|----------------------|----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| JUDICIAL BRANCH | | | | |
| Judicial Department | | | | |
| General Fund | 431,879,018 | 454,524,551 | 505,643,238 | 519,823,309 |
| Other Funds | 131,468,646 | 262,993,590 | 50,074,088 | 217,814,418 |
| Federal Funds | 1,176,014 | 1,344,289 | 1,357,254 | 1,355,846 |
| Total Expenditures | 564,523,678 | 718,862,430 | 557,074,580 | 738,993,573 |
| Judicial Fitness and Disability, Commission on | | | | |
| General Fund | 434,708 | 252,710 | 258,880 | 274,890 |
| Public Defense Services Commission | | | | |
| General Fund | 285,082,822 | 309,985,014 | 344,173,541 | 342,319,238 |
| Other Funds | 3,234,718 | 4,967,943 | 4,170,527 | 4,039,068 |
| Total Expenditures | 288,317,540 | 314,952,957 | 348,344,068 | 346,358,306 |
| JUDICIAL BRANCH PROGRAM AREA | | | | |
| General Fund | 717,396,548 | 764,762,275 | 850,075,659 | 862,417,437 |
| Other Funds | 134,703,364 | 267,961,533 | 54,244,615 | 221,853,486 |
| Federal Funds | 1,176,014 | 1,344,289 | 1,357,254 | 1,355,846 |
| Total | 853,275,926 | 1,034,068,097 | 905,677,528 | 1,085,626,769 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--|---------------|---------------|---------------|---------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| ECONOMIC AND COMMUNITY DEVELOPMENT | | | | |
| Business Development Department | | | | |
| General Fund | 14,811,095 | 54,568,667 | 61,822,937 | 73,532,542 |
| Lottery Funds | 100,496,117 | 117,789,412 | 119,156,968 | 127,365,166 |
| Other Funds | 62,403,430 | 383,574,013 | 407,723,679 | 555,318,109 |
| Other Funds Nonlimited | 125,309,446 | 239,123,192 | 245,544,035 | 280,544,035 |
| Federal Funds | 25,924,065 | 41,457,527 | 43,049,222 | 43,094,384 |
| Total Expenditures | 328,944,153 | 836,512,811 | 877,296,841 | 1,079,854,236 |
| Employment Department | | | | |
| General Fund | 5,868,497 | - | - | 15,688,586 |
| Other Funds | 125,985,221 | 152,904,308 | 169,980,964 | 192,385,467 |
| Other Funds Nonlimited | 1,012,699,018 | 1,424,000,000 | 1,582,000,000 | 1,582,000,000 |
| Federal Funds | 134,330,971 | 159,644,349 | 153,562,854 | 154,315,171 |
| Federal Funds Nonlimited | 60,480,860 | 70,000,000 | 100,000,000 | 100,000,000 |
| Total Expenditures | 1,339,364,567 | 1,806,548,657 | 2,005,543,818 | 2,044,389,224 |
| Housing and Community Services Department | | | | |
| General Fund | 27,328,954 | 59,450,196 | 32,992,739 | 106,468,486 |
| Lottery Funds | 11,676,461 | 17,507,282 | 21,868,790 | 21,789,335 |
| Other Funds | 159,406,108 | 324,497,248 | 266,077,019 | 554,281,275 |
| Other Funds Nonlimited | 721,451,233 | 902,349,381 | 816,988,340 | 1,056,668,660 |
| Federal Funds | 118,193,644 | 122,817,211 | 127,694,100 | 126,659,025 |
| Federal Funds Nonlimited | 119,200,845 | 133,265,609 | 133,231,628 | 152,131,628 |
| Total Expenditures | 1,157,257,245 | 1,559,886,927 | 1,398,852,616 | 2,017,998,409 |
| Veterans' Affairs, Department of | | | | |
| General Fund | 12,954,681 | 8,568,114 | 10,275,406 | 8,352,877 |
| Lottery Funds | - | 15,400,349 | 14,779,342 | 20,559,847 |
| Other Funds | 79,801,323 | 116,893,607 | 103,405,833 | 108,523,336 |
| Other Funds Nonlimited | 235,863,557 | 447,546,159 | 408,779,089 | 408,779,089 |
| Federal Funds | 3,403,376 | 7,347,138 | 1,000,000 | 1,525,000 |
| Total Expenditures | 332,022,937 | 595,755,367 | 538,239,670 | 547,740,149 |
| ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA | | | | |
| General Fund | 60,963,227 | 122,586,977 | 105,091,082 | 204,042,491 |
| Lottery Funds | 112,172,578 | 150,697,043 | 155,805,100 | 169,714,348 |
| Other Funds | 427,596,082 | 977,869,176 | 947,187,495 | 1,410,508,187 |
| Other Funds Nonlimited | 2,095,323,254 | 3,013,018,732 | 3,053,311,464 | 3,327,991,784 |
| Federal Funds | 281,852,056 | 331,266,225 | 325,306,176 | 325,593,580 |
| Federal Funds Nonlimited | 179,681,705 | 203,265,609 | 233,231,628 | 252,131,628 |
| Total | 3,157,588,902 | 4,798,703,762 | 4,819,932,945 | 5,689,982,018 |

| | 2015-17 Actuals | 2017-19 Legislatively Approved | 2019-21 Current Service Level | 2019-21 Legislatively Adopted |
|--|--------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ | \$ | \$ |
| CONSUMER AND BUSINESS SERVICES | | | | |
| Accountancy, Board of | | | | |
| Other Funds | 2,261,508 | 2,617,527 | 2,647,639 | 2,788,351 |
| Chiropractic Examiners, Board of | | | | |
| Other Funds | 1,672,562 | 2,027,840 | 2,224,331 | 2,260,448 |
| Construction Contractors Board | | | | |
| Other Funds | 13,236,738 | 16,174,047 | 17,001,154 | 15,038,579 |
| Consumer and Business Services, Dept of | | | | |
| General Fund | 1,823,000 | - | - | 1,299,319 |
| Other Funds | 225,013,504 | 253,005,744 | 265,613,032 | 367,014,796 |
| Other Funds Nonlimited | 166,025,572 | 202,096,657 | 212,126,048 | 211,515,831 |
| Federal Funds | 13,695,903 | 16,803,370 | 16,823,218 | 100,670,278 |
| Total Expenditures | 406,557,979 | 471,905,771 | 494,562,298 | 680,500,224 |
| Dentistry, Board of | | | | |
| Other Funds | 2,821,996 | 3,328,763 | 3,491,238 | 3,535,260 |
| Health Related Licensing Boards: | | | | |
| Mortuary and Cemetery Board | | | | |
| Other Funds | 1,814,321 | 2,191,749 | 2,267,235 | 2,343,995 |
| Naturopathic Medicine | | | | |
| Other Funds | 718,941 | 909,413 | 905,995 | 1,166,035 |
| Occupational Therapy Licensing | | | | |
| Other Funds | 380,627 | 514,522 | 542,405 | 619,842 |
| Medical Imaging | | | | |
| Other Funds | 839,959 | 958,304 | 944,587 | 1,175,429 |
| Speech-Language Pathology and Audiology | | | | |
| Other Funds | 579,749 | 756,010 | 858,343 | 979,115 |
| Veterinary Medical Examining | | | | |
| Other Funds | 768,344 | 1,134,917 | 1,098,790 | 1,203,614 |
| Health Related Licensing Boards Total | | | | |
| Other Funds | 5,101,941 | 6,464,915 | 6,617,355 | 7,488,030 |

| | 2015-17 Actuals | 2017-19 Legislatively Approved | 2019-21 Current Service Level | 2019-21 Legislatively Adopted |
|--|--------------------|--------------------------------------|-------------------------------------|-------------------------------------|
| | \$ | \$ | \$ | \$ |
| Labor and Industries, Bureau of | | | | |
| General Fund | 12,579,327 | 13,461,114 | 14,341,010 | 14,894,178 |
| Lottery Funds | - | - | - | 250,000 |
| Other Funds | 9,805,185 | 12,675,846 | 13,264,926 | 13,953,296 |
| Other Funds Nonlimited | 756,373 | 1,281,732 | 900,000 | 900,000 |
| Federal Funds | 1,421,260 | 1,297,545 | 1,354,891 | 1,335,294 |
| Total Expenditures | 24,562,145 | 28,716,237 | 29,860,827 | 31,332,768 |
| Licensed Social Workers, Board of | | | | |
| Other Funds | 1,403,573 | 1,717,671 | 1,828,013 | 1,804,612 |
| Medical Board, Oregon | | | | |
| Other Funds | 10,238,728 | 12,840,109 | 13,324,918 | 13,662,415 |
| Mental Health Regulatory Agency* | | | | |
| Other Funds | 2,558,922 | 3,509,699 | 3,656,573 | 3,941,338 |
| Nursing, Board of | | | | |
| Other Funds | 15,351,050 | 16,847,478 | 17,888,645 | 19,719,954 |
| Pharmacy, Board of | | | | |
| Other Funds | 6,253,007 | 7,464,610 | 7,698,155 | 8,761,878 |
| Public Utility Commission | | | | |
| Other Funds | 37,870,777 | 45,919,838 | 48,075,719 | 49,252,175 |
| Other Funds Nonlimited | 68,662,899 | 62,290,822 | 54,312,163 | 54,312,163 |
| Federal Funds | 658,975 | 742,231 | 790,833 | 1,025,117 |
| Total Expenditures | 107,192,651 | 108,952,891 | 103,178,715 | 104,589,455 |
| Real Estate Agency | | | | |
| Other Funds | 6,735,567 | 7,781,918 | 8,586,773 | 8,499,070 |
| Tax Practitioners, Board of | | | | |
| Other Funds | 1,106,913 | 1,042,020 | 1,104,037 | 1,091,888 |
| CONSUMER AND BUSINESS SERVICES PROGRAM AREA | | | | |
| General Fund | 14,402,327 | 13,461,114 | 14,341,010 | 16,193,497 |
| Lottery Funds | - | - | - | 250,000 |
| Other Funds | 341,431,971 | 393,418,025 | 413,022,508 | 518,812,090 |
| Other Funds Nonlimited | 235,444,844 | 265,669,211 | 267,338,211 | 266,727,994 |
| Federal Funds | 15,776,138 | 18,843,146 | 18,968,942 | 103,030,689 |
| Total | 607,055,280 | 691,391,496 | 713,670,671 | 905,014,270 |

* HB 2319 (2017) combined the Board of Licensed Professional Counselors and Therapists and the Board of Psychology

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|-------------|---------------|---------------|---------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| NATURAL RESOURCES | | | | |
| Agriculture, Department of | | | | |
| General Fund | 24,497,951 | 23,529,248 | 25,206,997 | 25,991,367 |
| Lottery Funds | 7,077,309 | 10,360,960 | 7,366,847 | 10,568,358 |
| Other Funds | 52,663,810 | 68,154,857 | 71,565,017 | 74,372,889 |
| Federal Funds | 12,712,955 | 17,615,623 | 15,857,812 | 17,472,153 |
| Total Expenditures | 96,952,025 | 119,660,688 | 119,996,673 | 128,404,767 |
| Columbia River Gorge Commission | | | | |
| General Fund | 920,288 | 1,010,000 | 1,032,043 | 1,160,612 |
| Energy, Department of | | | | |
| General Fund | - | - | 4,334,048 | 6,334,048 |
| Lottery Funds | 2,980,489 | 3,023,630 | 3,023,370 | 3,023,365 |
| Other Funds | 25,284,394 | 35,609,279 | 32,689,074 | 32,812,879 |
| Other Funds Nonlimited | 126,213,739 | 119,282,861 | 41,028,718 | 41,028,718 |
| Federal Funds | 2,337,024 | 2,455,398 | 2,482,702 | 2,196,096 |
| Federal Funds Nonlimited | | 104,000 | 104,000 | 104,000 |
| Total Expenditures | 156,815,646 | 160,475,168 | 83,661,912 | 85,499,106 |
| Environmental Quality, Department of | | | | |
| General Fund | 38,163,023 | 48,700,883 | 48,676,792 | 53,777,160 |
| Lottery Funds | 4,084,180 | 4,732,711 | 5,332,415 | 5,300,822 |
| Other Funds | 129,989,706 | 194,863,032 | 202,486,131 | 222,204,270 |
| Other Funds Nonlimited | 107,343,731 | 134,186,687 | 138,028,330 | 148,048,330 |
| Federal Funds | 22,268,911 | 29,266,525 | 30,144,724 | 29,410,521 |
| Total Expenditures | 301,849,551 | 411,749,838 | 424,668,392 | 458,741,103 |
| Fish and Wildlife, Department of | | | | |
| General Fund | 31,162,078 | 29,458,285 | 32,776,501 | 35,094,508 |
| Lottery Funds | 4,852,625 | 5,326,259 | 5,640,031 | 7,621,405 |
| Other Funds | 149,799,195 | 193,825,411 | 194,916,970 | 203,027,596 |
| Federal Funds | 108,738,152 | 135,922,685 | 141,948,710 | 144,438,993 |
| Total Expenditures | 294,552,050 | 364,532,640 | 375,282,212 | 390,182,502 |
| Forestry, Department of | | | | |
| General Fund | 102,048,469 | 135,808,540 | 91,726,893 | 90,604,264 |
| Lottery Funds | 6,987,642 | 2,601,001 | 2,605,450 | 2,543,451 |
| Other Funds | 270,189,305 | 450,358,877 | 249,425,178 | 260,068,337 |
| Other Funds Nonlimited | 1,731,479 | - | - | - |
| Federal Funds | 16,914,057 | 33,907,251 | 35,532,252 | 35,483,276 |
| Total Expenditures | 397,870,952 | 622,675,669 | 379,289,773 | 388,699,328 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|--------------------|----------------------|----------------------|----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| Geology and Mineral Industries, Dept of | | | | |
| General Fund | 4,806,968 | 5,359,949 | 5,119,592 | 2,534,180 |
| Other Funds | 4,917,107 | 7,731,528 | 7,252,383 | 2,817,896 |
| Federal Funds | 5,410,687 | 6,040,857 | 6,225,649 | 2,902,495 |
| Total Expenditures | 15,134,762 | 19,132,334 | 18,597,624 | 8,254,571 |
| Land Conservation and Development, Dept of | | | | |
| General Fund | 13,211,189 | 15,160,953 | 13,906,741 | 20,231,675 |
| Other Funds | 546,079 | 1,785,545 | 616,655 | 1,460,817 |
| Federal Funds | 4,260,687 | 6,487,739 | 6,484,945 | 6,755,041 |
| Total Expenditures | 18,017,955 | 23,434,237 | 21,008,341 | 28,447,533 |
| Land Use Board of Appeals | | | | |
| General Fund | 1,817,892 | 2,014,924 | 2,083,485 | 2,061,858 |
| Other Funds | 24,228 | 33,700 | 34,981 | 34,981 |
| Total Expenditures | 1,842,120 | 2,048,624 | 2,118,466 | 2,096,839 |
| Marine Board | | | | |
| Other Funds | 25,175,987 | 27,142,592 | 27,428,626 | 28,360,346 |
| Federal Funds | 5,420,164 | 6,633,313 | 6,260,265 | 6,317,622 |
| Total Expenditures | 30,596,151 | 33,775,905 | 33,688,891 | 34,677,968 |
| Parks and Recreation Department | | | | |
| General Fund | - | 228,729 | 273,580 | - |
| Lottery Funds | 78,504,001 | 108,856,337 | 109,690,538 | 116,785,574 |
| Other Funds | 102,346,202 | 101,632,140 | 98,722,769 | 130,655,323 |
| Federal Funds | 7,266,847 | 16,422,002 | 10,294,950 | 16,685,823 |
| Total Expenditures | 188,117,050 | 227,139,208 | 218,981,837 | 264,126,720 |
| State Lands, Department of | | | | |
| General Fund | 242,904 | 5,000,000 | - | - |
| Lottery Funds | - | - | 589,920 | - |
| Other Funds | 31,316,433 | 55,124,109 | 45,471,053 | 54,079,207 |
| Other Funds Nonlimited | 13,184,428 | 19,234,249 | 10,627,890 | 10,627,890 |
| Federal Funds | 1,541,286 | 2,466,188 | 2,225,284 | 2,295,209 |
| Total Expenditures | 46,285,051 | 81,824,546 | 58,914,147 | 67,002,306 |
| Water Resources Department | | | | |
| General Fund | 31,151,280 | 33,503,512 | 34,710,206 | 36,722,794 |
| Lottery Funds | 2,511,474 | 3,953,969 | 8,493,320 | 7,566,502 |
| Other Funds | 12,105,217 | 66,864,861 | 44,268,986 | 99,151,093 |
| Other Funds Nonlimited | - | - | - | - |
| Federal Funds | 629,631 | 1,905,917 | 876,734 | 875,519 |
| Total Expenditures | 46,397,602 | 106,228,259 | 88,349,246 | 144,315,908 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|----------------------|----------------------|----------------------|----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| Oregon Watershed Enhancement Board | | | | |
| General Fund | - | 190,000 | - | - |
| Lottery Funds | 62,490,494 | 79,589,460 | 82,674,272 | 90,535,226 |
| Other Funds | 2,709,180 | 3,009,486 | 1,670,646 | 3,070,646 |
| Federal Funds | 24,324,998 | 41,759,143 | 28,044,683 | 45,304,270 |
| Total Expenditures | 89,524,672 | 124,548,089 | 112,389,601 | 138,910,142 |
| NATURAL RESOURCES PROGRAM AREA | | | | |
| General Fund | 248,022,042 | 299,965,023 | 259,846,878 | 274,512,466 |
| Lottery Funds | 169,488,214 | 218,444,327 | 225,416,163 | 243,944,703 |
| Other Funds | 807,066,843 | 1,206,135,417 | 976,548,469 | 1,112,116,280 |
| Other Funds Nonlimited | 248,473,377 | 272,703,797 | 189,684,938 | 199,704,938 |
| Federal Funds | 211,825,399 | 300,882,641 | 286,378,710 | 310,137,018 |
| Federal Funds Nonlimited | - | 104,000 | 104,000 | 104,000 |
| Total | 1,684,875,875 | 2,298,235,205 | 1,937,979,158 | 2,140,519,405 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--------------------------------------|----------------------|----------------------|----------------------|----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| TRANSPORTATION | | | | |
| Aviation, Department of | | | | |
| Other Funds | 6,913,232 | 13,745,866 | 12,921,194 | 20,035,792 |
| Federal Funds | 2,257,222 | 9,318,243 | 3,933,182 | 11,312,356 |
| Total Expenditures | 9,170,454 | 23,064,109 | 16,854,376 | 31,348,148 |
| Transportation, Department of | | | | |
| General Fund | 22,052,311 | 23,456,104 | 45,433,147 | 25,306,026 |
| Lottery Funds | 107,484,130 | 113,596,792 | 118,775,740 | 115,592,980 |
| Other Funds | 2,628,890,030 | 3,822,653,506 | 4,150,258,956 | 4,226,441,397 |
| Other Funds Nonlimited | 527,193,523 | 173,412,455 | 18,000,000 | 18,000,000 |
| Federal Funds | 86,113,542 | 105,756,768 | 112,026,315 | 113,670,758 |
| Federal Funds Nonlimited | 20,145,859 | 21,575,775 | 21,243,619 | 21,243,619 |
| Total Expenditures | 3,391,879,395 | 4,260,451,400 | 4,465,737,777 | 4,520,254,780 |
| TRANSPORTATION PROGRAM AREA | | | | |
| General Fund | 22,052,311 | 23,456,104 | 45,433,147 | 25,306,026 |
| Lottery Funds | 107,484,130 | 113,596,792 | 118,775,740 | 115,592,980 |
| Other Funds | 2,635,803,262 | 3,836,399,372 | 4,163,180,150 | 4,246,477,189 |
| Other Funds Nonlimited | 527,193,523 | 173,412,455 | 18,000,000 | 18,000,000 |
| Federal Funds | 88,370,764 | 115,075,011 | 115,959,497 | 124,983,114 |
| Federal Funds Nonlimited | 20,145,859 | 21,575,775 | 21,243,619 | 21,243,619 |
| Total | 3,401,049,849 | 4,283,515,509 | 4,482,592,153 | 4,551,602,928 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--|---------------|---------------|---------------|---------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| ADMINISTRATION | | | | |
| Administrative Services, Dept of* | | | | |
| General Fund | 15,830,496 | 24,998,697 | 9,078,145 | 31,517,185 |
| Lottery Funds | 10,658,858 | 13,940,628 | 20,255,163 | 17,457,806 |
| Other Funds | 908,829,826 | 1,027,206,922 | 910,975,927 | 1,134,383,875 |
| Other Funds Nonlimited | 194,774,768 | 129,986,751 | 133,988,178 | 133,988,178 |
| Federal Funds | - | 1,446,795 | - | - |
| Total Expenditures | 1,130,093,948 | 1,197,579,793 | 1,074,297,413 | 1,317,347,044 |
| Fairs (County and State)* | | | | |
| General Fund | 1,015,299 | 1,015,299 | 1,634,666 | 1,597,000 |
| Lottery Funds | 3,864,000 | 3,828,000 | 3,828,000 | 3,828,000 |
| Total Expenditures | 4,879,299 | 4,843,299 | 5,462,666 | 5,425,000 |
| Historical Society* | | | | |
| General Fund | 1,125,000 | 900,000 | 750,000 | 2,000,000 |
| Lottery Funds | 105,196 | 360,652 | 412,392 | 412,392 |
| Total Expenditures | 1,230,196 | 1,260,652 | 1,162,392 | 2,412,392 |
| Oregon Public Broadcasting* | | | | |
| General Fund | 750,000 | 500,000 | 500,000 | 1,000,000 |
| Lottery Funds | 2,013,018 | 1,572,415 | 915,135 | 915,135 |
| Total Expenditures | 2,763,018 | 2,072,415 | 1,415,135 | 1,915,135 |
| Advocacy Commissions Office | | | | |
| General Fund | 623,646 | 720,802 | 760,506 | 756,596 |
| Other Funds | 2,640 | 9,481 | 9,841 | 9,841 |
| Total Expenditures | 626,286 | 730,283 | 770,347 | 766,437 |
| Employment Relations Board | | | | |
| General Fund | 2,368,937 | 2,556,694 | 2,982,956 | 2,956,273 |
| Other Funds | 1,842,428 | 2,556,456 | 2,420,716 | 2,404,621 |
| Total Expenditures | 4,211,365 | 5,113,150 | 5,403,672 | 5,360,894 |
| Government Ethics Commission | | | | |
| Other Funds | 2,477,666 | 2,758,688 | 2,934,592 | 2,903,298 |
| Governor, Office of the | | | | |
| General Fund | 11,529,028 | 13,660,135 | 15,362,514 | 16,491,702 |
| Lottery Funds | 3,434,970 | 3,723,949 | 4,094,546 | 3,932,736 |
| Other Funds | 2,451,565 | 3,413,769 | 3,621,636 | 3,910,275 |
| Federal Funds | - | 3,585,152 | - | - |
| Total Expenditures | 17,415,563 | 24,383,005 | 23,078,696 | 24,334,713 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|----------------|----------------|----------------|----------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| Oregon Liquor Control Comm | | | | |
| Other Funds | 177,957,053 | 215,634,618 | 226,691,665 | 247,046,671 |
| Other Funds Nonlimited | - | - | - | - |
| Total Expenditures | 177,957,053 | 215,634,618 | 226,691,665 | 247,046,671 |
| Public Employees Retirement System | | | | |
| General Fund | - | - | - | 100,000,000 |
| Other Funds | 97,536,251 | 101,657,012 | 105,912,270 | 263,256,648 |
| Other Funds Nonlimited | 9,856,259,772 | 11,094,171,000 | 12,493,087,721 | 12,504,627,192 |
| Total Expenditures | 9,953,796,023 | 11,195,828,012 | 12,598,999,991 | 12,867,883,840 |
| Racing Commission, Oregon | | | | |
| Other Funds | 5,871,560 | 6,422,599 | 6,866,762 | 3,899,658 |
| Revenue, Dept of | | | | |
| General Fund | 185,042,400 | 194,420,886 | 204,875,450 | 213,103,682 |
| Other Funds | 125,226,811 | 129,930,437 | 123,681,615 | 126,095,425 |
| Total Expenditures | 310,269,211 | 324,351,323 | 328,557,065 | 339,199,107 |
| Secretary of State | | | | |
| General Fund | 10,285,700 | 14,357,322 | 11,261,921 | 14,158,129 |
| Other Funds | 51,509,990 | 58,170,519 | 62,088,686 | 63,888,057 |
| Federal Funds | 1,845,372 | 8,132,619 | 4,960,337 | 5,387,041 |
| Total Expenditures | 63,641,062 | 80,660,460 | 78,310,944 | 83,433,227 |
| State Library | | | | |
| General Fund | 3,410,982 | 4,060,172 | 4,202,817 | 4,200,159 |
| Other Funds | 5,839,536 | 6,842,189 | 7,042,377 | 6,987,429 |
| Federal Funds | 4,171,184 | 5,449,791 | 5,504,648 | 5,221,519 |
| Total Expenditures | 13,421,702 | 16,352,152 | 16,749,842 | 16,409,107 |
| Treasurer, Oregon State | | | | |
| General Fund | 1,904,631 | 5,361,270 | 1,463,607 | - |
| Other Funds | 54,259,279 | 82,003,898 | 88,422,190 | 92,726,560 |
| Total Expenditures | 56,163,910 | 87,365,168 | 89,885,797 | 92,726,560 |
| ADMINISTRATION PROGRAM AREA | | | | |
| General Fund | 233,886,119 | 262,551,277 | 252,872,582 | 387,780,726 |
| Lottery Funds | 20,076,042 | 23,425,644 | 29,505,236 | 26,546,069 |
| Other Funds | 1,433,804,605 | 1,636,606,588 | 1,540,668,277 | 1,947,512,358 |
| Other Funds Nonlimited | 10,051,034,540 | 11,224,157,751 | 12,627,075,899 | 12,638,615,370 |
| Federal Funds | 6,016,556 | 18,614,357 | 10,464,985 | 10,608,560 |
| Total | 11,744,817,862 | 13,165,355,617 | 14,460,586,979 | 15,011,063,083 |

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

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|-------------|---------------|---------------|---------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| LEGISLATIVE BRANCH | | | | |
| Indian Services, Commission on | | | | |
| General Fund | 420,767 | 628,880 | 556,385 | 730,962 |
| Other Funds | 1,186 | 7,035 | 7,302 | 7,302 |
| Total Expenditures | 421,953 | 635,915 | 563,687 | 738,264 |
| Legislative Administration Committee | | | | |
| General Fund | 33,025,945 | 49,693,363 | 44,596,708 | 50,784,229 |
| Other Funds | 4,360,135 | 27,665,211 | 6,620,683 | 11,826,630 |
| Other Funds Nonlimited | 5,342,049 | 500,000 | 765,561 | 765,561 |
| Total Expenditures | 42,728,129 | 77,858,574 | 51,982,952 | 63,376,420 |
| Legislative Assembly | | | | |
| General Fund | 38,726,243 | 45,984,750 | 48,437,336 | 54,495,347 |
| Other Funds | 4,361 | 26,570 | 27,580 | 27,580 |
| Other Funds Nonlimited | 104,839 | 115,520 | 135,000 | 135,000 |
| Total Expenditures | 38,835,443 | 46,126,840 | 48,599,916 | 54,657,927 |
| Legislative Counsel Committee | | | | |
| General Fund | 10,511,999 | 13,384,325 | 14,376,494 | 14,657,440 |
| Other Funds | 1,058,979 | 1,846,216 | 1,908,386 | 2,000,148 |
| Other Funds Nonlimited | 496,355 | 554,913 | 576,570 | 626,570 |
| Total Expenditures | 12,067,333 | 15,785,454 | 16,861,450 | 17,284,158 |
| Legislative Fiscal Officer | | | | |
| General Fund | 3,765,890 | 4,969,314 | 6,107,186 | 7,807,489 |
| Other Funds | 3,489,242 | 4,072,282 | 4,046,295 | 4,435,155 |
| Total Expenditures | 7,255,132 | 9,041,596 | 10,153,481 | 12,242,644 |
| Legislative Policy and Research Office | | | | |
| General Fund | - | 9,889,412 | 10,698,993 | 11,018,643 |
| Legislative Revenue Officer | | | | |
| General Fund | 2,715,111 | 3,065,527 | 2,858,746 | 2,833,427 |
| LEGISLATIVE BRANCH PROGRAM AREA | | | | |
| General Fund | 89,165,955 | 127,615,571 | 127,631,848 | 142,327,537 |
| Other Funds | 8,913,903 | 33,617,314 | 12,610,246 | 18,296,815 |
| Other Funds Nonlimited | 5,943,243 | 1,170,433 | 1,477,131 | 1,527,131 |
| Total | 104,023,101 | 162,403,318 | 141,719,225 | 162,151,483 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|--|----------------|----------------------|----------------------|----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| MISCELLANEOUS | | | | |
| Emergency Board | | | | |
| General Fund | - | - | 50,000,000 | 75,000,000 |
| Total Expenditures | - | - | 50,000,000 | 75,000,000 |
| Special Purpose Appropriations (details below) | - | - | 6,000,000 | 265,846,094 |
| MISCELLANEOUS PROGRAM TOTAL | | | | |
| General Fund | - | - | 56,000,000 | 340,846,094 |
| Total | - | - | 56,000,000 | 340,846,094 |
| Special Purpose Appropriations (SPA) | | | | |
| Various - State Employee Salary Adjustment | | | | 200,000,000 |
| Various - Non-state Employee Salary Adjustment | | | | 20,000,000 |
| Department of Forestry - Fire protection expenses | | | 6,000,000 | 8,000,000 |
| Public Defense Services Commission - Financial Management System | | | | 2,000,000 |
| Department of Fish and Wildlife - Oregon Conservation and Recreation Fund | | | | 1,000,000 |
| Department of Human Services - Non-Medicaid In Home Services | | | | 4,000,000 |
| Public Defense Services Commission - Defense Services and Contract Model | | | | 20,000,000 |
| Judicial Department/District Attorneys - Grand Jury Recordation | | | | 3,000,000 |
| Oregon Health Authority - Youth with Behavioral Health Needs | | | | 5,700,000 |
| Public Defense Services Comm./Dept. of Corrections - Unauthorized Use of Vehicle | | | | 1,000,000 |
| Secretary of State - Prepaid Postage for Ballots (SB 861) Implementation | | | | 1,146,094 |
| SPA Totals | - | - | 6,000,000 | 265,846,094 |

| | 2015-17 | 2017-19 | 2019-21 | 2019-21 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| | Actuals | Legislatively | Current | Legislatively |
| | | Approved | Service Level | Adopted |
| | \$ | \$ | \$ | \$ |
| STATE OF OREGON TOTAL EXPENDITURES | | | | |
| General Fund | 17,899,405,721 | 19,945,903,558 | 22,593,613,167 | 22,409,955,625 |
| Lottery Funds | 932,754,715 | 1,159,746,890 | 1,216,504,069 | 1,258,968,067 |
| Other Funds | 13,362,838,177 | 18,794,080,754 | 17,010,120,403 | 21,092,678,185 |
| Other Funds Nonlimited | 14,244,310,054 | 15,354,519,858 | 16,528,674,384 | 16,824,353,958 |
| Federal Funds | 17,675,615,452 | 19,869,227,413 | 19,917,573,568 | 21,462,665,021 |
| Federal Funds Nonlimited | 2,838,624,801 | 2,958,363,925 | 3,007,463,782 | 2,751,363,782 |
| Total Expenditures | 66,953,548,920 | 78,081,842,398 | 80,273,949,373 | 85,799,984,638 |
| | | | | |
| | | | | |
| STATE OF OREGON TOTAL EXPENDITURES | | | | |
| General Fund | 17,899,405,721 | 19,945,903,558 | 22,593,613,167 | 22,409,955,625 |
| Lottery Funds | 932,754,715 | 1,159,746,890 | 1,216,504,069 | 1,258,968,067 |
| Other Funds | 27,607,148,231 | 34,148,600,612 | 33,538,794,787 | 37,917,032,143 |
| Federal Funds | 20,514,240,253 | 22,827,591,338 | 22,925,037,350 | 24,214,028,803 |
| Total Expenditures | 66,953,548,920 | 78,081,842,398 | 80,273,949,373 | 85,799,984,638 |