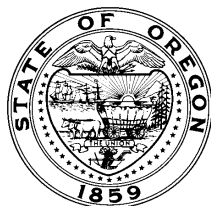


2021-23

BUDGET HIGHLIGHTS



Legislative Fiscal Office
March 2022

State of Oregon
Legislative Fiscal Office

900 Court St. NE, H-178
Salem, OR 97301
503-986-1828



Amanda Beitel, Legislative Fiscal Officer
Paul Siebert, Deputy Legislative Fiscal Officer
Laurie Byerly, Interim Deputy Legislative Fiscal Officer

March 31, 2022

To the Members of the Eighty-First Oregon Legislative Assembly:

Following is the *2021-23 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 contact the Legislative Fiscal Office if you have any questions.

Laurie Byerly
Interim Deputy Legislative Fiscal Officer

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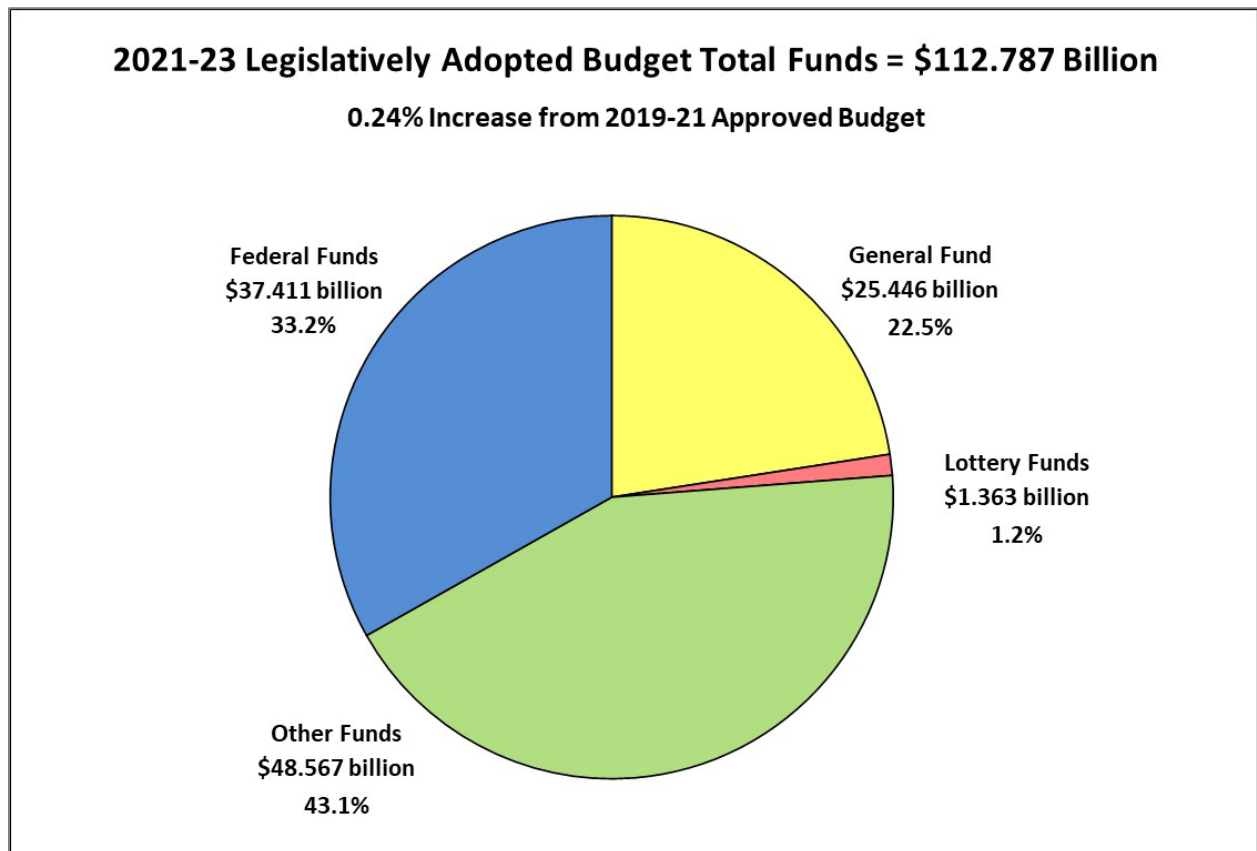
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Summary of the 2021-23 Legislatively Adopted Budget

Overview

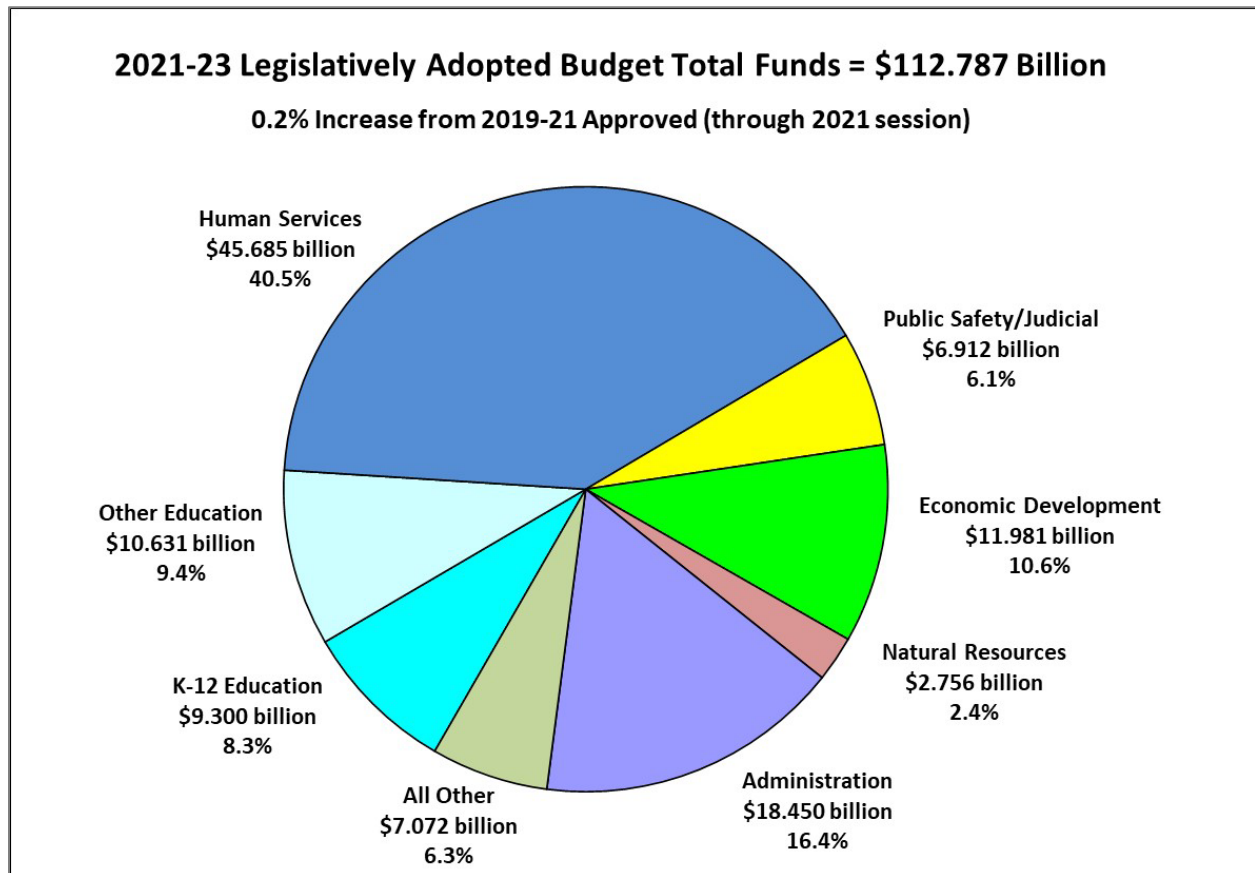
The legislatively adopted budget (LAB) for the 2021-23 biennium is \$112.8 billion total funds, an increase of \$266.3 million (a 0.2% increase) from the 2019-21 legislatively approved budget of \$112.5 billion. The total funds budgets for both biennia are heavily influenced by one-time federal funding increases intended to help states mitigate impacts of the COVID-19 pandemic, which increased demand for state programs and/or decreased state revenues.

The LAB includes \$26.8 billion in combined General Fund and Lottery Funds, \$48.6 billion Other Funds, and \$37.4 billion Federal Funds. The percentage increase between biennia for combined General Fund and Lottery Funds is 12.1%. The eventual 2021-23 approved budget will change from the adopted level, since changes in state revenues, an increased need for Other Funds expenditure limitation, and an appetite to spend federal funding reserves will likely be addressed over the course of the biennium. Generally, when changes in the anticipated revenue for the biennium occur, the Legislature may elect to (in the case of additional revenue) or need to (in the case of revenue shortfalls) adjust 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 2021 regular session, the Legislature organized in mid-January and began session activities on January 19th, and completed business on June 26th, meeting the constitutional deadline.



To implement the budget decisions made during the 2021 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 2021-23 adopted budget:

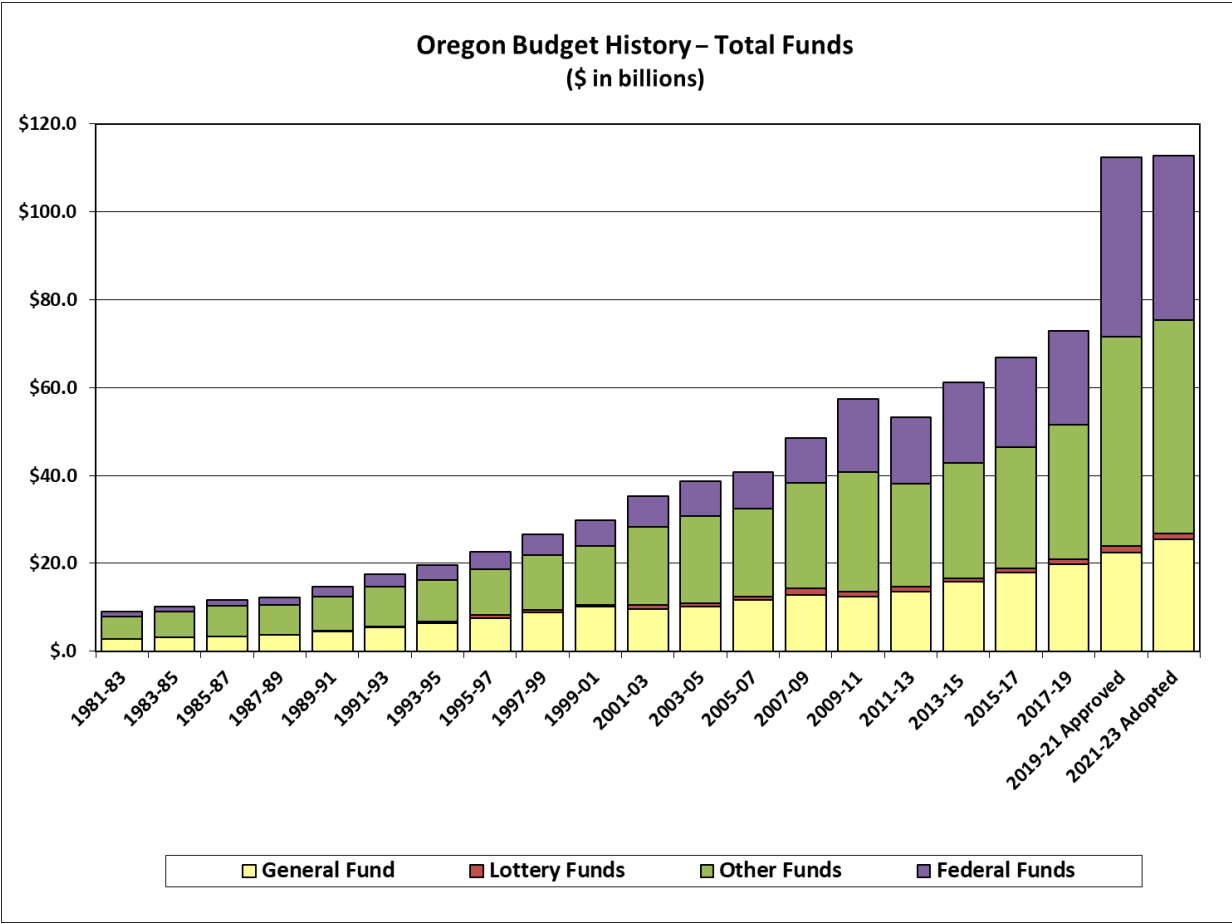
- HB 5006 – Emergency Fund and omnibus budget reconciliation
- HB 3011 – non-appropriation program changes to implement budget decisions
- SB 5505 – bonding authorization
- SB 5506 – capital construction
- SB 5533 – lottery and Criminal Fine Account allocations
- SB 5534 – lottery bonding authorization
- SB 5541 – 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 2021-23 LAB, highlights of the 2021 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 19th.
- The release of a documents by the Joint Committee on Ways and Means Co-Chairs outlining budget development principles and a framework.

- Planning and executing a budget rebalance for the 2019-21 biennium by the end of March.
- In April, a series of community virtual budget hearings were held by the Joint Committee on Ways and Means. These five hearings were organized by congressional district and sought public feedback on how to balance the state budget, along with ideas on how to use federal funding from the American Rescue Plan Act.
- In addition to the 91 budget bills heard (87 were passed out) by the Joint Committee on Ways and Means (and its seven subcommittees), 333 policy bills were referred to the Committee; 135 of these bills received at least a public hearing, with 133 passed out of committee to either the Senate or House floor for further action.
- Budget decisions occurred in a timely manner that enabled the Legislature to complete its business by the constitutional deadlines.



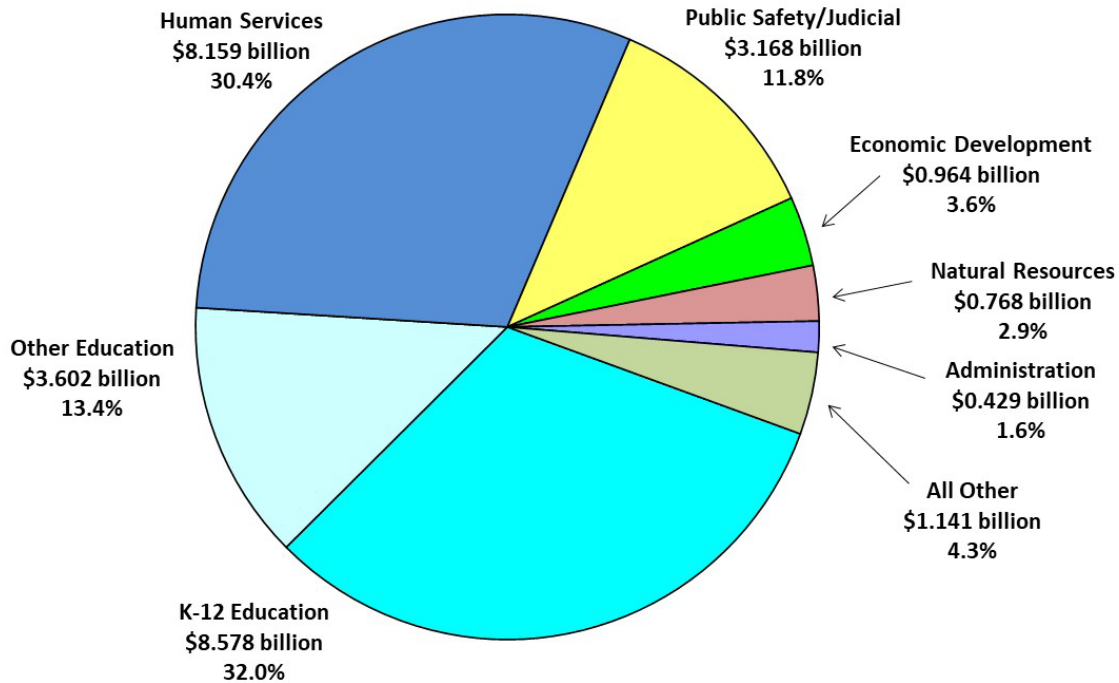
General Fund and Lottery Expenditures

Combined General Fund and Lottery Funds legislatively adopted expenditures for the 2021-23 biennium, total \$26.8 billion, up \$2.9 billion (or 12.1%) from the legislatively approved budget for the 2019-21 biennium. General Fund appropriations increased by \$3 billion (or 13.3%) in the adopted budget over the 2019-21 approved level, while the net Lottery Funds expenditure limitation decreased by \$88.5 million (or 6.1%).

The following chart shows General Fund and Lottery Funds 2021-23 legislatively adopted expenditures broken out by program area.

2021-23 General Fund and Lottery Funds = \$26.809 Billion

12.1% Increase from 2019-21 Approved (through 2021 session)



Planning for the 2021-23 budget started in the spring of 2020 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.

As of the December 2020 economic and revenue forecast, the 2021-23 tentative budget had a General Fund budget gap (revenue shortfall) of \$945.8 million and a projected Lottery Funds balance (revenue surplus) of \$153.1 million. The 2021-23 Co-Chair Budget Framework was based on the March 2021 economic and revenue forecast and set an initial General Fund and Lottery Funds budget of \$27.2 billion, with a \$305.4 million planned ending balance. Both the planned and final adopted 2021-23 General Fund ending balance amounts more than cover the 1% ending balance that is statutorily required for deposit into the Rainy Day Fund.

The planned General Fund ending balance in the Co-Chair Budget Framework was lower than typical, due to the budget plan reserving \$520 million of federal American Rescue Plan Act funding, which can be spent through 2024, for future budget uses. While the March 2021 revenue forecast was an increase from December 2020, since projected revenues were still insufficient to cover the costs of continuing legislatively approved program and services, the Co-

Chair Budget Framework set out program area 2021-23 spending targets below current service level to address that gap.

However, by the time the May 2021 economic and revenue forecast was released in mid-May 2021, the budget outlook had changed dramatically since the Budget Framework document was produced in March. That forecast, upon which the final 2021-23 legislatively adopted budget was based, included General Fund revenue forecast increases exceeding \$1 billion for both the 2019-21 biennium and the 2021-23 biennium, with the 2019-21 biennium forecasted revenues projecting a “kicker” in the amount of \$1.4 billion.

The total funds adopted budget is \$19.1 billion more than the 2021-23 current service level calculation, including the adopted General Fund and Lottery Funds budget at \$1.5 million, or 6.0%, above the calculated 2021-23 current service level budget. General Fund and Lottery Funds comparisons by program area can be found in the following table.

PROGRAM AREA	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level (CSL)	2021-23 Legislatively Adopted	% Change 2021-23 Adopted from 2019-21 Approved	% Change 2021-23 Adopted from 2021-23 CSL
State School Fund¹	8,102.6	8,299.0	8,251.1	8,577.7	3.4%	4.0%
Education – Post Secondary	2,036.9	2,300.7	2,462.7	2,613.8	13.6%	6.1%
Education – Other	816.9	1,129.7	966.3	987.8	(12.6%)	2.2%
Human Services – OHA	2,120.2	2,484.7	3,597.6	3,502.5	41.0%	(2.6%)
Human Services – DHS	3,184.7	3,721.5	4,506.5	4,636.2	24.6%	2.9%
Human Services – Other	12.5	17.2	17.9	20.4	18.8%	14.1%
Public Safety²	2,582.5	2,823.2	2,913.8	2,261.1	(19.9%)	(22.4%)
Judicial Branch³	761.4	875.4	987.8	906.8	3.6%	(8.2%)
Economic Development	264.9	688.5	354.6	964.1	40.0%	171.9%
Natural Resources	512.8	593.3	527.1	768.1	29.5%	45.7%
Transportation	137.1	234.1	144.4	158.9	(32.1%)	10.1%
Consumer and Business Svcs	12.9	16.1	15.7	33.0	104.4%	109.9%
Administration	279.6	565.9	303.8	428.7	(24.2%)	41.1%
Legislative Branch	113.0	163.1	180.4	188.0	15.2%	4.2%
Emergency Fund	0.0	0.0	50.0	761.3	NA	1422.6%
TOTAL	20,937.8	23,912.4	25,279.7	26,808.6	12.1%	6.0%

¹ State School Fund with Other Funds totals \$9.3 billion in 2021-23

² One-time ARPA fund shifts from General Fund to Other Funds result in a temporary GF decrease for 2021-23.

³ If the \$100 million General Fund holdback for PDSC is included, percent changes are positive.

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.

2021-23 Legislatively Adopted Budget				
May 2021 Forecast Revenues (millions)	General Fund	Lottery Discretionary	Lottery Dedicated	TOTAL
Revenues				
Beginning Balance	2,846.0	95.6	37.9	2,979.5
1% Appropriation to Rainy Day Fund	(224.6)	-	-	(224.6)
Projected Revenues	23,232.5	1,379.0	272.5	24,884.0
Lottery Interest Earnings (forecast)	-	2.0	-	2.0
Lottery ESF Interest Earnings	-	5.6	-	5.6
Adjustments				
Projected TANS Interest Costs	(21.5)	-	-	(21.5)
Distributions				
Education Stability Fund	-	(297.3)	-	(297.3)
County Economic Development	-	(54.2)	-	(54.2)
Forecast Revenues	25,832.4	1,130.7	310.4	27,273.5
Revenue Enhancements (Reductions)				
Tax Court Fees (HB 2178)	(0.2)	-	-	(0.2)
Tax Expenditures (HB 2433)	(69.6)	-	-	(69.6)
Federal IRC Connection (HB 2457)	(13.0)	-	-	(13.0)
SOS Filing Fee Retention (SB 25)	1.5	-	-	1.5
Apportionment Factor for Broadcast Sales (SB 136)	(1.2)	-	-	(1.2)
PTE Tax Rates (SB 139)	41.7	-	-	41.7
Expungement Filing Fees - CFA (SB 397)	(1.2)	-	-	(1.2)
Juvenile Delinquency Fees, Court Costs, and Fines - CFA/GF (SB 817)	(3.0)	-	-	(3.0)
DCBS Prescription Drug Affordability GF Repayment (SB 844)	1.8	-	-	1.8
OED Paid Family and Medical Leave Insurance GF Repayment	56.9	-	-	56.9
CFA Transfer to GF from LAB Actions	(1.5)	-	-	(1.5)
Liquor GF Distribution from LAB Actions (includes HB 2740/SB 316)	(15.8)	-	-	(15.8)
2019-21 Rebalance Issues				
Apportionment Factor for Broadcast Sales (SB 136)	(0.9)	-	-	(0.9)
HB 2004 (DAS)	(9.7)	-	-	(9.7)
HB 5028 (OSP)	(0.3)	-	-	(0.3)
HB 5030 (PDSC)	(3.8)	-	-	(3.8)
HB 5043 (OHA/DHS)	198.4	-	-	198.4
SB 5518 (ODF)	(3.8)	-	-	(3.8)
SB 5535 (OMD)	(0.4)	-	-	(0.4)
TOTAL RESOURCES	26,008.4	1,130.7	310.4	27,449.4
2021-23 Program Area Expenditures				
Education - State School Fund	7,988.2	589.5	-	8,577.7
Education - Post-Secondary	2,491.5	122.3	-	2,613.8
Education - Other	987.8	-	-	987.8
Human Services - Oregon Health Authority	3,483.8	16.5	2.1	3,502.5
Human Services - Department of Human Services	4,636.2	-	-	4,636.2
Human Services - Other	20.4	-	-	20.4
Public Safety	2,249.5	-	11.6	2,261.1
Judicial Branch	906.8	-	-	906.8
Economic & Community Development	767.1	176.4	20.6	964.1
Natural Resources	516.4	18.4	233.3	768.1
Transportation	36.0	121.9	1.0	158.9
Consumer & Business Services	32.7	-	0.3	33.0
Administration	380.2	48.6	-	428.7
Legislative Branch	188.0	-	-	188.0
Emergency Board	761.3	-	-	761.3
TOTAL 2021-23 BUDGETED EXPENDITURES	25,446.0	1,093.7	268.9	26,808.6
PROJECTED 2021-23 ENDING BALANCES	562.4	37.0	41.5	640.8

Resources

- Resources are based on the May 2021 forecast but are modified 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 (TANS) by the Oregon State 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 or other tax expenditures beyond current law as approved by the Legislature are included.
- Actual resources are finalized in the close-of-session forecast in September 2021.
- Resources also include various expenditures for the 2019-21 biennium that result in a reduction of the projected beginning balance for the 2021-23 budget.

Expenditures

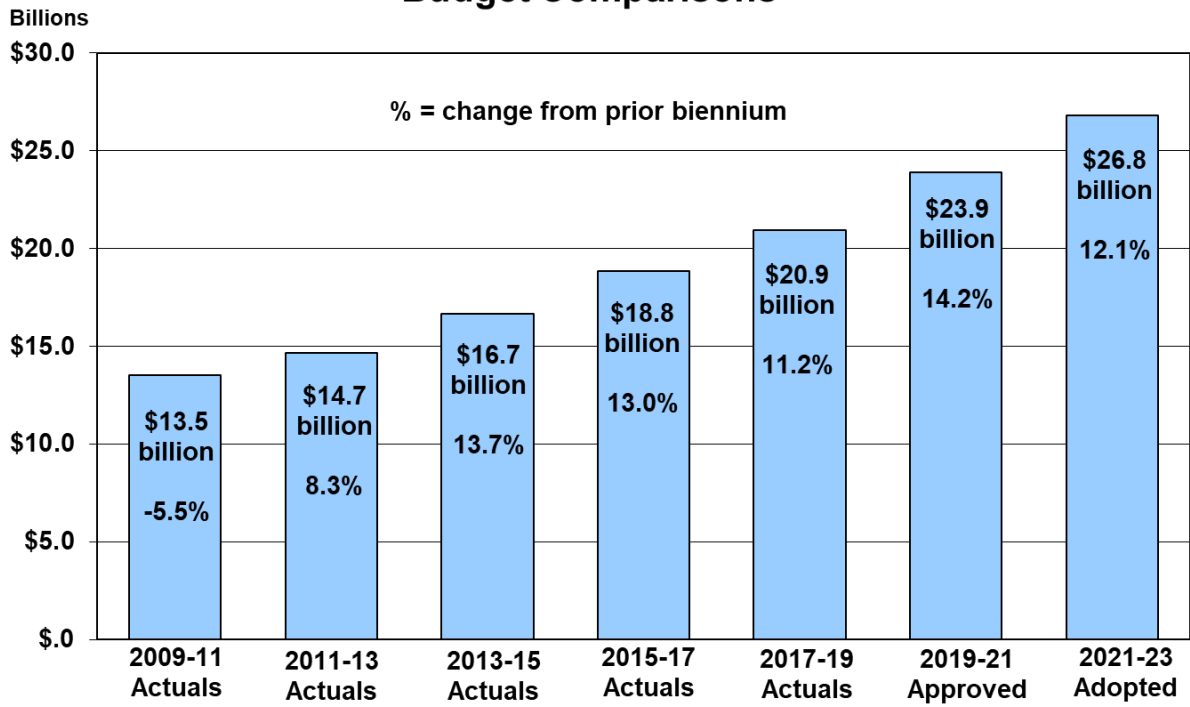
Expenditures are those approved by budget actions taken by the Legislature during the 2021 regular session for the 2021-23 biennium, both from agency budget bills and appropriations in various policy bills. Expenditures do reflect the effect of the Governor's veto of HB 2646, which included General Funds, Other Funds expenditure limitation, and positions for the Oregon Department of Agriculture and Department of Justice to regulate kratom. The Governor's line item veto of Section 5 (Lottery Funds from the Education Stability Fund) of SB 5514, the State School Fund budget bill, is also included.

Ending Balance

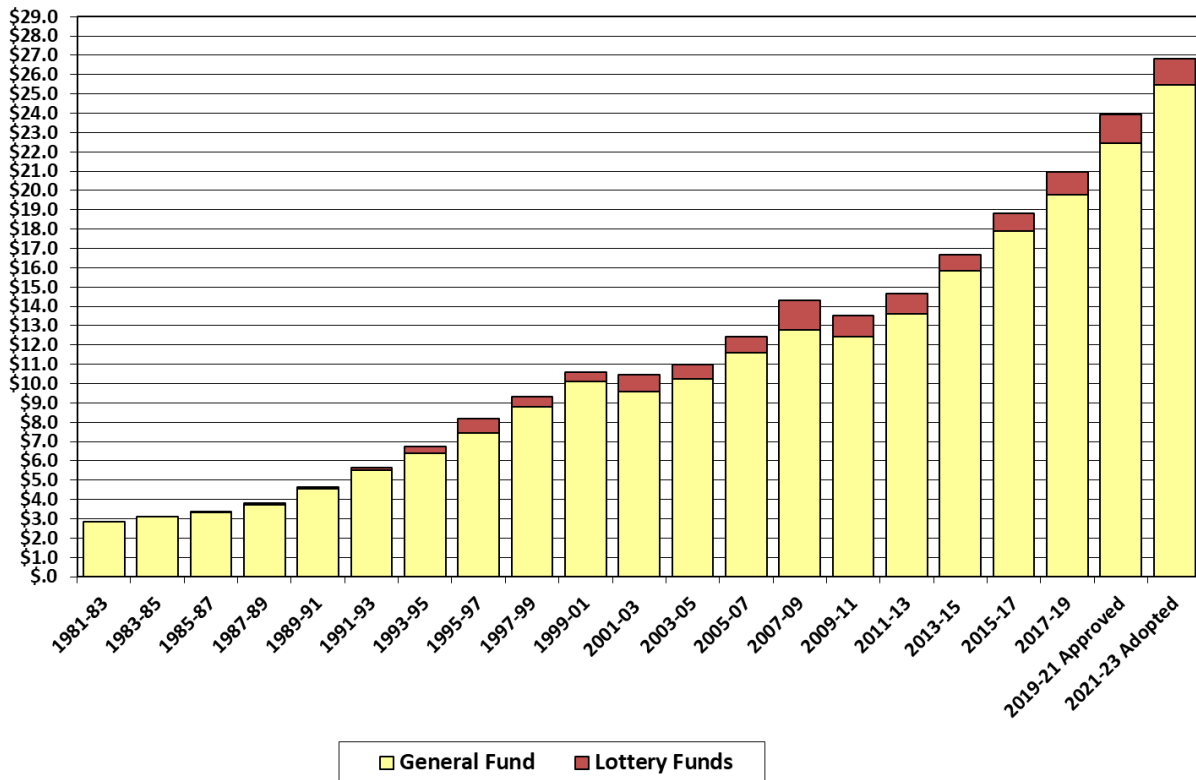
- Ending balances include \$562.4 million General Fund and \$78.5 million Lottery Funds (including both discretionary and dedicated Lottery Funds); the Lottery Funds ending balance is for salary and benefit adjustments, to protect against allocation reductions in case of future lottery revenue declines, and for other dedicated purposes.
- The General Fund ending balance includes 1% of projected expenditures for deposit into the Rainy Day Fund and additional resources 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 2021-23 biennium if a sufficient ending balance exists at that time to complete the transfer.
- In percentage terms, the General Fund adopted ending balance, at 2.2% of expenditures, is just below the 2019-21 adopted ending balance that equated to 2.3% of expenditures. The current adopted General Fund ending balance continues this very recent trend of setting aside a more robust ending balance than had been the case for several biennia.
- Projected ending balances are not static and will change throughout the biennium as revenue forecasts modify overall revenue projections.

The following charts provide historical context for General Fund and Lottery Funds budget expenditures over the last several biennia.

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 37.4% over the 2019-21 biennium level. The broader measure of total Lottery resources, which includes the beginning balance and reversions, is forecast to total \$1,725.8 million in the 2021-23 biennium, a \$445.7 million (or 34.8%) increase over the 2019-21 biennium. The substantial increase in projected revenues is attributable to the decline in 2019-21 revenues as a result of the COVID-19 pandemic. Restrictions in response to the pandemic, including the closure of restaurants, bars, and taverns led to sharp declines in video lottery sales during the 2019-21 biennium.

However, lottery revenues recovered quickly after restrictions were lifted, with record setting video lottery sales following the March 2021 reopening. Prior to the 2019-21, biennial lottery resources had increased since 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%. The Office of Economic Analysis anticipates that lottery resources will continue to grow going forward; however, the return of public health restrictions in response to worsening pandemic conditions could negatively impact lottery sales.

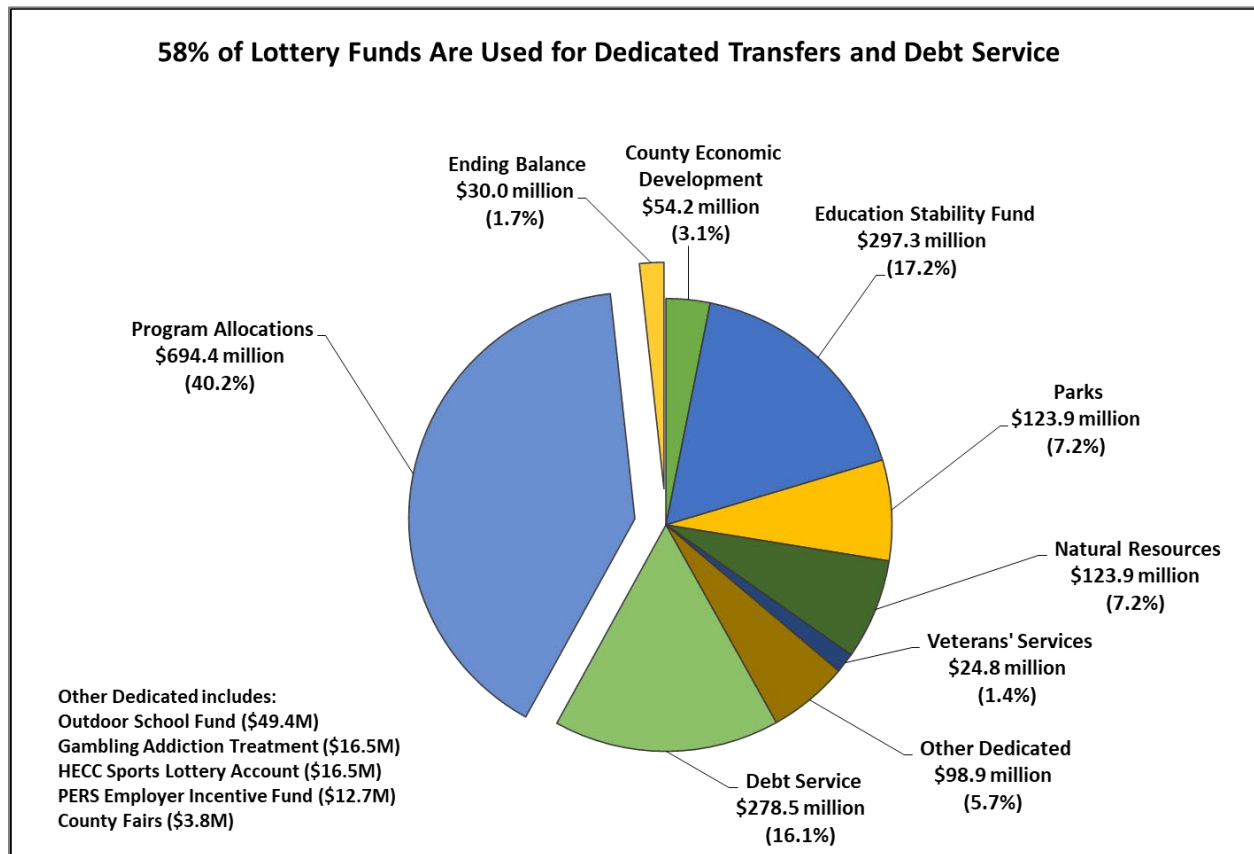
	2017-19 Legislatively Approved	2019-21 Legislatively Approved	2021-23 Legislatively Adopted	Difference 2019-21 to 2021-23
EDF Beginning Balance	\$ 49.0	\$ 70.9	\$ 72.4	\$ 1.4
Reversions	4.2	5.5	-	(5.5)
Net Lottery Proceeds	1,408.4	1,201.7	1,651.5	449.7
Administrative Actions	47.8	-	-	-
Interest Earnings	2.0	2.0	2.0	-
Total Lottery Resources	\$ 1,511.4	\$ 1,280.1	\$ 1,725.8	\$ 445.7

During the 2019 session, the Legislature anticipated \$1,530.9 million of total lottery resources, and adopted a budget that authorized \$1,510.9 million of these resources for transfer and allocation, retaining an ending balance of \$20 million in the Administrative Services Economic Development Fund (EDF). Actual 2019-21 biennium lottery resources, however, came in approximately \$250.8 million (or 16.4%) below that level. After the constitutionally-established distributions to the Education Stability Fund, Parks and Natural Resources Fund, and Veterans' Services Fund, and the EDF allocation adjustments made during the 2020 second special and 2021 sessions, a 2019-21 biennium EDF ending balance of approximately \$72.4 million remained, which was available for the 2021-23 biennium budget.

Total lottery resources are used for four general budget purposes: Dedicated Transfers, Debt Service payments, Program Allocations, and Ending Balance. EDF ending balances, including the \$72.4 million 2019-21 ending balance, carry forward and as a resource for the next biennial 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. Total lottery resources for the 2021-23 biennium do not assume

any reversions; however, any allocations that remain unspent and uncommitted at the close of the 2019-21 biennium will 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 2021-23 legislatively adopted budget.



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. However, the statutory dedications can be modified by legislation.

There are three constitutionally dedicated and six statutorily dedicated transfers. These dedicated transfers are projected to total \$722.9 million (or 41.9% of total lottery resources) for the 2021-23 biennium, a 32.7% increase over the prior biennium level; 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 \$297.3 million in the 2021-23 biennium (up 37.4% from the \$216.3 million transferred in 2019-21).

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, \$267.5 million of Lottery Funds will be transferred to the ESF in the 2021-23 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 investment earnings of the ESF, unlike the Fund's corpus, are distributed for expenditures on a regular basis 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, \$5.6 million of earnings that are not needed for debt service will be available for Opportunity Grants in the 2021-23 biennium.

Funds available for these distributions have 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. Projected 2021-23 ESF earnings are \$14.4 million (or 72%) less than the prior biennium due to the withdrawal of \$400 million from the ESF to rebalance the 2019-21 budget in the 2020 second special session. 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 \$247.7 million is forecast to be available in the 2021-23 biennium from this dedicated transfer, an increase of 37.4% over the prior biennium. An additional \$34.9 million is estimated to be carried forward from prior biennium distributions. The 2021-23 legislatively adopted budget includes \$244.4 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 \$24.8 million is forecast to be available for veterans' services in the 2021-23 biennium from this dedicated transfer, an increase of 37.4% over the prior biennium. An additional \$2 million is carried forward from prior biennium distributions. The 2021-23 legislatively adopted budget allocates \$23.6 million from the Veterans' Services Fund to the Department of Veterans' Affairs (\$20.6 million), Bureau of Labor and Industries (\$261,416), Criminal Justice Commission (\$578,865), and Oregon Health Authority (\$2.1 million), retaining a \$3.2 million ending balance as a reserve against revenue fluctuations and future program needs.

The 2021 Legislature approved temporary, one-biennium changes to all six of the statutorily dedicated transfers in the 2021-23 adopted budget. The statutory transfer amounts and their modifications for the 2021-23 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 established a fixed allocation of \$49.4 million for the 2021-23 biennium, in lieu of the formula distribution; this is a 14.8% 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 set the 2021-23 biennium allocation at the 1% of resources figure, approving an allocation of \$16.5 million. This amount will not vary with lottery revenue levels and is a 12.5% increase over the prior biennium.
- 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 \$16.5 million for the 2021-23 biennium, which is a 17.1% 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 \$54.2 million for the 2021-23 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 7.9% 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 established a fixed allocation of \$3.8 million for the 2021-23 biennium. The allocation is equal to the prior biennium level.
- Net proceeds of sports betting games are dedicated to the Public Employees Retirement System Employer Incentive Fund (EIF) to provide a 25% match on qualifying employer lump-sum payments to the EIF. The Legislature approved a fixed allocation of \$12.7 million for the 2021-23 biennium, which is equal to sports betting proceeds projected in the May 2021

forecast, net of the constitutional dedications. The allocation to the EIF represents a 206.9% increase over the prior biennium distribution. Lottery launched the Scoreboard sports betting app in October 2019 and net proceeds of sports betting games were first transferred in April 2021.

Debt Service

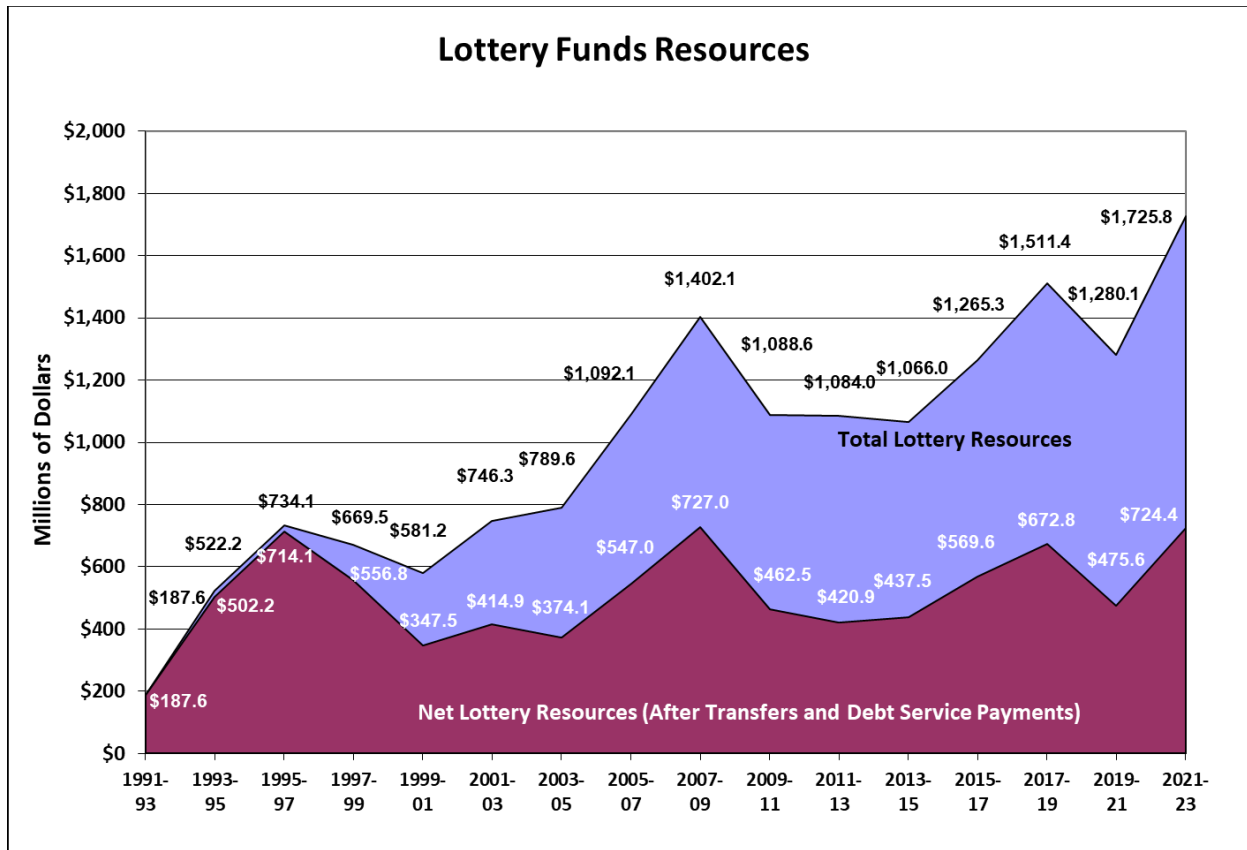
The second categorical use of lottery resources in the budget is to finance debt service costs associated with lottery revenue bonds. The state has issued lottery revenue bonds for a wide number of programs and projects that support public education or economic development. The state's lottery bond program 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 \$278.5 million for debt service costs on outstanding lottery revenue bonds. This amount is equal to 16.1% of total lottery resources and is a 7.2% increase over the amount allocated for debt service in the prior biennium. The adopted budget supports issuing \$492.4 million of new lottery revenue bonds in the 2021-23 biennium, including \$240 million scheduled to be issued in spring 2022 and \$252.4 million scheduled to be issued in spring 2023. Debt service is estimated to be \$18.5 million in the 2021-23 biennium, rolling up to \$78.9 million in 2023-25.

The debt service allocation in the 2021-23 budget supports debt service costs for lottery revenue bonds issued for the Department of Transportation (\$121.8 million), the Oregon Business Development Department (\$46.3 million), public universities and community colleges (\$44.1 million), the Housing and Community Services Department (\$25.2 million), the Department of Administrative Services (\$23.4 million), the Water Resources Department (\$8.4 million), the Parks and Recreation Department (\$3.3 million), the Department of Energy (\$3 million), the Department of Forestry (\$2.6 million), and the Department of Veterans' Affairs (\$499,184).

In the 2007-09 biennium, debt service payments were equal to 11.5% of total lottery resources. In the 2021-23 biennium, debt service payments equal 16.1% of total lottery resources, which is down from 20.3% in 2019-21. 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. The decline in lottery revenues during the 2019-21 biennium reduced the state's debt service coverage on outstanding lottery revenue bonds below the required four-times coverage ratio, preventing the issuance of lottery bonds in fiscal year 2021 as originally planned.

The following chart shows the extent to which dedicated lottery needs have subscribed total lottery resources over the last 15 biennia.



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. Resources remaining net of these purposes are 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 level of net resources available for these purposes is projected to total \$724.4 million in the 2021-23 biennium, which is a \$248.8 million (or 52.3%) increase from the prior biennium. The increase is primarily attributable to the decline in 2019-21 lottery revenues, which reduced available discretionary funds to support program allocations, affecting the 2019-21 budgets for the State School Fund and the Oregon Business Development Department.

The \$694.4 million of approved 2021-23 program allocations is a 72.2% increase over the prior biennium level. The allocations are as follows:

- \$589.5 million to the State School Fund.
- \$100.3 million to the Oregon Business Development Department for program and operating costs.
- \$4.6 million to the Governor’s Office for Regional Solutions positions.

A total of \$30 million remains unallocated from the Economic Development Fund and will be retained as the 2021-23 biennium EDF ending balance. The balance is available to mitigate revenue fluctuations during the biennium or additional Lottery Funds expenditures (e.g., compensation plan adjustments). The following table compares 2019-21 and 2021-23 Lottery Funds resources and allocations.

LOTTERY FUNDS CASH FLOW SUMMARY

	2019-21 Legislatively Approved Budget ¹	2021-23 Legislatively Adopted Budget ²
ECONOMIC DEVELOPMENT FUND		
RESOURCES		
Beginning Balance ³	\$ 70,924,069	\$ 72,369,513
Lottery Funds Reversions under ORS 461.559	5,470,688	-
REVENUES		
Transfers from Lottery		
Net Proceeds	1,201,719,818	1,651,460,725
Administrative Actions	-	-
Other Revenues		
Interest Earnings	2,000,000	2,000,000
Other	-	-
Total Revenue	1,203,719,818	1,653,460,725
TOTAL RESOURCES	\$ 1,280,114,575	\$ 1,725,830,238
DISTRIBUTIONS / ALLOCATIONS		
Distribution to Education Stability Fund	(216,315,255)	(297,262,930)
Distribution to Parks and Natural Resources Fund	(180,257,973)	(247,719,109)
Distribution for Veterans' Services Fund	(18,025,797)	(24,771,911)
Distribution for Outdoor School Fund	(43,040,555)	(49,418,728)
Distribution of Video Revenues to Counties	(50,231,366)	(54,209,527)
Distribution for Sports Programs	(14,099,809)	(16,514,607)
Distribution for Gambling Addiction	(14,673,344)	(16,514,510)
Distribution for County Fairs	(3,828,000)	(3,828,000)
Distribution to PERS Employer Incentive Fund	(4,126,470)	(12,665,769)
Allocation to State School Fund	(330,467,530)	(589,526,746)
Debt Service Allocations	(259,868,206)	(278,511,961)
Other Agency Allocations	(72,810,757)	(104,886,440)
TOTAL DISTRIBUTIONS / ALLOCATIONS	\$ (1,207,745,062)	\$ (1,695,830,238)
ENDING BALANCE	\$ 72,369,513	\$ 30,000,000
EDUCATION STABILITY FUND (not including the Oregon Growth Account balances) ⁴		
RESOURCES		
Beginning Balance	\$ 619,668,197	\$ 414,351,706
Revenues		
Transfer from the Economic Development Fund ⁵	194,683,729	267,536,637
Interest Earnings	20,012,469	5,606,574
Oregon Growth Account Earnings Distributions	22,820,336	-
Total Revenue	\$ 237,516,534	\$ 273,143,211
TOTAL RESOURCES	\$ 857,184,731	\$ 687,494,917
DISTRIBUTIONS		
Oregon Opportunity Grant Program	(42,161,510)	(5,606,574)
Debt Service Allocations to Department of Education	(671,295)	-
Education Stability Fund Withdrawal	(400,000,000)	-
Treasury Account Fees	(220)	-
TOTAL DISTRIBUTIONS	\$ (442,833,025)	\$ (5,606,574)
ENDING BALANCE	\$ 414,351,706	\$ 681,888,343

1. The 2019-21 Legislatively Approved Budget is based on the May 2021 forecast of 2019-21 resources.

2. The 2021-23 Legislatively Adopted Budget is based on the May 2021 forecast of 2021-23 resources.

3. 2021-23 beginning balance is equal to 2019-21 ending balance.

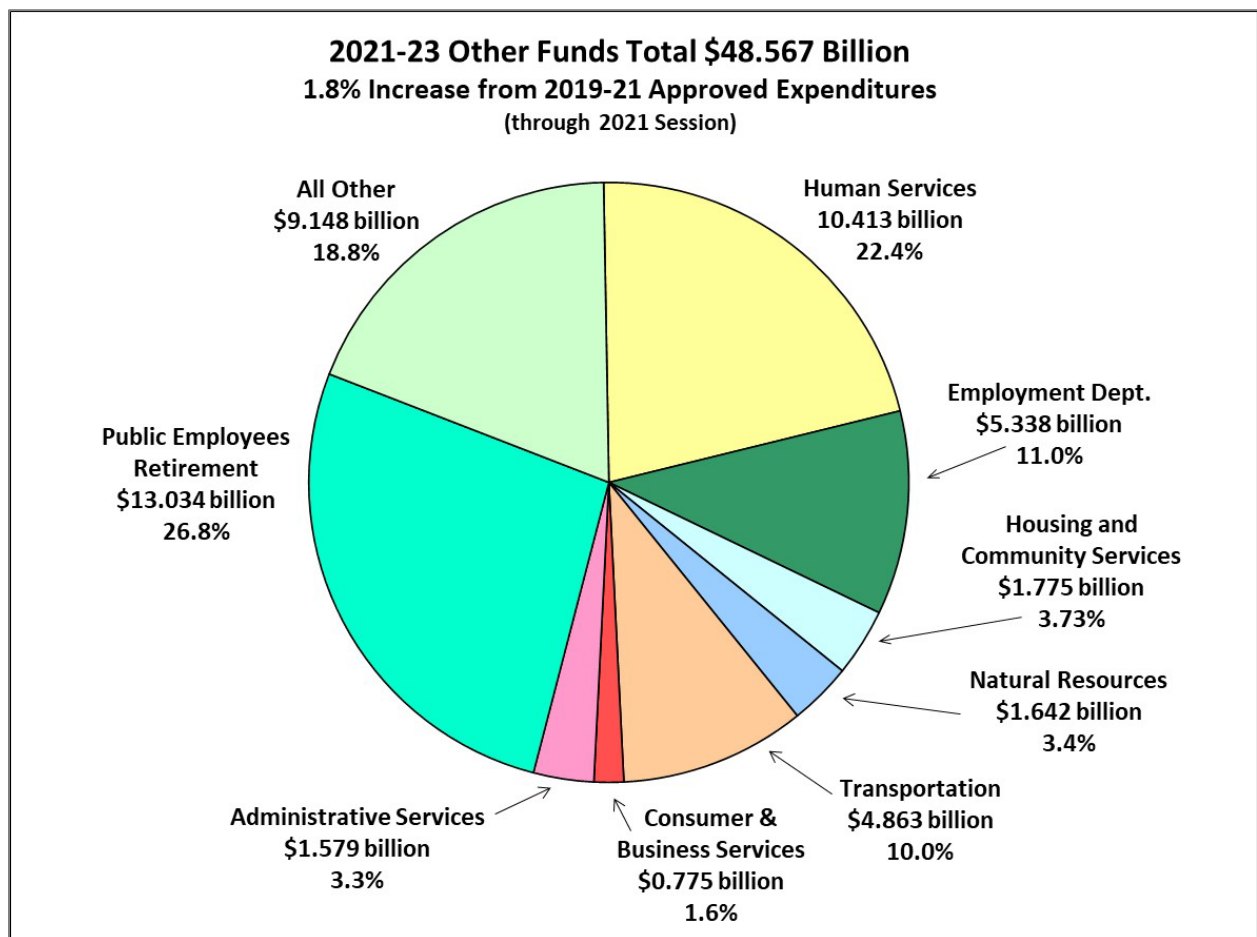
4. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included.

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 2021-23 legislatively adopted budget provides for the expenditure of \$48.6 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 2021-23 legislatively adopted Other Funds budget is an increase of \$845.6 million (or 1.8%) over the 2019-21 legislatively approved budget. Significant changes in Other Funds expenditure limitation are described in the following program area narratives.

Education

Other Funds (limited) expenditure limitation totals \$3.9 billion for the 2021-23 budget for the education program area, an increase of almost \$1.5 billion (or 60.3%) over the amount for 2019-21. Most of the increase is attributed to the Oregon Department of Education and the public university capital construction. The total amount of Nonlimited Other Funds in the 2021-23 education program area budget is \$292 million, significantly less than the \$1.1 billion Nonlimited Other Funds. The primary reason for the decrease is refunding of bonds issued on behalf of public universities. The only other major use of nonlimited Other Funds is for the expenditures from the Common School Fund.

The \$9.3 billion State School Fund (SSF) includes \$722.3 million Other Funds almost all of which is a transfer from the Fund for Student Success to offset the revenue loss to the General Fund because of the lower income tax rates and other revenue changes included in the 2019 Student Success Act and \$40 million for the High Cost Disability Account within the SSF. In addition to the \$685.7 million from the Fund for Student Success, there is \$36 million in marijuana related revenues, significantly less than \$118.1 million anticipated in the 2021-23 current service level. The passage of Ballot Measure 110 (2020) substantially reduced the amount dedicated to the SSF and other programs that had received revenue in the past.

The Oregon Department of Education (ODE) Other Funds (limited) expenditure limitation totals \$2.537 billion, an increase of \$1.204 billion (or 90.3%) over the amount for 2019-21. Major ODE changes in Other Funds include:

- The Fund for Student Success (FSS) represents a \$1.133 billion increase in Other Funds limitation or just under 200% increase from the 2019-21 amount. This represents spending from all three accounts -- \$982.3 million for Student Success Act, \$436.1 million from the Early Learning Account, and \$372.9 million from the Statewide Education Initiative Account. A further \$40 million of related Other Funds spending for nutrition programs is also included from FSS resources in 2019-21.
- \$14 million Other Funds for two new initiatives offered through the Educator Advancement Council -- the Indigenous Education Institute and an anti-racist leadership initiative.
- \$60 million in additional funding related to the one-time summer learning initiative initially passed early in the 2021 legislative session. The increase is due to the funding for the initiative after June 30, 2021.
- In the Early Learning spending area, there is a \$73.8 million Other Funds decrease attributable to the one-time use in 2019-21 of federal Coronavirus Relief Fund (CRF) resources for assisting providers that provided emergency child care.
- \$17.5 million for broadband grants funded through lottery bonds.
- \$5.5 million for deferred maintenance projects at the Oregon School for the Deaf funded with Article XI-Q bonds.

Total Other Funds (limited) expenditure limitation for the Higher Education Coordinating Commission (HECC) is \$656.1 million for 2021-23, an increase of \$251.2 million over the amount for 2019-21. Major changes in Other Funds include:

- An increase of \$198.7 million (or 77.4%) to \$455.4 million in capital construction for public universities due to a greater number of projects at the seven public universities. Capital construction for the community colleges increased by 141.5% to \$56.5 million representing both reauthorized projects from previous biennia and new projects for 2021-23.
- \$5 million in bond proceeds are included from the sale of Article XI-Q bonds to finance the Financial Assistance Management System.
- An increase of \$22.9 million for expenditure limitation from specific funds established in policy bills during the 2021 session which were initially funded with General Fund. Other Funds limitation is required to make expenditures from these funds for part-time faculty health care (\$12.9 million) and the Oregon Youth Corps (\$10 million).
- \$5.4 million for pandemic-related federal funding transferred from the Oregon Department of Education through the Governor’s Education Emergency Relief (GEER) program.
- The Department of Corrections (DOC) and HECC have a new interagency agreement that channels \$10.4 million Other Funds through HECC for payment to selected community colleges that provide educational services to adults in custody at DOC facilities.

Human Services

The Other Funds budget in the Oregon Health Authority totals \$9.6 billion, which represents an 11% increase over the 2019-21 budget. The most significant increases, including from the current service level (CSL) process, include:

- \$443.9 million from tobacco tax revenue, which results from increased taxes approved through the adoption of Ballot Measure 108 (2020) to support the Oregon Health Plan (OHP) and tobacco prevention and cessation activities. Of this amount, \$112 million represents one-time carryover revenue from 2019-21 for OHP (\$102 million) and the Public Health Division (\$10 million).
- \$302.2 million from marijuana tax revenue available for new behavioral health resource networks and addiction treatment and recovery services resulting from the passage of Ballot Measure 110 (2020). The bill also results in a \$70 million loss in Other Funds revenue for OHA’s existing behavioral health services, which was backfilled with General Fund.
- \$300 million from revenue available under the American Rescue Plan Act and transferred from the Department of Administrative Services to support operational expenses at the Oregon State Hospital. This increase is part of a one-time net-zero adjustment that saves a commensurate amount of General Fund.
- \$145 million from one-time American Rescue Plan Act funds to support behavioral health provider incentives established through the passage of House Bill 2949 (2021) and for capital, start-up and operational costs for increasing behavioral health residential treatment and housing capacity.
- \$121.8 million from increased insurer assessment revenue and \$80 million from diagnostic related group hospital assessment revenue available for OHP. These changes are based on caseload growth and are not due to changes in the assessment rates.
- \$61 million from Type A and B rural hospital assessment revenue, of which \$38 million is based on CSL revenue growth and \$23 million from increasing the assessment rate from 5.5% to 6%.
- \$30.4 million from a new Medicaid assessment and reimbursement program established by HB 2910 (2021) for private emergency medical service providers.

- \$20.3 for the Behavioral Health Housing Incentive Fund established by HB 2316 (2021); the revenue for this fund is available from lottery bond proceeds.
- \$12.8 million from Tobacco Master Settlement Agreement revenue available for OHP and non-Medicaid behavioral health services.

The Department of Human Services' Other Funds budget of \$810.4 million is a net decrease of \$94 million (10.4%) compared to the 2019-21 funding level, which mostly reflects adjustments for one-time revenues. While spent as Other Funds, the revenue supporting the following two budget increases comes from federal funding that is sent to DHS from the Department of Administrative Services and Department of Education:

- One-time investments supported by the American Rescue Plan Act (ARPA), including \$10 million for long-term care workforce development and training initiatives; \$14 million for long-term care facility capital improvement and emergency preparedness grants; and, \$14 million for emergency food stabilization.
- An increase of \$95 million for the Employment-Related Day Care (ERDC) program to implement a new co-pay structure and other changes required by HB 3073. ERDC helps low-income families pay for childcare.

Public Safety and Judicial

The Criminal Justice Commission's significant Other Funds changes include:

- \$10 million Other Funds expenditure limitation for making grants from the Improving Peoples' Access to Community-based Treatment, Supports and Services (IMPACTS) Account.
- \$1 million Other funds expenditure limitation for making grants from the Innovative Grant Fund established by HB 2049.
- \$3 million Other Funds expenditure limitation supported by marijuana tax revenues to extend the Illegal Marijuana Market Enforcement Grant Program through October 2023.

The allocation from the Criminal Fine Account for the Department of Public Safety Standards and Training is increased by the following:

- \$0.5 million for investments approved in the agency's budget for the Statistical Transparency of Policing (STOP) program and for instructor development.
- \$0.4 million to implement the provisions of HB 2162, which requires DPSST to designate an accrediting body for law enforcement agencies and to establish a statewide equity training program for law enforcement officers.
- \$0.7 million on a one-time basis to implement the provisions of HB 2527, which requires DPSST to license private security entities. This program will be fee-supported after, but not during, the 2021-23 biennium.

Other Funds expenditures for the Department of Justice total \$379.7 million and is \$6.2 million (or 1.7%) higher than the 2019-21 legislatively approved budget. Major changes include:

- \$17.7 million for additional legal services to state agencies provided by the Appellate, General Counsel, and Trial Divisions.
- \$6 million reduction in the Child Support Division for a revenue shortfall from Temporary Assistance for Needy Families resources.
- \$6 million reduction for the final phase of the Child Support Division's Child Support Enforcement Automated System information technology project.
- \$4.1 million reduction in the Crime Victims and Survivor Services for a revenue shortfall in punitive damage settlements.

- \$3.4 million for administrative expenses.
- \$3.3 million reduction for the Environmental Criminal and Cultural Resources Enforcement Unit a portion of which was fund shifted to General Fund.

Other Funds expenditures for the Judicial Department total \$174.8 million and is \$46.7 million (or 36.5%) higher than the 2019-21 legislatively approved budget. Major changes include:

- \$68.6 million net increase for the Oregon Courthouse Capital Construction and Improvement Fund for Benton, Linn, Crook, and Clackamas Courthouse projects.
- \$9.6 million net reduction for the ongoing Capital Construction project to renovate the Supreme Court Building.
- \$3.3 million reduction to the State Court Technology Fund for a revenue shortfall and that was backfilled by the Legislature with General Fund.

Other Funds expenditures for the Public Defense Services Commission of \$18.5 million is \$4.8 million (or 34.9%) above the 2019-21 legislatively approved budget. Major change includes:

- \$5 million net increase in Federal as Other Funds from Title IV-E funds for administrative reimbursement of costs associated with legal representation of a child or parent in foster care proceedings.

General Obligation bonds authorized for the 2021-23 biennium will provide the Oregon State Police with \$111.6 million of bond proceeds for three major construction projects: a new Patrol Area Command office in Springfield, a new Forensics Laboratory and Medical Examiner's office in Springfield, and an expanded and remodeled office in Central Point. \$1.4 million of the total will pay the cost of bond issuance. Additionally, SB 762 provides \$25 million Other Funds expenditure limitation to the Office of the State Fire Marshal for making grants from the Community Risk Reduction Grant Fund created in the measure.

The Department of Corrections saw several significant Other Funds changes for 2021-23:

- The closure of two minimum-security prisons reduced Other Funds revenues from contracts for work crew services by \$3.5 million.
- A new contract for telecommunications services for adults in custody provides \$4.1 million Other Funds expenditure limitation to support twenty positions (20.00 FTE) responsible for system maintenance and security.
- General Obligation bond proceeds will provide \$70 million for capital renewal and improvement projects throughout the state's prison system, \$13.4 million for implementation of an electronic health records system, \$3.5 million for telephone infrastructure in ten prisons, and \$1.3 million for cost of bond issuance and for one position dedicated to the new phone system.

For the Oregon Military Department, net Other Funds changes increased the 2021-23 budget by \$70 million, and include:

- An increase of \$40 million Other Funds expenditure limitation to pass through the proceeds from an increase in the Emergency Communications Tax to public safety answering points throughout the state.
- General Obligation bond proceeds in the amount of \$10 million re-capitalized the State Preparedness and Incident Response Equipment (SPIRE) grant program, and \$10 million

Other Funds expenditure limitation was approved for the Office of Emergency Management to make grants from the fund.

- Capital projects totaling \$15.5 million are also supported by bond proceeds and include armory service life extension projects in Ashland and Corvallis, along with a new readiness center in Washington County; \$0.5 million of the total covers bond issuance costs.
- HB 2927, which creates the Office of Emergency Management as a stand-alone state agency, provided \$5 million Other Funds expenditure limitation to the Community Services Division for the cost of National Guard soldiers called up for State Active Duty missions.

General Obligation bonds authorized for the 2021-23 biennium will provide the Oregon Youth Authority (OYA) with \$41 million of bond proceeds to improve housing units at the MacLaren, Tillamook, and Camp Riverbend facilities; for the Juvenile Justice Information System upgrade project; for capital improvements at various OYA facilities; and for the cost of bond issuance.

Economic and Community Development

Other Funds expenditure limitation for the Oregon Business Development Department grew by \$187.4 million (34.6%) over the 2019-21 legislatively approved budget. Significant increases are primarily due to bond proceeds authorized for the department's programs, including:

- \$160 million seismic rehabilitation grants for public school buildings and emergency services facilities
- \$20 million for grant funding to the City of Salem for its drinking water system
- \$10 million to support grants for county fair capital improvement projects
- \$15 million to support grants from the Levee Grant Program Fund
- \$9.15 million for grants to specified cultural facilities

Other Funds limitation was also included for the expenditure of \$10 million General Fund deposited in the Disadvantaged and Emerging Small Business Loan Fund and to expend up to \$500,000 from the Oregon Rural Capacity Fund.

Nonlimited Other Funds adjustments were included for the expenditure of additional bond proceeds in the Brownfields Redevelopment Fund and both bond proceeds and General Fund monies deposited in the Special Public Works Fund.

In addition to the state-based other funds, OBDD was provided Other Funds expenditure limitation of \$325.7 million for funding received by the department under the American Rescue Plan Act. This includes:

- \$50 million for grants to cultural venues
- \$275.7 million for local government water and wastewater infrastructure projects
- \$120 million for grants and loans for the planning and development of broadband service infrastructure

The Oregon Employment Department (OED) projects \$5.1 billion in Unemployment Insurance claims for the 2021-23 biennium (budgeted as Other Funds Nonlimited; any federal extensions of benefits and benefits attributable to federal employees are budgeted as Federal Fund Nonlimited). OED's Other Funds Limited expenditures limitation increased by \$48.9 million -- or 21.2% -- from the 2019-21 legislatively approved amount. The primary drivers of Other Funds expenditures in the Employment Department are:

- The next phase of expenses tied to the modernization of OED business and technology systems, totaling \$26.6 million;
- \$9.9 million for Paid Family and Medical Leave Insurance division expenses, as collections from employers and workers begin, replacing General Fund as the primary programmatic funding source;
- \$23.2 million to meet workload projections as pandemic-related claims phase out over the course of the biennium; and
- \$13.5 million related to employment services provided to other entities via contract.

By far, the largest contribution to Other Funds expenditure limitation for the Housing and Community Services Department (HCS D) was the approval of \$410 million in Article XI-Q bonds that support construction of additional affordable housing units through the Low-Income Fast Track Housing and Permanent Supportive Housing programs. Another significant driver of Other Funds expenditure limitation for HCS D are staffing increases; policy packages for program and central agency personnel were approved that, combined, totaled \$12 million and 22 positions (19.96 FTE). Major increases in Other Funds expenditure limitation for the agency are:

- Grants and technical assistance to support shelter operations account for \$26.5 million Other Funds expenditure limitation pursuant to 2021's HB 2004 and HB 2006 (2 positions and 1.84 FTE);
- Lottery Bond proceeds totaling \$50 million along with issuance costs of \$780,071 to support the acquisition of land for rebuilding and interim housing for those displaced by wildfires;
- Limitation in the amount of \$4.5 million that corresponds to a General Fund appropriation to support long term rental assistance for youth, per HB 2163;
- Energy-related expenditures including an additional \$9.8 million for weatherization efforts supported by changes to the public purpose charge included in HB 3141 and an additional \$15 million for low income bill payment assistance resulting from the passage of HB 2739.

Other Funds Nonlimited expenditures for HCS D are \$926.7 million; nearly all this amount is attributable to debt service costs on agency bonds, but \$900,000 is associated with loans to borrowers for land acquisition and rehabilitation.

The budget for the Racing Commission is \$7.4 million Other Funds, which is a 16.1% increase from the 2019-21 legislatively approved budget. Budget increases are due to technical adjustments and a one-time increase in special payments for racing development to help mitigate the impacts of the pandemic shutdown.

Other Funds expenditures for the Department of Veterans' Affairs total \$121.3 million and are \$11.9 million (or 10.8%) more than the 2019-21 legislatively approved budget. The increase is primarily due to \$6.1 million in lottery bond proceeds for the Salem veterans' affordable housing project and associated bond costs of issuance; \$3 million for potentially higher operation costs for the Oregon Veterans' Homes due to COVID-19; and \$400,000 to continue to fund modernization efforts to replace aging technology for the Veteran Home Loan Program.

Other Funds Nonlimited expenditures for the Department of Veterans' Affairs total \$204.5 million and are \$204.3 million (or 50%) less than the 2019-21 legislatively approved budget to align with projected veterans' home loan originations and debt service payments.

Consumer and Business Services

The Other Funds budget for the Department of Consumer and Business Services (DCBS) decreased by \$26.9 million (or 4.6%) to \$554.4 million in the 2021-23 biennium as compared to the 2019-21 biennium. The overall decrease is primarily due to a \$40 million Other Funds Nonlimited technical adjustment made to Worker's Benefit Fund for projected expenditures in the 2021-23 biennium. Additionally, the transfer of the Compact of Free Association (COFA) Premium Assistance Program and health insurance exchange from DCBS to the Oregon Health Authority (OHA) approved by SB 65 (2021) further reduced Other Funds expenditure limitation by \$14.9 million. With the exception of significant inflationary adjustments, increases to Other Funds include \$708,708 for behavioral health treatment limitation oversight and \$698,944 for pharmaceutical representative licensure oversight.

The Other Funds budget for the Public Utility Commission (PUC) decreased \$4.4 million (or 4%) as compared to the 2019-21 legislatively approved budget. The decrease is due to a \$8.4 million adjustment to anticipated Other Funds Nonlimited (Oregon Universal Service Fund) revenue and expenditures. Significant increases to PUC's Other Funds expenditure limitation include \$1.2 million to increase the Oregon Telephone Assistance Program (OTAP) discount from \$3.50 to \$10.00 for eligible low-income households that subscribe to phone or broadband internet access service and \$1.9 million for the new Clean Energy Standards of Oregon program.

The Other Funds budget for the Oregon Medical Board increased \$2.9 million (or 20.4%) over the 2019-21 legislatively approved budget. The budget increase is due to investments to modernize the Board's core business software, to add one Investigator position (1.00 FTE), and to implement a Security Information Event Management Software solution.

Natural Resources

The Department of Energy's Other Funds budget is \$34.3 million higher than the 2019-21 legislatively approved budget, largely due to a couple of one-time grant programs:

- First, \$10 million Other Funds expenditure limitation was provided to continue the Rooftop Solar Incentive program into 2021-23. This program was created for the distribution of rebates related to the installation of solar electric systems.
- Second, HB 2021 established the Community Renewable Investment Program with \$26.9 million Other Funds and 8 positions (7.50 FTE) to administer grants for community renewable energy projects.

Other Funds Nonlimited expenditures for the Department of Energy are \$36.2 million (or 53.3%) less than the 2019-21 legislatively approved budget. The decrease is due to the phase out 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 Department of Environmental Quality Other Funds budget is \$37.3 million (16%) higher than the 2019-21 legislatively approved budget. Almost half of this increase is related to one-time American Rescue Plan Act funding of \$15 million to provide a financial assistance program for the repair or replacement of on-site septic systems. Additional increases include:

- \$4.7 million for the Environmental Data Management System;
- \$4.3 million to expend bond proceeds for industrial orphan site cleanup;

- \$2.8 million and 11 positions to support agency administration;
- \$2 million and 5 positions to modernize Oregon’s recycling program;
- \$1.3 million and 8 positions to maintain the Vehicle Inspection program; and
- \$1.5 million to buy Clean Water State Revolving Loan Fund loan management software.

In addition, the Department’s Clean Water State Revolving Fund Other Funds Nonlimited expenditures are up \$67 million from 2019-21 levels, reflecting new bonding and debt service.

An Other Funds increase of \$14.4 million in the Department of Fish and Wildlife was mostly caused by the addition of \$5 million of one-time American Rescue Plan Act funding for fish screens and fish passage projects, \$5 million of six-year limitation from bond proceeds for capital renewal projects, \$1 million for the Conservation and Recreation Fund, and \$2.8 million for culvert fish passage in partnership with the Department of Transportation.

Three capital projects received additional Other Funds expenditure limitation at the Oregon Department of Forestry. General obligation bond proceeds of \$4.82 million were authorized to address deferred maintenance at the department. Bonds were also issued to fund the remaining work on the replacement of the Toledo facility for which \$1.6 million of Other Funds expenditure limitation was provided. Finally, an increase of \$2.5 million Other Funds limitation was approved for the expenditure of anticipated insurance reimbursements related to the destruction of the Santiam District office in the 2020 fire season.

Other Funds expenditure limitation for the Oregon Parks and Recreation Department increases by \$42.4 million (31.9%) from the 2019-21 biennium. Slight reductions in ongoing operating expenditures that were made to balance the agency’s budget to estimated available funding are offset by increases to accommodate bond proceeds of \$50 million for capital improvement projects and \$10 million for the Oregon Main Street grant program.

The Other Funds budget for the Department of State Lands decreased by \$9.85 million (-15.9%), driven almost entirely by the transfer of the Trust Property Programs to the Oregon State Treasury. Fourteen positions associated with the programs were transferred as well.

Expenditure limitation for ongoing legal and cleanup projects totaling \$13.2 million Other Funds for the Portland Harbor Superfund Site were reestablished for 2021-23. Ongoing management and maintenance contracts for the Elliott State Forest were provided \$2 million Other Funds.

The Other Funds budget for the Oregon Water Resources Department of \$101.4 million is dominated by expenditure limitation for Lottery Revenue bond proceeds deposited in the Water Supply Development Account and the Water Supply Account. The Water Supply Development Account and Supply Account expenditures include:

- \$30 million for grants and loans to evaluate, plan, and develop in-stream and out-of-stream water development projects.
- \$10 million to support the Deschutes Basin Board of Control piping projects to pipe currently open canals.
- \$14 million for a grant to the Wallowa Lake Irrigation District for the rehabilitation of the Wallowa Lake Dam.

- \$14 million for a grant to the City of Newport for remediation of the Big Creek Dams.

Other Funds expenditure limitations of \$2.1 million and \$500,000 were established for the monies allocated to the Water Well Abandonment, Repair, and Replacement fund established by House Bill 2145 and the Domestic Well Remediation Fund established by House Bill 3092, respectively.

American Rescue Plan Act monies, also budgeted as Other Funds in addition to the amounts above, pay for several water resource related investments totaling \$19.5 million Other Funds.

Transportation

The 2021-23 legislatively adopted Other Funds budget for the Oregon Department of Transportation (ODOT) totals \$4.8 billion. Specific major initiatives that were part of the budget include the following:

- Wildfire debris removal expenditures funded with State Highway Funds - \$169.6 million
- Extension of limited duration positions to meet demand for Department of Motor Vehicle services - \$3,988,730 and 84 positions (25.25 FTE);
- Capital Project Expenditures for maintenance and improvements to ODOT facilities - \$32 million
- Lottery Bond proceeds and cost of issuance for the following projects:
 - Fanno Creek Trail improvements - \$2,145,358
 - Pedestrian bridge in the City of Sherwood - \$4,057,570

American Rescue Plan Act funds contributed a further \$124.3 million in Other Funds expenditure limitation. Those investments are detailed in a separate section of this report.

Administration

The 2021-23 legislatively adopted budget for the Oregon Liquor Control Commission represents a 48.6% increase over the 2019-21 legislatively approved budget. One hundred percent of OLCC's expenditures are supported by Other Funds. Significant contributions to the increase include \$62.5 million for capital expenditures associated with a new warehouse and headquarters facility, \$27.4 million for modernized information technology systems to support agency operations, and \$7.5 million for debt service on these projects in the 2021-23 biennium. Changes to compensation formulas for retail liquor and distillery agents contributed a further \$17 million Other Funds in additional expenditure limitation. And the following staffing enhancements also required additional expenditure authority:

- \$2.5 million and 11 positions (10.25 FTE) for additional marijuana licensing and regulatory capabilities;
- \$1.4 million and 5 positions (5.00) for administrative capacity in human resources, financial auditing, and payroll;
- \$0.7 million and two positions (2.00 FTE) for additional alcohol compliance and licensing activities; and
- \$1.1 million and 4 positions (4.00 FTE) to address administrative hearings workload increases generated by marijuana licensees.

Other Funds expenditures for the Public Employees Retirement System total \$146.9 million and is \$63.2 million (or 30.1%) lower than the 2019-21 legislatively approved budget. Major changes include:

- \$64.8 million reduction for one-time funding for SB 1049 to serve as 25% matching funds for eligible employer contributions
- \$5.4 million reduction for one-time funding for the implementation of SB 1049

Of additional note is that Nonlimited benefit payments increased from \$12.5 billion to \$12.9 billion or by \$382 million (or 3.1%).

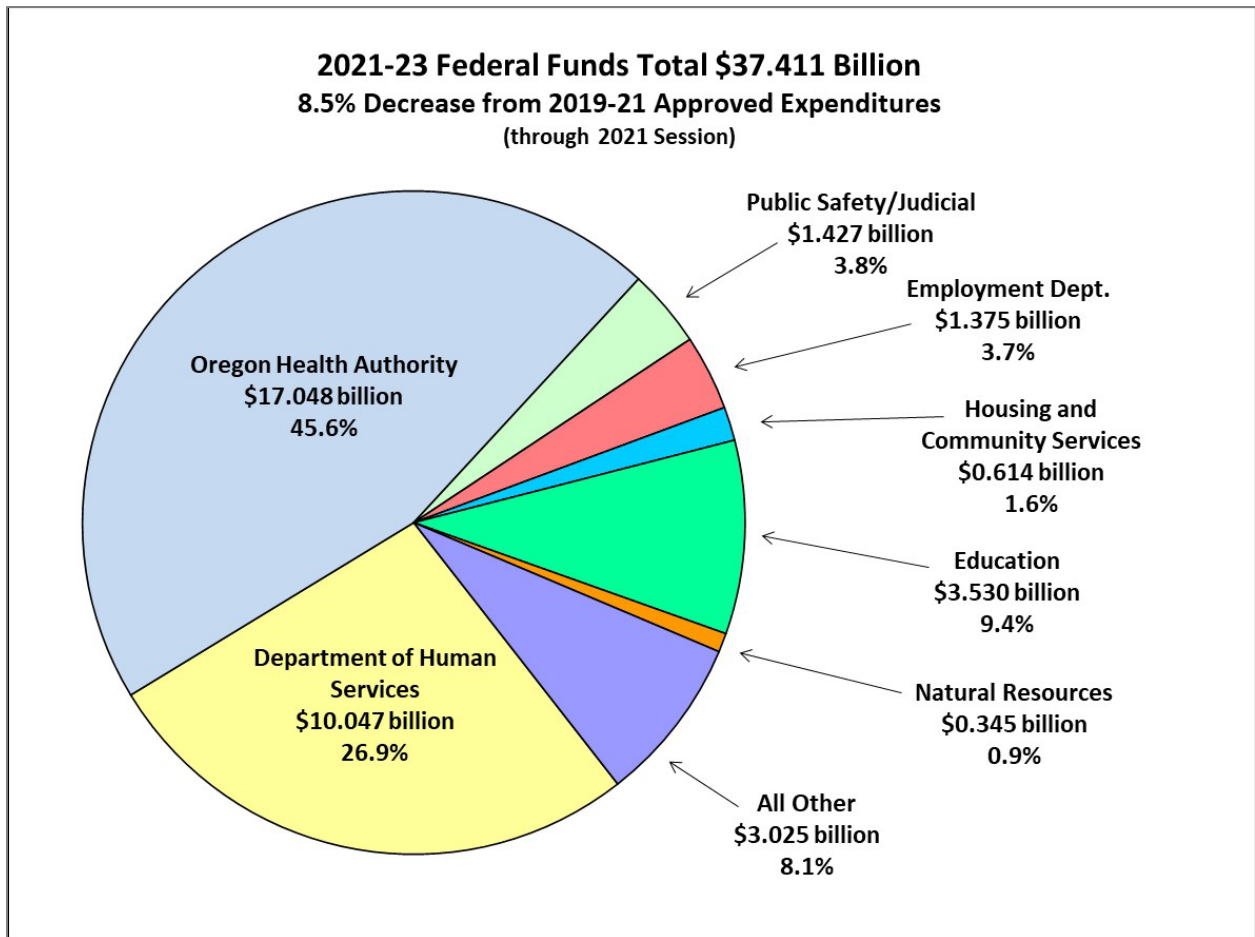
Other Funds limited expenditures for the Department of Revenue total \$155.6 million and are \$13.3 million (or 9.3%) more than the 2019-21 legislatively approved budget, which is primarily for the administration of the Corporate Activity Tax program and for expenditure of Article XI-Q Bond proceeds on the Electronic Valuation Information System (ELVIS) project. Other major changes include \$1.4 million on a one-time basis to administer the statewide transit tax; \$695,956 for the implementation of Ballot Measure 108 (2020); and \$677,253 to support GenTax, the agency's tax administration system.

Other Funds expenditures for the Office of the State Treasurer total \$118.7 million and are \$23.3 million (or 24.4%) higher than the 2019-21 legislatively approved budget. Significant increases include:

- \$12.1 million to transition administration of Trust Property programs from the Department of State Lands to Treasury.
- \$2 million to support the resilience of Treasury operations, including resources for a new resilient facility lease.
- \$1.9 million to modernize core banking infrastructure and cash management activities.
- \$854,682 for Investment Services positions to address increased legal, compliance and portfolio risk workloads.

Federal Funds Expenditures

The 2021-23 legislatively adopted budget authorizes the expenditure of \$37,162,907,004 Federal Funds, of which \$4.8 billion is considered Federal Funds Nonlimited. 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; Federal Funds Nonlimited examples include payments that are made directly to beneficiaries of federally funded unemployment insurance benefits, rental assistance payments, and supplemental nutrition assistance. The 2021-23 legislatively adopted Federal Funds budget represents a decrease of \$3.7 billion from the 2019-21 legislatively approved Federal Funds level, largely due to the scheduled phase out of major investments of pandemic-related assistance that were approved in 2020 and early 2021.



Significant increases in Federal Funds budgeted expenditures are described below.

Education

Federal Funds (limited) expenditure limitation for the agencies in the Education Program Area increased by \$1.316 billion (or 74.9%) to \$3.074 billion for 2021-23. Most of the Federal Funds is in the Oregon Department of Education (ODE); there is no Federal Funds in the State School Fund. Nonlimited Federal Funds total \$456.2 million for 2021-23 for the program area, an increase of \$24.9 million (or 5.8%) over the amount for 2019-21. Almost all the nonlimited Federal Funds is related to the school lunch and other nutritional programs at ODE with a smaller amount for specific dislocated worker and other workforce programs at the Higher Education Coordinating Commission (HECC).

The Oregon Department of Education (ODE) Federal Funds (limited) expenditure limitation for 2021-23 totals \$2.944 billion, an increase of \$1.314 billion or 80.6% over the amount for 2019-21. Most of the change is due to the federal COVID related funding for school districts and child care programs including:

- A total of \$1.232 billion is the estimated amount of 2021-23 spending for school districts and other K-12 related programs through the Elementary and Secondary School Emergency Relief Fund (ESSER), the Governor’s Emergency Education Relief program (GEER) and other COVID related assistance. Most of these funds will be distributed to school districts through

the ESSER program based on a federal formula partially based on a district's share of Title I students. Districts must request reimbursement from ODE for eligible costs under the program.

- \$517.8 million is for the estimated amount of COVID related funds that will be spent and distributed for early learning programs and their providers. Some of this funding will be used to continue the emergency child care assistance that has been distributed to providers and a large portion will also be used to for a new co-pay policy for the Employment Related Day Care (ERDC) program.
- \$5.2 million is for limited duration staff and related costs to provide the oversight and administrative functions relating to the distribution of the over \$1.7 billion of COVID related funding described above.

Continuation of three federal grants awarded in previous biennia account for \$9.4 million of the increase in Federal Funds. A decrease of \$7.6 million represents the completion of the Charter School Grant. Finally, \$15.9 million Federal Funds is attributable to the estimated one-time spending for 2021-23 from the summer learning initiative passed early in the 2021 legislative session.

For HECC, there are \$130.6 million Federal Funds in the 2021-23 budget, \$2.5 million (or 1.9%) more than the amount for 2019-21. Almost 90% for the funding is for Workforce programs with little change in the amount in these programs beyond the standard inflation adjustment (\$4.6 million). Public universities, community colleges and the Oregon Health Sciences Universities all directly receive federal funding for student financial aid, research, and other purposes; but these institutions are not part of the state budget, only the funds that flow directly from the state. These institutions also directly received a large amount of COVID related federal funding.

Human Services

In the Oregon Health Authority, Federal Funds expenditure limitation increased by \$2.8 billion, or 20%, from the 2019-21 legislatively approved budget. Most of this increase is the result of Oregon's growing Medicaid caseload, followed by Medicaid inflationary expenses and the temporary 6.2 percentage point increase in Oregon's Federal Medical Assistance Percentage (FMAP). The caseload growth and enhanced FMAP rate are both tied to temporary federal Medicaid provisions in place during the COVID-19 federal public health emergency, which the budget assumes will expire in January 2021.

Compared to the 2019-21 legislatively approved budget, Federal Funds expenditure limitation for the Department of Human Services grew by \$694.6 million (or 7.43%). This growth reflects the federal response to the COVID-19 pandemic, with federal policy changes designed to provide state fiscal relief, temporarily expand access to certain services, and incentivize one-time investments to fortify the home and community-based services and long-term services and supports systems. The federal funds growth also reflects higher caseload and costs per case in the Aging and People with Disabilities and Intellectual and Developmental Disabilities programs.

Public Safety and Judicial Branch

The Oregon Military Department's 2021-23 Federal Funds budget is just 5.3% less than the 2019-21 legislatively approved budget, but it is 280.9% greater than the 2021-23 current service level. Significant changes include:

- An increase of \$820 million in Federal Funds expenditure limitation in order for the Department to pass through federal disaster payments to individuals and to state, local, and tribal governments.
- \$31.8 million Federal Funds for two capital projects at Camp Umatilla and for a new readiness center in Washington County.
- An increase of \$13.2 million Federal Funds expenditure limitation to receive and spend federal matching dollars for armory maintenance and staffing and for new and reclassified positions in the agency's two youth educational programs: the Oregon Youth Challenge Program and the STARBASE program.

Economic and Community Development

Employment Department Federal Funds expenditure limitation increased by \$33.9 million - or 13.1% - compared to the 2021-23 legislatively approved budget. Federal administrative grant funding reflects the last few months of federally approved pandemic-related benefit extensions (through early September 2021). The Legislature provided Federal Funds expenditure limitation in the amount of \$9.6 million and 45 positions (45.00 FTE) to expand job retraining and employment services associated with the Federal Trade Act. Federal Funds for employment services to organizations provided via contract total \$4.4 million, while Federal Funds limitation for pandemic-related workload expenses total \$32.6 million. Federal Funds Nonlimited expenditures, which consist of projected unemployment insurance benefits paid to federal employees and trade impacted workers, decreased by 89.8% from the 2019-21 legislatively approved budget, as most pandemic-related federally funded benefits and extensions are set to expire in early September 2021.

Increases in Federal Funds expenditure limitation for the Housing and Community Services Department (HCSD) was the result of increased federal funding for programs administered by HCSD that will assist low-income Oregonians impacted by the pandemic. Examples include the Low-Income Home Energy Assistance Program, funding for rental assistance payments, and the Low-Income Water Assistance Program. Federal Funds expenditure limitation increased by \$305.4 million as a result of these programs, and 53 positions were approved to ensure accountability and administrative expediency.

Federal Funds for the Department of Veterans' Affairs are \$2.6 million (61.7%) less than the 2019-21 legislatively approved budget. The decrease is primarily due to the phase-out Federal Funds received from the CARES Act Provider Relief Fund to help offset costs and lost resident revenue related to the COVID-19 pandemic for the Oregon Veterans' Homes.

Consumer and Business Services

The Department of Consumer and Business Services Federal Funds budget for the 2021-23 biennium increased by \$4.6 million (or 4%) over the 2019-21 legislatively approved budget. The increase is due to adjustments made to the Departments' payments to insurers under the Oregon Reinsurance Program established by HB 2391 (2017). That addition was partially offset

by a Federal Funds budget reduction of \$1.8 million for the transfer of the Senior Health Insurance Benefits Assistance (SHIBA) program to the Department of Human Services (DHS).

Natural Resources

Federal Funds expenditure limitation for the Department of Fish and Wildlife was increased by \$10.5 million (or 7%) due to an increase in the Pittman-Robertson apportionment that comes from the sale of sporting arms and ammunition that will be utilized for the acquisition of the Minam Property in Wallowa County, 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.

Public Safety and Judicial Branch

Federal Funds expenditures for the Department of Justice total \$185.2 million and is \$31.3 million (or 14.4%) less than the 2019-21 legislatively approved budget. Major changes include:

- \$29.8 million reduction for primarily a Victims of Crime Act grant
- \$14.4 million reduction for the final phase of the Child Support Division's Child Support Enforcement Automated System information technology project
- \$4.7 million increase to the Child Support Division for intra-agency charges, Attorney General charges, hosting of the Child Support Enforcement Automated System (CSEAS) at the State Data Center, and an implementation shortfall associated with the CSEAS project.

Transportation

The Department of Aviation Federal Funds budget for the 2021-23 biennium decreased by \$1.8 million (or 16.2%) compared to the 2019-21 legislatively approved budget. The decrease is from the elimination of federally funded capital construction projects due to funding uncertainties driven by the impacts of the pandemic. The budget includes one Federal Funds capital construction project for the rehabilitation of the Siletz Bay State Airport with expenditure limitation of \$3.1 million.

Federal Funds expenditures for the Oregon Department of Transportation are decreasing significantly -- by \$184.6 million or 59.4% -- compared to the 2019-21 legislatively approved budget. This is due to declining federal gas tax distributions to the state; so far, Congress has failed to reauthorize long-term funding for state transportation programs.

Administration

Other Funds limited expenditures for the Department of Administrative Services total \$1,440.5 million and are \$155.3 million (or 12%) higher than the 2019-21 legislatively approved budget. Significant increases include:

- \$176.4 million for special payments from Lottery Bond proceeds to accommodate grants for various community development projects across the state,
- \$142.8 million in six-year expenditure limitation for capital construction projects including various deferred maintenance projects, a major capital renewal and seismic renovation of the Executive Building, and build-out of the North Valley complex in Wilsonville,
- \$37 million to pay the consolidated state-wide licensing costs of Microsoft Office 365 software,
- \$17.4 million to implement a new payroll and time tracking system,

- \$14.5 million to replace equipment at the State Data Center that is past its useful life.

The Federal Funds expenditure limitation for the State Library increased by 50% compared to the 2019-21 legislatively approved budget for expenditure of \$2.9 million in ARPA funds for five focal project areas.

Secretary of State Other Funds expenditures total \$75.8 million and are \$8.1 million (or 12%) higher than the 2019-21 legislatively approved budget. Significant changes include:

- \$2 million for information technology investments related to security, equipment and license updates, and migration of the agency's on-site data center;
- \$1.4 million in the Administrative Services Division for five new positions to improve support of the agency's programs;
- \$415,000 to fund a new Human Resources position and increased staff training; and
- \$347,591 in Archives to increase digital storage and conversion of old legislative logs.

American Rescue Plan Act Expenditures

The federal American Rescue Plan Act of 2021 (ARPA) was signed into law on March 11, 2021 and included \$350 billion of Coronavirus State and Local Fiscal Recovery Funds for eligible state, local, territorial, and Tribal governments to respond to the COVID-19 public health emergency and its economic impacts. ARPA provided an additional \$10 billion to establish the Coronavirus Capital Projects Fund for state, territorial, and Tribal governments to carry out critical capital projects directly enabling work, education, and health monitoring, including remote options, in response to the COVID-19 public health emergency. Oregon's allocation of ARPA State Fiscal Recovery Funds totaled \$2.648 billion with an additional Capital Projects Fund allocation of \$156.8 million. A total of \$1.505 billion was also allocated to local governments in Oregon and except for non-entitlement units of local governments, Local Fiscal Recovery Funds were distributed directly from U.S. Treasury to cities and counties. Non-entitlement units of local governments, or cities with a population of less than 50,000, receive distributions of Local Fiscal Recovery Funds through the state. Federal Funds expenditure limitation of \$248.4 million was approved in SB 5547 (2021) for DAS to pass-through Local Fiscal Recovery Funds to non-entitlement units of local government in Oregon.

Final federal guidance on use of the State Fiscal Recovery Funds is still pending. However, U.S. Treasury adopted an Interim Final Rule in May 2021 outlining the following eligible uses for costs incurred from March 3, 2021 through December 31, 2024:

- Supporting the public health response to the pandemic through public health services and programs that mitigate and prevent the spread of COVID-19. These include public health and safety staff time spent on COVID-19 related work, new behavioral healthcare if needs have been exacerbated by the pandemic, vaccination programs, and telemedicine.
- Addressing the negative economic impacts caused by the pandemic through assistance to households, unemployed workers, small businesses, nonprofits, and impacted industries; contributions to the State's Unemployment Insurance Trust Fund; rehiring public sector staff; and implementing economic relief programs. Funds must be used to support individuals and business that can demonstrate pandemic-related harms or costs.
- Serving the hardest hit communities and families through programs, services, or other assistance that address health and/or educational disparities; invest in housing and

neighborhoods; and promote healthy childhood environments. Dollars must be spent in, or for families living in, a Qualified Census Tract or tied to populations that have demonstrated disproportionate impact from COVID-19. Investments in educational disparities and healthy childhood environments must be for new or expanded services or programs.

- Providing premium pay for essential workers in critical infrastructure sectors. Premium pay of up to \$13 per hour on top of wages, not to exceed \$25,000 per eligible worker may be offered and should be prioritized to compensate low-income workers. Written justification is required if premium pay increases workers' total pay above 150% of the greater of the state or county average annual wage.
- Investing in water, sewer, and broadband infrastructure to improve access to clean drinking water, support wastewater and stormwater infrastructure, and expand broadband access. Water and sewer project eligibility is aligned with the Environmental Protection Agency's (EPA) Clean Water State Revolving Fund and Drinking Water State Revolving Fund. Strong labor standards are encouraged, including project labor agreements and community benefits agreements offering wages at or above the prevailing rate.
- Providing government services to the extent of lost revenue, calculated using a specified formula based on General Revenue as defined in the guidance (not budgeted General Fund) and historical financial information. Government services can include health or educational services; provision of police, fire, or public safety services; and maintenance or pay-go funded building of infrastructure.

The U.S. Treasury interim guidance also specifies that ARPA State Fiscal Recovery Funds may not be used to reduce taxes; support non-federal match requirements; pay for legal settlements or judgments; make a deposit into a pension or rainy day fund; or pay for previously incurred debt.

The 2021-23 legislatively adopted budget includes \$2.195 billion of federal ARPA Coronavirus State Fiscal Recovery Funds. Federal Funds expenditure limitation was approved for the Department of Administrative Services to transfer ARPA funds to state agencies (\$1.95 billion); provide \$4 million to each Senate District and \$2 million to each House District for project grants identified in the HB 5006 Budget Report (\$240 million); distribute a grant to the Pendleton Round Up Foundation to partner with Blue Mountain Community College on the second phase of the Facility for Agricultural Resource Management project (\$3 million); and establish five limited duration positions (5.00 FTE) to track ARPA expenditures and comply with federal reporting and audit requirements (\$1.8 million). A total of \$1.95 billion Other Funds expenditure limitation was established for the following state agencies to expend ARPA funds transferred from DAS for programs, services, and investments supporting the state's pandemic response and recovery:

- \$845.9 million for the Department of Corrections to maintain public safety services (\$800 million); address deferred maintenance on facilities (\$37.2 million); and purchase equipment and information technology systems (\$8.7 million).
- \$447.3 million for the Oregon Health Authority to maintain health services at the Oregon State Hospital (OSH) (\$300 million); capitalize the Behavioral Health Incentive Subaccount for incentive programs to increase the capacity and diversity of the behavioral health

workforce (\$80 million); support regional development and innovation to increase capacity of licensed residential facilities and housing for people with behavioral health needs (\$65 million); and to pay for equipment and deferred maintenance at OSH facilities (\$2.3 million).

- \$325.7 million for the Oregon Business Development Department (OBDD) to distribute \$275.7 million to local governments for critical drinking water, stormwater, and sanitary sewer infrastructure projects and \$50 million for grants to local independent movie theaters and entities in Oregon's live events industry to support their recovery from business closures due to the pandemic.
- \$124.3 million to the Oregon Department of Transportation for the following transportation infrastructure projects: safety improvements to Oregon 213/82nd Avenue (\$80 million); phase II costs related to the Newberg-Dundee Bypass (OR-219 section) (\$32 million); Hood River-White Salmon Interstate Bridge Replacement (\$5 million); Clackamas County Sunrise Gateway Corridor Community Visioning Concept (\$4 million); and rehabilitation of the Lake County Railroad (\$3.3 million).
- \$105.4 million for the Oregon Youth Authority to maintain public safety services (\$100 million), purchase equipment, and pay for capital improvements (\$5.4 million).
- \$38 million to the Department of Human Services for the following three investments: emergency food stabilization (\$14 million); a new Long-Term Care Capital Improvement and Emergency Preparedness Program (\$14 million); and long-term care workforce development and training, including loan forgiveness, tuition reimbursement, apprenticeship programs, and other professional development or incentives (\$10 million).
- \$20.5 million for the Water Resources Department to make the following water investments: Umatilla County Ordinance Project (\$6 million); contract for services to perform flood methodology and inundation assessments for dams and engineering analyses on dams (\$4 million); supplement fee-funded programs (\$3 million); purchase surface and ground water data collection equipment (\$3 million); seed the Water Well Abandonment, Repair, and Replacement Fund (\$2 million); expand support and development of place-based planning (\$1 million); augment the Water Measurement Cost Share Program Revolving Fund (\$1 million); and assist local governments with meeting fish passage requirements for dam upgrade projects (\$500,000).
- \$15 million for the Department of Environmental Quality to provide financial assistance to public agencies or qualified institutions for the repair, replacement, upgrade, or evaluation of residential or other onsite septic systems.
- \$8.9 million for the Oregon State Police to purchase vehicles and forensic lab equipment, address deferred maintenance, and complete capital and safety improvements.
- \$8.7 million to the Oregon Judicial Department for planning and costs associated with replacement of the Crook and Curry County courthouses and the Supreme Court Building renovation.

- \$5 million to the Oregon Department of Fish and Wildlife for fish screens and fish passage projects.
- \$4.1 million to the Higher Education Coordinating Commission for distribution to Southern Oregon University for the demolition of Cascades Hall (\$3.5 million) and Umpqua Community College for repair of a large landslide and sink hole (\$636,812).
- \$1.2 million for deferred maintenance on Department of Public Safety Standards and Training facilities.

The 2021-23 legislatively adopted budget also includes \$120 million of ARPA Capital Projects Funds. Federal Funds expenditure limitation is established for DAS to transfer the funds to OBDD for deposit in the Broadband Fund. Corresponding Other Funds expenditure limitation is established for OBDD to provide grants through the Oregon Broadband Office for the planning and development of broadband service infrastructure.

After accounting for amounts approved to be expended in the 2021-23 budget, the state has a residual balance of \$489.8 million ARPA funding available, including State Fiscal Recovery Funds (\$453.1 million) and Capital Project Funds (\$36.8 million). This balance is available to address potential issues or budget changes that may arise once final federal guidance is issued on the use of funds. Federal law also allows funds to be used for state costs into the 2023-25 biennium.

Summary of Legislative Actions Affecting the Budget

Behavioral Health Investments

The 2021-23 budget includes \$374 million General Fund and \$145 million in one-time federal American Rescue Plan Act (ARPA) State Fiscal Recovery Funds across state agencies to enhance Oregon's behavioral health system. When accounting for federal matching revenue and supplemental federal grant awards, as well as Other Funds revenue for drug treatment and recovery services established by Ballot Measure 110 (2020), the budget provides an overall increase of approximately \$1 billion total funds for behavioral health programs and services.

Most of this funding supports various efforts budgeted in the Oregon Health Authority (OHA), to be carried out primarily through the agency's community partners and provider network. Other, smaller amounts are included in the Criminal Justice Commission (CJC), Department of Administrative Services (DAS), and Department of Human Services (DHS) budgets. These investments generally fall within one of several interrelated themes intended to eliminate bottlenecks and improve behavioral health outcomes for youth and adults throughout Oregon's continuum of care.

One commonality across many of these investments is addressing the provider capacity and housing available for individuals who experience serious mental illness and/or co-occurring substance use disorders. This situation has been particularly constrained with respect to the available capacity in community settings and at the Oregon State Hospital (OSH) for individuals who have been ordered by a court to receive treatment for them to "aid and assist" in their criminal defense or through the civil commitment process. Insufficient bed space at OSH, as well as periods of stopping or slowing new admissions due to the COVID-19 pandemic, has created bottlenecks at community hospitals for patients who need higher levels of care and has strained OHA's ability comply with a federal court ruling requiring Aid and Assist patients to be admitted to OSH within seven days of a judge's order.

Another major focus is revising the state's approach to providing substance use disorder services through a new Medicaid waiver that leverages additional federal funding, enhances reimbursement rates, and expands services for those who need residential treatment. OHA is implementing this waiver in parallel to investments that support complementary outpatient services, such as those provided by Certified Community Behavioral Health Clinics and peer respite centers, as well as the implementation of Ballot Measure 110 (2020), which decriminalized the possession of small amounts of controlled substances and establishes a new drug treatment and recovery program.

Considering the significant level of both existing and new funding available for Oregon's behavioral health system, additional investments were made with respect to program accountability and performance. A key objective of this funding is to ensure the equitable distribution of non-Medicaid resources in a way that aligns contracts with the goals of preventing hospitalization, criminalization, and homelessness while also eliminating health inequities. The information below provides a summary of each of the major behavioral health investments in question.

Housing, Residential Treatment, and Workforce Capacity

- \$130 million, of which \$65 million is General Fund and \$65 million is federal ARPA, is included in OHA as part of a “regional development and innovation” investment to increase statewide capacity of licensed residential facilities and housing for people with behavioral health conditions. Decisions for spending this funding will be driven by proposals from behavioral health system stakeholders with respect to the unique needs in their communities.
- 80 million Other Funds in OHA to increase the capacity and diversity of Oregon’s behavioral health workforce through incentive programs established in HB 2949 (2021). The Other Funds revenue is available from federal ARPA funds transferred from DAS.
- \$20 million Other Funds in OHA for deposit into the Behavioral Health Housing Incentive Fund established in HB 2316 (2021), which is available for community-based housing, crisis intervention services, rental subsidies, and other behavioral health housing-related services. The Other Funds revenue is available from lottery bond proceeds.
- \$14.7 million General Fund in OHA to support 47 new psychiatric residential treatment service beds for children with complex behavioral health needs, and four 5-bed residential treatment homes and one 10-bed secure residential treatment facility for Oregon’s young adult population.
- \$10 million Other Funds in DAS for construction of Multnomah County’s new Behavioral Health Resource Center. The Other Funds revenue is available from lottery bond proceeds.

Aid and Assist Services Capacity

- \$31 million General Fund in OHA to open two 24-bed units at the Oregon State Hospital Junction City campus. Through the transfer of other patients between campuses, this action will expand the number of beds available at the Salem campus to serve additional Aid and Assist patients.
- \$21 million total funds (\$18.7 million General Fund) in OHA to expand the availability of community restoration, rental assistance and wraparound services to support the growing Aid and Assist caseload.
- \$2.3 million General Fund in OHA to establish a 10-person Intensive Services Unit to provide oversight and coordination of community-based services for individuals under Aid and Assist orders and to fund a contract to conduct a root-cause analysis of the increase in this population to help guide program design and potential policy changes.

Access to Inpatient and Outpatient Services

- \$129.5 million total funds (\$19.3 million General Fund) in OHA to implement a new substance use disorder Medicaid demonstration waiver, which was approved by the federal Centers for Medicare and Medicaid Services in April 2021. Key aspects of this investment are enhancing residential treatment rates and increasing the service array for individuals with substance use disorders.
- \$121.4 million total funds (\$24.9 million General Fund) in OHA to continue supporting services for individuals with complex behavioral health needs through the Certified Community Behavioral Health Clinic demonstration model.
- \$15 million General Fund in OHA to support a statewide coordinated crisis system consistent with the National Suicide Hotline Act of 2020, with \$5 million appropriated for a

9-8-8 crisis hotline center and \$10 million for grants to counties to establish mobile crisis intervention teams.

- \$10.6 million General Fund in OHA to increase provider reimbursement for co-occurring mental health and substance use disorder services.
- \$10 million in one-time General Fund for deposit into the Improving People’s Access to Community-based Treatment, Supports and Services Account for CJC to make grants to counties and tribal partners to support individuals with behavioral health issues leading to their involvement with the criminal justice system.
- \$6 million General Fund in OHA to support the operation of four peer respite centers, with one located in each of the Portland metropolitan area, the southern Oregon region, the Oregon coast, and the central/eastern Oregon region.
- \$1.5 million total funds (\$500,000 General Fund) in OHA to support Tribal Based Practices to increase culturally responsive behavioral health care in tribal communities.

Ballot Measure 110 Implementation

- \$302.2 million Other Funds in OHA to support expenditures from the Drug Treatment and Recovery Services Fund established through the passage of Ballot Measure 110 (2020). This new fund will support new behavioral health resource networks and grant programs for treatment and recovery services, with funding decisions determined by the new Oversight and Accountability Council. To fund these costs, the ballot measure redirected most marijuana tax revenue previously dedicated to schools, public safety, county behavioral health programs, and cities and counties.
- \$70.2 million General Fund in OHA to maintain support for county-administered behavioral health programs that would have otherwise received a decrease in funding due to the redirection of marijuana tax revenue under Ballot Measure 110.

Children and Youth with Specialized Needs

- \$11.6 million total funds (\$6.6 million General Fund) in DHS to support in-home services for youth with non-medical necessity needs.
- \$6.5 million in OHA to support mobile response and stabilization services for children and youth to avoid inappropriate placements and unnecessary higher levels of care.
- \$5.7 million in OHA to support assessment, stabilization, and long-term treatment planning through interdisciplinary assessment teams for youth with behavioral health needs.
- \$4.5 million in OHA for the System of Care Advisory Council to increase grants for local and tribal systems of care.

Transformation and System Alignment

- \$50 million General Fund to align the behavioral health system’s outcomes, roles, responsibilities, risk, and incentives. Of the total amount, \$49 million is available in a special purpose appropriation to the Emergency Board for OHA to request based on recommendations from a third-party evaluator and a workgroup formed with behavioral health stakeholders.
- \$7.7 million total funds (\$2.3 million General Fund) in OHA to advance the COMPASS Modernization project, which will replace the agency’s legacy behavioral health information technology systems with an integrated solution capable of housing the data

necessary to sufficiently track behavioral health outcomes, coordinate services, and improve financial transparency and accountability.

- \$5 million General Fund for OHA to work on new behavioral health quality metrics and incentive requirements established in HB 2086 (2021).

Long-Term Care Investments

To address both immediate operational challenges posed by the COVID-19 pandemic and core system needs, the 2021-23 legislatively adopted budget makes various investments in the long-term care services system. Issues being dealt with include higher wages, improved case management, workforce development and training, and infrastructure improvements. The budget contains \$192.9 million total funds (\$168.9 million General Fund and \$24 million ARPA Other Funds) for a package of investments in the long-term care system and workforce; the General Fund is a combination of new resources plus funding made available due to a 10% increase in the Federal Medicaid Assistance Percentage for certain Home and Community Based Services. Significant package components include:

- \$113.2 million for provider rate increases, bargaining pot enhancements, and cost of living adjustments to support higher wages for workers in assisted living facilities, memory care facilities, In-Home Care agencies, as well as Adult Foster Homes and Skilled Nursing Facilities.
- \$30 million for the Oregon Essential Workforce Health Care Program established by SB 800 (2021), which proposes creating a healthcare trust to provide long-term care workers access to quality affordable healthcare.
- \$14 million on a one-time basis for a new Capital Improvement and Emergency Preparedness grant program. Eligible expenditures include emergency power sources, air quality and HVAC improvements, infectious disease prevention strategies and equipment, technology to facilitate virtual visits and telehealth for residents, and room reconfigurations that reduce the risk of transmitting infectious diseases.
- \$8 million on a one-time basis for a centralized case management system.
- \$11.7 million on a one-time basis for workforce development and training.

In addition to SB 800 noted above, other policy bills were also approved during the 2021 legislative session that are associated with long-term care system operations or services. Efforts that will be underway include assessing sufficiency of facility staffing levels (SB 266); studying costs of care, reimbursement rates, and direct care worker compensation (SB 703); and implementing utilization of acuity-based staffing tools.

Housing Investments

General Fund and Lottery Fund investments totaling \$294.5 million, and another \$410 million in Bond proceeds were approved for investments in housing and shelter. These investments were made across multiple agencies that included the Housing and Community Services Department, Oregon Health Authority, Department of Human Services, Department of Land Conservation and Development, Department of Justice, and Department of Administrative Services.

Funding for housing and shelter-related investments to be administered by the Housing and Community Services Department (HCSD) consists of the following:

- \$410 million in Article XI-Q Bonds for affordable housing construction through the Local Innovation and Fast Track Housing and Permanent Supportive Housing programs (the latter with rental assistance and services for the chronically homeless). This investment is expected to generate 4,388 units of affordable housing, and 350 units of additional permanent supportive housing. Rental assistance and service dollars for permanent supportive housing units expected to be occupied in the 2021-23 biennium totaled \$13.6 million General Fund.
- \$100 million General Fund for preservation of affordable housing with expiring subsidies;
- \$30 million General Fund to cover 100% of missed rental payments for applications submitted to the Landlord Compensation Fund, and \$5 million General Fund for a landlord risk fund (per SB 278);
- \$30 million General Fund for a revolving loan program to facilitate acquisition of land on which to develop affordable housing, and for acquisition of naturally occurring affordable housing;
- \$27 million General Fund for grants and technical assistance related to shelter operations and support;
- \$20 million General Fund for down payment assistance, plus an additional \$2 million General Fund to address racial disparities in homeownership;
- \$20 million General Fund for construction of affordable homes for purchase;
- \$10 million General Fund related to investments in manufactured housing;
- \$4.5 million General Fund, corresponding Other Funds limitation and one position (0.88 FTE) for long term rental assistance for youth who are homeless, in care or treatment;
- \$5 million General Fund to fill financing gaps created by construction cost increases on affordable housing projects;
- \$7 million in one-time additional matching funds for individual development account savers;
- Investments to increase capacity for community action agencies and tenant associations (\$3 million General Fund), foreclosure avoidance housing counseling grants (\$3 million General Fund); homeless management information collection and reporting (\$1.2 million General Fund), and agency programmatic and administrative capacity (\$2.23 million General Fund, \$11.5 million Other Funds and 49 positions/45.76 FTE); and
- Demonstration grants for accessory dwelling units (\$1 million General Fund) and tiny home communities with shared equity investments (\$2 million General Fund).

A \$10 million Special Purpose appropriation was made to the Emergency Board for grants for affordable rental housing co-located with early learning and childcare facilities. HCSD will work with the Department of Education to develop a funding proposal and present the plan to the legislature prior to release of the funds.

Housing investments administered by agencies other than HCSD include the following:

- Department of Human Services - \$3.6 million General Fund for services to unaccompanied homeless youth, per HB 2544;
- Department of Justice - \$5 million General Fund for housing assistance to victims of domestic violence and sexual assault;
- Oregon Health Authority - \$10 million General Fund and corresponding Other Funds expenditure limitation for the Healthy Homes repair fund for repair and rehabilitation of domiciles that will improve health outcomes for the low-income residents living in them;

- Department of Land Conservation and Development - \$1.3 million General Fund to produce regional housing needs analyses, and \$6.1 million for local government planning grants related to the location and development of affordable housing;
- \$4.8 million to increase investigation capacity and strengthen enforcement of fair housing laws. (Bureau of Labor and Industries, Department of Administrative Services and Department of Justice);

The Department of Administrative Services will distribute grants to the following entities:

- Multnomah County Arbor Lodge, Shelter and Village (\$5 million);
- Mic-Columbia Community Action Council for a navigation center (\$1.5 million); and
- Oregon Law Center for legal assistance (\$1 million).

Wildfire-Related Investments

The 2021 legislatively approved budget contains an array of grants or other funded activities to assist Oregon communities in recovering from impacts of the 2020 wildfires and in being better prepared to respond to future events. Some of these efforts are prescribed by SB 762 (2021), which addresses a comprehensive strategy to promote wildfire risk reduction, response and recovery. Investments include the projects or activities described below.

Department of Administrative Services

The Department of Administrative Services (DAS) often acts as the conduit to pass state funds to non-state agencies, since General Fund monies can only be appropriated to state agencies. DAS distributes this funding as grants, with recipients required to enter into grant agreements and agree to the terms and conditions included therein. For the 2021-23 biennium, DAS will also be responsible for distributing grants using federal American Rescue Plan Act (ARPA) monies that were selected by legislative members during the 2021 legislative session. Some of these member-identified projects support wildfire recovery and response activities; these projects are also listed below. (Please note this not a comprehensive list of all member-identified ARPA projects.)

Grants supported with General Fund:

- \$2,100,000 to Upper McKenzie Rural Fire Protection District for replacement of the Blue River Fire Station and equipment.
- \$2,000,000 to Jackson County Fire District for firefighter apprentices.
- \$2,000,000 to Clackamas Fire District for firefighter apprentices.
- \$2,000,000 to Eugene Springfield Fire Department for firefighter apprentices.
- \$1,800,000 to McKenzie Valley Wellness to replace the McKenzie Valley Health Clinic.
- \$1,400,000 to Blue River Community Library for the rebuilding the library.
- \$903,520 to McKenzie Fire and Rescue for a Disaster Relief Logistics Center.
- \$500,000 to High Desert Rangeland Fire Protection Association for Lake County Wildland Fire needs.
- \$385,000 to Molalla Rural Fire Protection District for Wildland Fire Protection.

Lottery Bond funded projects:

- \$13,600,000 to the City of Phoenix for a Public Safety Building to replace the Phoenix Fire Station and existing City Hall and Police Station buildings.

ARPA funds as directed by legislative members:

- \$2,400,000 for the Idanha-Detroit Rural Fire Protection District Fire Station.
- \$1,150,000 for Benton County's Wildfire Safety, First Responder, and Food initiatives.
- \$1,000,000 for the East Umatilla Fire and Rescue New Fire Station.
- \$900,000 for Santiam Canyon Wildfire Recovery and Public Safety.
- \$500,000 for Lake County Rural Fire Protection.
- \$500,000 for a Rogue River-Siskiyou Regional Wildfire and Emergency Services Training Center.
- \$375,000 for Western Lane County Fire Response.
- \$375,000 for Western Lane Fire Authority's emergency response and preparedness efforts.
- \$375,000 for the McKenzie River Finn Rock Restoration Project.
- \$280,900 for Estacada Rural Fire District to purchase equipment for wildland fire suppression and emergency medical response.

Housing and Community Services Department

The Housing and Community Services Department will administer \$100,000,000 General Fund for housing development, construction, infrastructure, rebuilding, down payment assistance, loans and services associated with wildfire recovery. In addition, \$383,496 and two additional positions (1.76 FTE) supported by General Fund will augment emergency response and resiliency efforts associated with helping the agency navigate insurance requirements for survivors and analyzing rehabilitation and repair options. Lottery bond proceeds in the amount of \$50,000,000 Other Funds (and \$780,071 for cost of issuance) will support land acquisition and interim housing supply associated with wildfire recovery efforts. Lottery Funds debt service on these bonds in the 2021-23 biennium amounts to \$2,189,980.

Oregon Business Development Department

General Fund grant assistance to local governments following the 2020 fire season was continued and expanded in the Oregon Business Development budget for 2021-23. This included: \$4 million for general municipal wildfire assistance grants, \$4.24 million for grants to specified local governments for building and planning departments staffing, and \$772,000 for grants to specified local governments for general staffing and operational needs.

Department of Environmental Quality

SB 762 requires the Department of Environmental Quality (DEQ) to develop and implement three interrelated programs around wildfire smoke impacts on communities:

- For detecting, preparing for, communicating, or mitigating the environmental and public health impacts of wildfire smoke, \$486,698 General Fund was provided to support state and local partners with communication and mitigation efforts.
- \$1.5 million General Fund for grants or cooperative agreements to develop and implement community response plans to enhance readiness and mitigation capacity for wildfire smoke, and \$220,682 for program administration.
- \$1.12 million General Fund to build, deploy, and maintain an expanded smoke monitoring network, compile data and forecasting, and provide technical support to communities interested in setting up their own monitoring equipment. Of these costs, \$230,000 is for

meteorological equipment and monitoring systems and \$30,000 is for IT system upgrades to support additional data.

To cover the state's cost share with the Federal Emergency Management Agency for the hazardous waste and structural debris clean up related to the 2020 wildfires, DEQ also received \$3 million of one-time General Fund.

An appropriation of \$569,382 General Fund and an increase in expenditure limitation of \$15 million for American Rescue Plan Act (ARPA) funds transferred to DEQ from the Department of Administrative Services was included in HB 5006. The General Fund was for the management of a financial assistance program for the repair, replacement, upgrade, or evaluation of on-site septic systems in wildfire impacted communities, with the ARPA funds providing loans and grants for the needed work.

Department of Forestry

The budget bill (SB 5518) for the Oregon Department of forestry included \$5.93 million, total funds, to continue enhancements to the agency's fire organization sustainability and modernization that were initiated by the Emergency Board in January of 2021. A \$9.13 million, total funds increase in support for the Federal Forests Restoration program was made to increase the scale and pace of treatments on federal lands to reduce the risk of, or diminish the severity of, wildfire on those and adjoining lands. Additionally, a \$1.6 million, total funds, investment in communication systems, equipment and infrastructure was made to support firefighter life safety programs.

SB 762 required ODF to develop programs to reduce overall wildfire risk in Oregon, increase wildfire response capacity, and create a small woodland grant program. For those activities related to reducing overall wildfire risk in Oregon, ODF received \$21,731,188 total funds, as well as 15 positions (15.00 FTE). These activities include landscape restoration work; development and maintenance of a statewide map of wildfire risk including wildland interface fire protection information; clarification of rules for prescribed fire and rules establishing baseline levels of wildfire protection for non-protected ODF lands; and support to the Wildfire Programs Advisory Council

To increase overall wildfire response capacity, SB 762 provided \$20,827,651, total funds, and 93 positions (65.40 FTE) to perform assessment work and build capacity in the Department. An additional \$15,000,000 of one-time General Fund is provided for the purpose of providing a subsidy to offset landowner assessment rates attributable to the increased wildfire response capacity required as part of the bill. Finally, an additional \$4,500,000 General Fund is provided for assistance to non-governmental units for wildfire response capacity issues. Included in the total amount is funding to establish and maintain an expanded system of automated smoke detection cameras, which includes staffing in detection centers.

An appropriation of \$5 million General Fund to ODF was included in SB 762 to establish a small woodland grant program to provide competitive grants to support small woodland owners in reducing wildfire risk, through the restoration of landscape resiliency and the reduction of hazardous fuels on the owners' small woodlands. HB 5006 also included a \$5 million General

Fund appropriation to the Department's Private Forests Division to provide grants to nurseries to increase the supply of tree seedlings for replanting needs due to the 2020 wildfire season.

Oregon Department of Human Services

The Department of Human Services was designated as the lead state agency for clean air shelter operations under SB 762. To perform this work, a one-time \$5,187,411 General Fund appropriation and one limited duration position (1.00 FTE) was included in the bill. \$5 million of the funding is for grant funds for the establishment and operation of clean air shelters by local governments and organizations.

For administering shelter and feeding services for wildfire survivors, \$76,488,018 General Fund was approved on a one-time basis, as well as nine limited-duration positions (7.50 FTE). Of this amount, \$75 million is for programmatic expenditures and \$1,488,018 supports the limited-duration positions.

Higher Education Coordinating Commission

The Oregon Conservation Corps Program was established to reduce the risk wildfire poses to communities and critical infrastructure within the Higher Education Coordinating Commission (HECC). The newly created Oregon Conservation Corps Fund will provide the funding for grants to eligible organizations to provide job training, skill development and forest-related or rangeland-related career path training. An appropriation of \$11,643,668 General Fund and three positions (3.00 FTE) were approved for HECC for the program. The funding includes \$10,000,000 to be deposited into the Oregon Conservation Corps Fund, \$1,000,000 to match private donations that are donated for the purposes of funding grant supported projects related to the Oregon Conservation Corps Program, and the remainder for the personal services and services and supplies costs to support program operations.

An additional appropriation of \$1,138,040 General Fund to HECC was provided in SB 762 for distribution to Oregon State University for development and maintenance of a wildfire risk map, hosting costs associated with the map, and collaboration with ODF on the development of the 20-year strategic plan for landscape restoration.

Office of the Governor

A one-time appropriation of \$497,541 General Fund and the authorization to establish a limited-duration position (1.00 FTE) for the Office of the Governor was included in SB 762 to provide for the establishment of a State Wildfire Programs Director and to support the Wildfire Programs Advisory Council established by the bill.

Oregon Health Authority

The Oregon Health Authority was provided a \$4,768,812 one-time General Fund and the authorization to establish four limited duration positions (3.13 FTE) by SB 762 to, in consultation with the Department of Human Services, establish and implement a grant program that allows local governments to establish emergency clean air shelters and equip public buildings with smoke filtration systems so these buildings can serve as cleaner air spaces during poor air quality events and to increase the availability of smoke filtration systems among persons more vulnerable to the health effects of wildfire smoke who reside in areas susceptible to wildfire smoke including the issuance of grants for the purchase of smoke filtration devices. \$4 million of the total funding is for grants.

Oregon State Police – Office of the State Fire Marshal

SB 762 adds to the Office of the State Fire Marshal's responsibilities and funding for wildfire prevention, management, and response. New responsibilities include establishing and enforcing requirements for defensible space within the wildland-urban interface statewide, establishing and operating a Community Risk Reduction program, and updating and modernizing the Oregon Fire Mutual Aid System.

To implement a new Community Risk Reduction Program; to administer and enforce minimum defensible space standards; and to increase the office's wildfire readiness and response capacity, the agency was provided \$13.5 million General Fund and authorized 56 positions (49.73 FTE). Positions will be allocated for fire response coordination, safety response capacity, fire leadership, support for the Incident Management Teams, compliance inspections required by the new wildland-urban interface defensible space standards, mapping, and overall program support.

Additional new resources include \$7 million General Fund for community activities and educational programs required for the Community Risk Reduction program, \$25 million General fund to capitalize the new Community Risk Reduction Fund, and \$55 million to modernize and enhance the Oregon Fire Mutual Aid System to increase the office's wildfire readiness and response capacity. This funding will support fire prevention and response personnel, pre-position firefighting resources statewide, and fund contracts for fire prevention, suppression, coordination, and response.

Oregon Military Department – Office of Emergency Management

SB 762 directs the Office of Emergency Management (OEM) to update its statewide emergency plan to prepare for or respond to wildfire emergencies on an area-wide or statewide basis. To provide training, carry out exercises, and promote community education, OEM received \$700,003 General Fund and authorization for two permanent full-time positions (2.00 FTE). To provide matching funds for the Federal Emergency Management Agency's (FEMA) Hazard Mitigation Program, \$20 million General Fund was approved on a one-time basis in HB 5006 for the Office of Emergency Management.

Public Utilities Commission

Other Funds expenditure limitation of \$324,286 and the authorization to establish a Utility and Energy analyst position was proved to the Public Utilities Commission in SB 762 to periodically convene workshops to help public utility providers develop and share information for the identification, adoption and carrying out of best practices regarding wildfires, including, but not limited to, risk-based wildfire protection and risk-based wildfire mitigation procedures and standards, and to evaluate and approve a public utility's wildfire protection plan.

Department of Consumer and Business Services

A General Fund appropriation of \$10,678,004 was included in HB 5006 for a new grant program at the Department of Consumer and Business Services to incentivize residential and commercial fire hardening for rebuilding and repairing dwellings and other structures that were destroyed or damaged in the 2020 wildfires. Program administration is capped at \$678,004.

Oregon Department of Energy

HB 5006 included a \$10,831,296 General Fund appropriation for the Department of Energy to establish a grant program designed to incentivize residential and commercial energy efficiency for 2020 wildfire survivors who are rebuilding and repairing dwellings and other structures that were destroyed or damaged in the 2020 wildfires.

Oregon Watershed Enhancement Board

General Fund was also appropriated in HB 5006 to the Oregon Watershed Enhancement Board for wildfire restoration grants. This funding included:

- \$10,750,000 for wildfire recovery riparian and upland restoration grants.
- \$5,000,000 for wildfire recovery floodplain restoration/reconnection grants.
- \$4,000,000 for a pass-through grant to the Eugene Water and Electric Board to pay for restoration activities in the McKenzie River basin,
- \$670,000 to support three positions to support the additional grant activities which are funded in the operations program area.

Oregon Department of Transportation

HB 5006 included \$1.25 million General Fund on a one-time basis for ODOT to support cultural resource assessments in areas where the agency is conducting wildfire-related tree and debris removal. The funding enables ODOT to coordinate with tribes, the State Historic Preservation Office, and others on surveys and assessments of cultural resources in the fire damaged areas.

Department of Revenue

HB 5006 included a one-time General Fund appropriation of \$23.2 million for the Department to make grants to counties for the reimbursement of lost tax revenue related to the 2020 wildfires. Distribution of these funds will be limited to counties included in Executive Order 20-60 that were impacted by the 2020 wildfires and that can demonstrate losses due to the September 2020 wildfires in property tax years beginning on or after July 1, 2020.

Water-Related Investments

Several funding sources, including American Rescue Plan Act (ARPA), General Fund, and bond sale revenues, were widely available to support water infrastructure, water resource planning, and state agency program capacity enhancements. Notable investments include the projects or activities listed below; some initiatives are tied to 2021 session policy bills or other coordinated efforts.

Water Infrastructure

- ARPA funding for specific projects
 - \$275,722,721 for various needs through the Oregon Business Development Department
 - \$6 million Umatilla Ordinance Project
 - \$5 million for fish screen and fish passage projects
 - \$15 million for the new onsite septic financial assistance program
- ARPA funding for infrastructure fund capitalization
 - \$2 million for Water Well Abandonment, Repair and Replacement Fund (HB 2145)
- General Obligation Bond funding for a specific project
 - \$20 million Salem drinking water

- Lottery Revenue Bond funding for several projects
 - \$10 million Deschutes Basin Board of Control piping project via Water Supply Development fund.
 - \$14 million Wallowa Lake Irrigation District via Water Supply Fund
 - \$14 million City of Newport via Water Supply Fund
 - \$1.7 million City of Carlton (carried forward)
 - \$1.2 million Santiam Water Control District (carried forward)
- Lottery Revenue Bond funding for infrastructure fund capitalization
 - \$15 million for levees
 - \$50 million for the Special Public Works Fund
 - \$41.5 million for the Water Supply Development Fund; \$11.5 million carried forward and \$30 million new
 - \$1.2 million for feasibility studies (SB 1069); \$700,000 carried forward and \$500,000 new
- General Fund specific projects
 - \$2 million GF for low interest loans for onsite septic system replacement
 - \$250,000 Nesika Beach Ophir Water District water line extension
 - \$350,000 for scoping and design of a water and infrastructure database framework
- General Fund for infrastructure fund capitalization
 - \$50 million for the Special Public Works Fund
 - \$500,000 for Domestic Well Remediation Fund (HB 3092)
 - \$100,000 for Water Well Abandonment, Repair and Replacement Fund (HB 2145)

Water Resource Planning

- General Fund for regional and statewide water resource planning through the Water Resources Department (WRD), Oregon Fish and Wildlife Department (ODFW), and Department of Environmental Quality (DEQ) was approved as outlined below.
 - \$500,000 Umatilla Solutions Task Force (WRD)
 - \$500,000 Oregon Consensus regional water planning (WRD)
 - \$200,000 for WRD support of Oregon Consensus regional water planning; includes a 1.00 FTE limited duration position
 - \$450,000 support for Oregon’s Integrated Water Resources Strategy (IWRS) 2022 update; includes a 1.00 FTE limited duration position (WRD)
 - \$472,885 for IWRS coordinator and water basin planning; includes 2 positions/2.00 FTE (ODFW)
 - \$350,000 for contracted business case assessment of economic value of water (WRD)
 - \$200,000 for place-based IWRS planning (WRD)
 - \$320,000 for Willamette Basin reallocation planning; includes position FTE of 0.88 (WRD)
 - \$700,248 for Willamette Basin water reallocation; includes 3 positions/3.00 FTE (ODFW)
 - \$2.4 million for WRD to develop ground water budgets for all major hydrologic basins in Oregon (HB 2018); includes 9 positions and 5.75 FTE
 - \$1.1 million for water quality standards and clean water plan development and implementation; includes 4 positions/2.88 FTE (DEQ)
 - \$485,000 for stakeholder meeting facilitation on transfers of stored water (HB 3103) (WRD)

- \$422,000 for stakeholder conflict resolution facilitators for complex basin issues; includes position FTE of 0.88 FTE (WRD)
- \$1 million for equitable water access (WRD)
- \$500,000 for indigenous energy resiliency (WRD)
- ARPA for regional and statewide water resource planning
 - \$1 million for expanded/continued place-based IWRS planning
 - \$500k for assistance to local governments in meeting fish passage requirements for dams

Agency Capacity

- For the Water Resources Department, General Fund was provided to support operational needs, including \$3 million for water rights protest case backload and ongoing legal expenses; \$381,000 for water supply safety (2 positions, 1.76 FTE); and \$1.4 million for expanded statewide regional staffing capacity. To help subsidize fee-funded programs, \$3 million in ARPA funds were added to the agency’s budget. General Fund and ARPA resources also pay for the following specific program or project-focused needs:
 - \$1.5 million General Fund for Dam Safety program expansion (2 positions, 1.76 FTE)
 - \$2 million General Fund for expanded ground water studies staffing (7 positions, 6.16 FTE)
 - \$700,000 General Fund for new program to enroll landowners in federal conservation reserve enhancement program in Harney basin (includes 0.88 FTE)
 - \$575,000 General Fund to support domestic water well program for expanded requirements of HB 2145 (3 positions, 2.64 FTE)
 - \$4 million ARPA for contracted services to perform flood methodology and inundation assessments for dams and engineering analyses on dams
 - \$3 ARPA million for surface and ground water data collection equipment
- The Oregon Department of Fish and Wildlife received General Fund to support Oregon Coast habitat assessments (\$222,012, 1 position, 1.00 FTE); to help establish Habitat Division (\$1.5 million, 7 positions, 7.00 FTE); and to restore the Western Oregon Streams Restoration Program (\$585,056, 3 positions, 3.00 FTE).
- Approved General Fund for the Oregon Department of Agriculture includes \$75,000 for Klamath Lake water quality testing, \$500,000 for groundwater quality improvement in Groundwater Management Areas, and \$883,374 to support water quality work in small watersheds including land condition assessments (1 position, 0.92 FTE).
- For the Department of Environmental Quality, approved funding includes \$675,007 General Fund for sampling and lab testing of cyanotoxins in waterbodies (2 positions, 2.00 FTE); \$420,099 General Fund to support existing staff due to reduced fee revenue in HB 2143; \$1.6 million Other Funds expenditure limitation to modernize the Clean Water State Revolving Loan Fund software system; and \$569,382 General Fund for admin costs of a new financial assistance program for repair or replacement of onsite septic systems funded through ARPA.
- Initiatives funded in the Oregon Watershed Enhancement Board’s budget include \$326,653 General Fund to support 100-Year Water Vision and the Governor’s Executive Order on climate (1 position, 1.00 FTE), along with \$6 million Other Funds expenditure limitation for grant funding from PacifiCorp from the 2016 Klamath Hydroelectric Settlement Agreement. For this last component, the funds are intended to address water-quality improvements in

the Klamath River. However, no funding has been released to date because the settlement agreement has yet to be finalized by all parties.

Racial Justice and Equity

Much of the 2021 Legislature's work focused on advancing legislation through a racial equity lens promoting justice and accountability. Related policy bills addressed a wide range of issues or programs, including racial justice policy; immigrants and refugees; criminal justice reform and policy accountability; housing and homelessness; economic opportunity, environmental justice and equity; education; and health equity. The legislatively adopted budget includes financial support for many of these policy bills (bills are described under the Substantive Bills Enacted into Law with Budget Effect section of this publication) but state agency budgets also included investments to support operational and other support for these initiatives. A subset of these are described below.

- For the Department of Justice, the Legislature provided \$2 million General Fund and authorized six permanent full-time positions (5.25 FTE) to conduct statewide bias crimes response. The funding will supplement the activities of the Civil Rights Unit and the Bias Crimes Hotline. Funding includes the development of a database, certified investigator training, outreach and publications, victim support and emergency relief funding.
- The Oregon Youth Authority's budget was increased by \$1.2 million General Fund and six positions (5.03 FTE) for diversity, equity, and inclusion priorities, including staff to develop culturally-specific programming; conflict resolution, mediation, and gang intervention skills; tattoo removal; and therapy specific to gender identity.
- To establish a Diversity, Equity, and Inclusion Team and provide agency-wide implicit bias training, \$0.7 million General Fund and three positions (2.64 FTE) were added to the budget for the Department of State Police.
- For the Criminal Justice Commission, the Legislature approved \$4.2 million General Fund and one position (1.00 FTE) to establish and operate a Restorative Justice grants program, the purpose of which is to develop new restorative justice services and to strengthen existing non-profit organizations that are leaders in restorative justice practices.
- The budget for the Oregon Department of Education include several racial justice or equity budget items; some notable investments include:
 - \$14 million General Fund and 4 positions (3.68 FTE) for an Indigenous Education Institute and an Anti-Racist Leadership Initiative as part of the Educator Advancement Council. The Institute is a collection of initiatives to support current and future Indigenous teachers and administrators including assisting with the education and licensure costs of future Indigenous educators, sharing best practices, and advocating initiatives relating to Indigenous sovereignty. The Leadership Initiative would provide training, technical assistance and support to Educational Service Districts to advance anti-racist leaders in education.
 - \$5.8 million General Fund and 3 positions (2.25 FTE) for an Early Childhood Suspension and Expulsion Prevention program administered by the Early Learning Division. The program would assist and support families and providers including mental health services. Most of the funds are to be unscheduled until the Division returns to report on the planning, development, structure of the delivery system, and early implementation of the program.

- \$68 million Other Funds (Student Success Act funds) to expand preschool programs by over 4,000 slots including Preschool Promise, Oregon Prekindergarten and Early Intervention. Many of the children served in these programs are low-income and members of a black, indigenous, or people of color community (BIPOC).
- An increase of \$9 million General Fund and 2 positions (1.50 FTE) was approved in the Higher Education Coordinating Commission’s budget for the Oregon Youth Employment program, which will help local workforce development boards and other organizations serve eligible low-income youth.
- The Department of Land Conservation and Development received \$1 million General Fund to provide technical assistance and grants to local governments for equitable rural transportation planning, along with another \$1 million to assist local governments with equity-oriented scenario planning and administrative rule implementation relating to the reduction of greenhouse gas from land use and transportation sectors.
- The budget for the Department of Administrative Services (DAS) includes a \$3 million General Fund for distribution to external entities: \$2 million for providing legal services to immigrants facing unlawful or unjust deportation and \$1.5 million to improve public safety reform activities. Also funded on a one-time basis, supported with \$3.8 million General Fund and 6 positions (6.00 FTE) in the DAS budget, is a study to determine if inequities exist in public procurement and contracting that adversely affect businesses owned by minority, women, and/or service disabled veterans. The disparity study is expected to provide a factual, data-driven foundation for state enterprises can use to help improve procurement processes to achieve fair and equitable outcomes.
- Housing program investments, which are primarily covered in other sections of this document, include major initiatives through the Housing and Community Services Department to help provide pathways to homeownership for BIPOC communities (\$22 million) and to increase the housing supply for middle to low wage Oregonians (\$600.2 million).
- Health equity was reinforced as an overarching theme across programs; specific investments include dental coverage for Compact of Free Association residents (\$2.6 million), public health modernization (\$45 million), and managed care for tribal members receiving Oregon Health Plan services (\$1.4 million).
- Multiple state agencies received new positions dedicated to centering agency culture and programs around Diversity, Equity, and Inclusion (DEI) policies promoting representation and participation of different groups of individuals, including people of different ages, races and ethnicities, abilities and disabilities, genders, religions, cultures, and sexual orientations.

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 2021-23 is 4.3%. Non-state personnel costs (contract providers) were allowed a 5.7% inflation rate.

Medical inflation, which includes many human services programs and other programs that utilize trained medical staff, was set at a rate of 5.7%; 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, but budgeted amounts are determined or are adjusted based on 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 2021 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 5006.

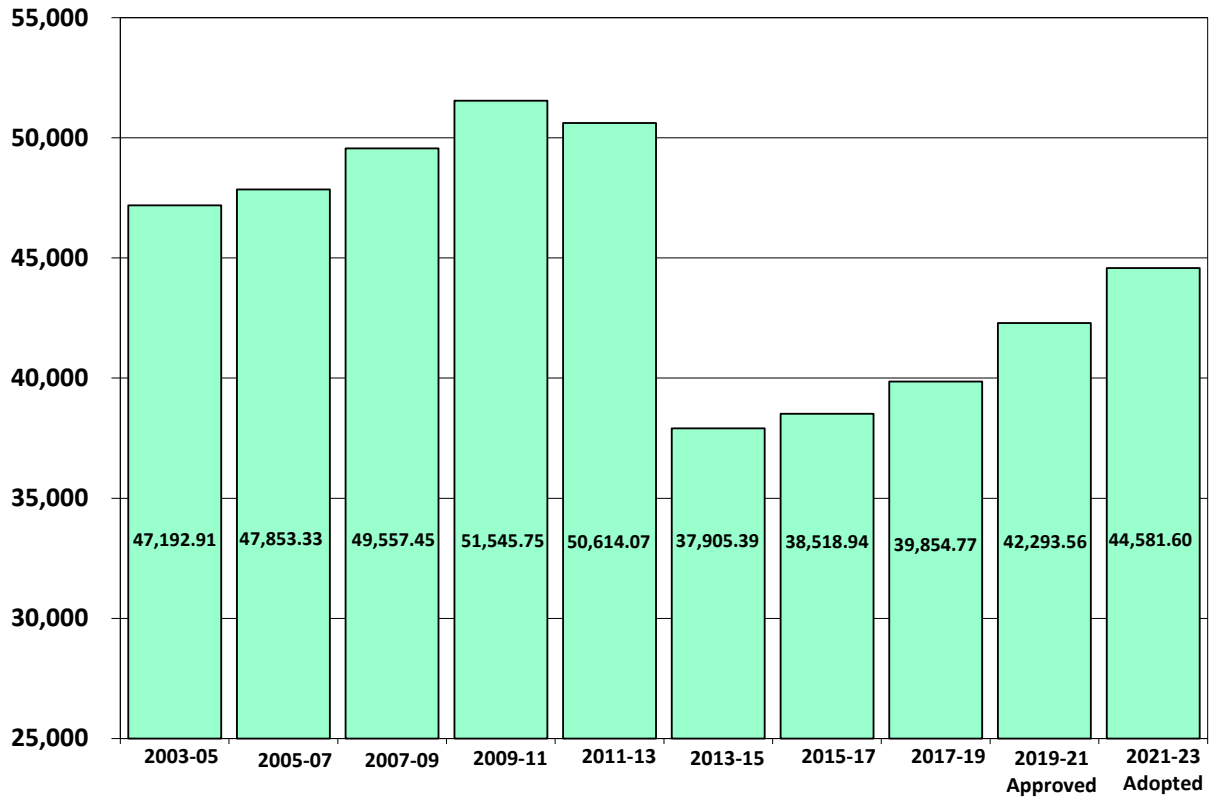
State Employees

Positions and Full-Time Equivalency

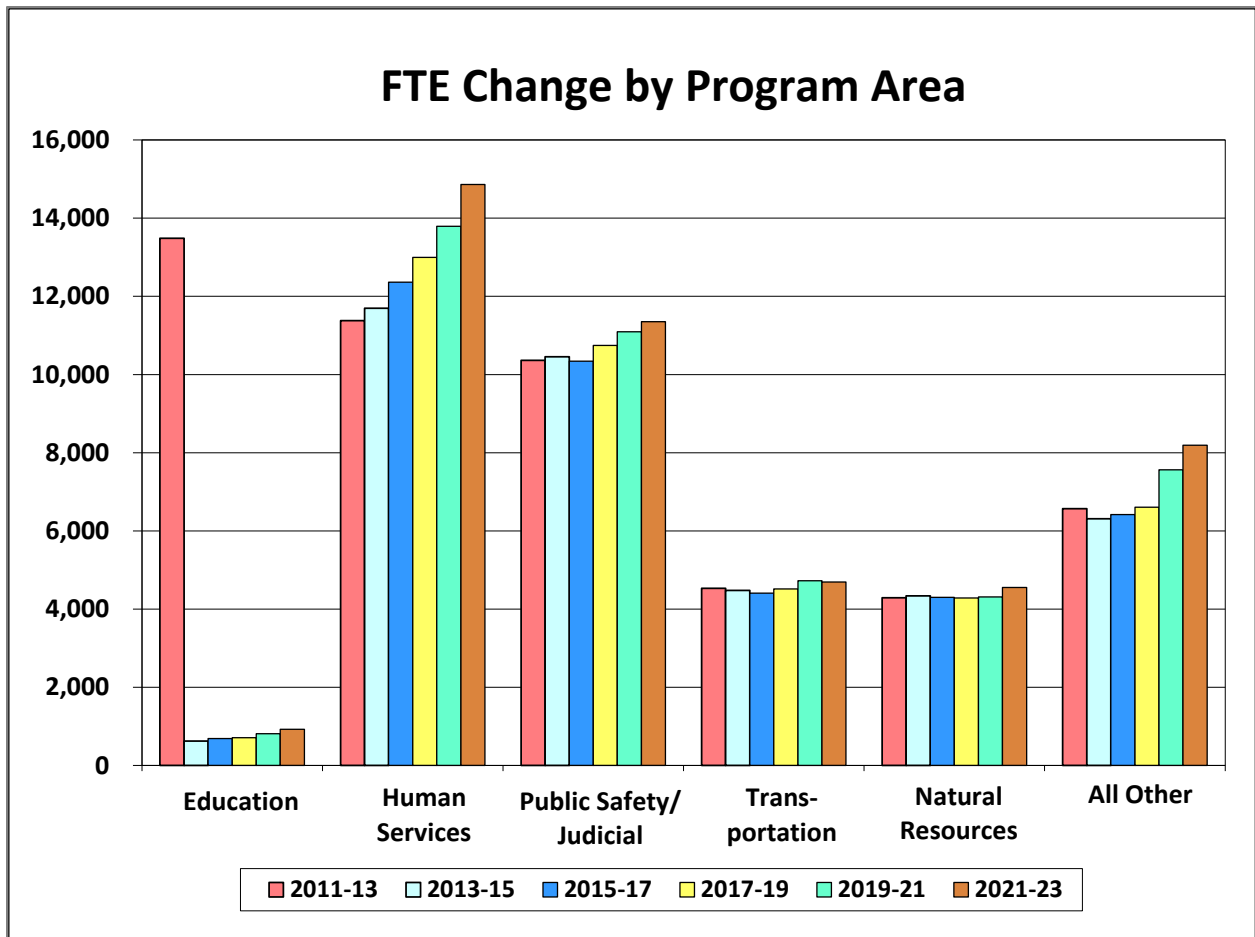
The legislatively adopted total funds budget supports 44,581.60 Full-Time Equivalent (FTE) positions, with a corresponding position count of 47,428. An FTE represents the number of months for which each position is budgeted over the 24-month biennium. State law (ORS 240.185, as amended by SB 1067 in 2017) limits the number of state FTE positions to 1% of the state's population in the previous year. As of July 1, 2020, the state's population was estimated at 4,268,055, so the FTE limit at the beginning of the biennium, before exclusions, would be 42,680.55 FTE, which is lower than the FTE in the adopted budget. However, ORS 240.185 provides for some 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. After subtracting the excluded agencies' FTE, the total number of FTE supported in the 2021-23 legislatively adopted budget is under the 1% of population cap. Of the total approved FTE, 54.1%, or a total of 24,119.85, 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 2021-23 adopted budget by 2,425 positions and 2,288.04 FTE, or 5.4%, over the previous biennium. Long term comparisons to earlier biennia are complicated by 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 were no longer counted in the totals starting with the 2013-15 biennium. A complete list of FTE counts by agency and program area can be found in Appendix C.

Number of State Agency Full-Time Equivalent (FTE) Positions



Decline between 2011-13 and 2013-15 reflects elimination of Oregon University System as State Agency



Salary and Benefit Actions

The 2021-23 legislatively adopted budget includes \$198 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 economic components to be paid with the funding appropriated to the Emergency Board for employee compensation changes: step increases for eligible employees during both years of the biennium which are no longer merit increases; continuation of the up to 5% employee contribution to the cost of health insurance premiums; and two cost-of-living adjustment, the first 2.5% increase effective December 2021, with a second 3.1% increase effective December 2022. Other collective bargaining provisions include one-time COVID-19 pay supplements for qualifying front-line employees, the addition of Juneteenth as a paid holiday, expansion of telework rights, shift differential increases, and restructuring of existing classifications. The cost of these types of adjustments will be paid from the legislatively adopted budgets of the affected agencies.

Final cost estimates have not yet been generated to determine if the \$198 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 (typically the Joint Committee on Ways and Means). 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. This funding is also expected to address contract changes not covered in agency budgets.

Agency Organizational Changes

Agency organizational changes made during the 2021 session include:

- A new independent state agency, the Oregon Department of Emergency Management, was established by HB 2927. The measure provides \$4.4 million General Fund and thirteen positions (13.00 FTE) to staff the new department, to backfill administrative functions in the Oregon Military Department (OMD), and to pay for rent, information technology, and business services provided to the new agency by the Department of Administrative Services. The bill also includes \$5 million Other Funds expenditure limitation for OMD for use for State Active Duty mobilizations. The unexpended balances of amounts authorized to be spent by OMD for the Office of Emergency Management for the 2021-23 biennium, along with positions and other budget components, are to be transferred to the new Department as of its July 1, 2022 effective date.
- HB 3073 establishes the Department of Early Learning and Care (DELIC) replacing the current Early Learning Division with the Oregon Department of Education (ODE). All the programs and staff of the Division are transferred to the new agency effective January 1, 2023. In addition, the Employment Related Day Care program (ERDC) is transferred from the Department of Human Services to the new agency on July 1, 2023. The Legislature authorized 14 positions (12.92 FTE) to be hired before March 1, 2022 to begin to develop the management, financial, personnel and other systems required for the new agency. Prior to the February 2022 legislative session, ODE is to report on the further staffing and other needs of the new agency. During the February 2022 session, the Legislature will determine and authorize any further positions and funding that is required. A \$5.1 million General Fund special purpose appropriation is available for these additional funding needs.
- The office of the Public Records Advocate is created as an independent office within the executive branch by SB 500. The measure changes the appointing authority for the Public Records Advocate position from the Governor to the Public Records Advisory Council and authorizes Public Records Advocate to seek office facilities and administrative support from other state agencies and local public bodies and requires state agencies to assist with the office's work. The fiscal impact assumed that upon passage of the bill the Public Records Advocate would become an independent agency housed within the Department of Administrative Services (DAS) where they had previously been funded. DAS will continue to provide the Advocate administrative support services and funding through assessments on state agencies. As part of the 2023-25 budget development cycle, a separate budget for the Public Record Advocate office will be created that will be informed by the decisions of the Public Records Advisory Council.
- The Public Defense Services Commission (PDSC) was reorganized as part of HB 5030 to align the agency's budget with business activities, or cost centers, to help increase transparency of budgeted activities and to impose a heightened level of financial discipline and

accountability on the agency. Previously, PDSC had only three divisions: the Appellate Division, the Contract and Business Services Division, and the Professional Services Account, with intermixed programs at varying levels of detail; the Professional Services Account division alone accounted for over 90% of the agency's budget. The 2021-23 legislatively adopted budget retains a reorganized Appellate Division and adds seven new divisions to make service delivery and budget authority more visible. These are the Executive Division; the Compliance, Audit and Performance Division; the Trial Criminal Division; Non-routine Expenses; Court Mandated Expenses; the Juvenile Division; and the Administrative Services Division.

- Following the passage of Measure 91 in 2014, the Oregon Liquor Control Commission (OLCC) was tasked with regulating the production, processing, and sale of recreational marijuana in Oregon through the Control, Regulation and Taxation of Marijuana and Industrial Hemp Act. HB 2111 (2021) renames the agency, effective August 2, 2021, to the Oregon Liquor and Cannabis Commission (also using the OLCC acronym) to better reflect the Commission's regulatory duties. Budget notes and other related materials, as well as 2021 legislation, may include reference the agency's old and/or new names due to the timing of those publications or documents

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 2021-23 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.

Significant Revenue Bills

This section summarizes certain bills affecting the state budget by augmenting or reducing revenues. No new major revenue streams were created during the 2021 legislative session.

HB 2178 (Chapter 451, Oregon Laws 2021) reduces the filing fee for complaints or petitions filed in the Magistrate Division of the Oregon Tax Court from \$281 to \$50, but it retains the \$281 filing fee for complaints or petitions filed in the Regular Division of the Oregon Tax Court. This change is anticipated to reduce General Fund revenues by approximately \$230,000 per

biennium. A plaintiff or petitioner may, at the time of filing a complaint or petition, request a waiver or deferral of the filing fee in the tax court. The measure also clarifies the date of the filing of the complaint or petition if the tax court grants a fee waiver or deferral, or the plaintiff or petitioner pays the filing fee within 14 days of the date that the tax court denies the fee waiver or deferral. The measure applies to complaints and petitions filed in the Oregon Tax Court on or after January 1, 2022.

HB 2433 (Chapter 525, Oregon Laws 2021) is an omnibus tax expenditure bill extending various tax credit sunset dates and making minor clarifying changes and substantive policy changes to existing tax laws and credits. Many of the changes are sunset extensions of tax credits that were scheduled to sunset during the 2021-23 biennium. The largest revenue impact relates to the working family household and dependent care credit; the credit's sunset was extended for six years and its policy provisions were modified, for an estimated 2021-23 General Fund revenue loss of \$33.2 million per biennium. The bill creates a new income tax subtraction for taxpayers that receive and use AmeriCorps national service educational awards. A provision exempting medical marijuana from retail marijuana tax for six years is also included in the bill, affecting both state and local receipts. The bill results in an estimated 2021-23 General Fund revenue loss of impact of \$69.6 million and estimate reduced revenues exceeding \$150 million General Fund in future biennia.

HB 2457 (Chapter 456, Oregon Laws 2021) updates state tax law connection date to federal Internal Revenue Code and other provisions of federal law from December 31, 2018 to April 1, 2021. Federal laws passed in December 2020 and March 2021 made both temporary and permanent modifications to the federal earned income tax credit (EITC). Since Oregon's earned income tax credit is a percentage of the federal credit, adopting a point-in-time connection date that is after the respective measures' enactment dates causes Oregon's earned income tax credit to be changed accordingly. The federal changes generally expanded EITC for some taxpayers, reducing estimated 2021-23 General Fund revenues by \$13 million.

SB 25 (Chapter 472, Oregon Laws 2021) transfers revenue from business registry fees to the General Fund after deducting the budgeted expenses of carrying out the functions and duties of the Secretary of State relating to the business registry along with an amount for maintaining a reasonable reserve. The bill restructures the way fees not needed by the agency for program operations are transferred to the General Fund; previously a fixed \$20 per transaction could be retained but that amount had become insufficient to sustain operations. The new methodology is based on approved, budgeted costs and overall program revenues; the change is expected to increase 2021-23 transfers to the General Fund by \$1.5 million.

SB 136 (Chapter 74, Oregon Laws 2021) changes laws determining how revenue streams for taxpayers engaged in broadcasting are apportioned for corporate excise taxation. Broadcasting sales are to be apportioned using audience or subscriber information, with sales from licensing and advertising on subscription services are apportioned differently. The bill results in an estimate General Fund revenue loss of \$1.2 million for the 2021-23 biennium.

SB 139 (Chapter 570, Oregon Laws 2021) reduces the marginal tax rates to which non-passive, pass-through income is subject. Changes include reducing two marginal pass-through entity income tax rates, implementing more stringent employment requirements of participating

pass-through entities, and excludes owners of partnerships and S corporations with ordinary business income exceeding \$5 million from benefitting from the reduced pass-through entity rates. The measure is estimated to increase 2021-23 General Fund revenue by \$41.7 million.

SB 397 (Chapter 486, Oregon Laws 2021) modifies the procedure for filing motions to set aside convictions, arrests, citations, or charges and reduces the waiting period for filing motions. It eliminates filing fee and requires person to provide fingerprint card and criminal record check fee, if required, directly to Department of State Police. The associated biennial revenue loss to the Criminal Fine Account is estimated at \$1.2 million.

SB 817 (Chapter 597, Oregon Laws 2021) eliminates fees, fines, and court costs associated with juvenile delinquency matters, both retroactively and proactively. These also include truancy offenses, court-imposed surcharges, and unitary assessment fines. Due to retroactivity, the revenue loss (Criminal Fine Account/General Fund) for 2021-23 is estimated at just under \$3 million; in future biennia the revenue loss is projected to be between about \$915,000. Due to the bill removing parental support obligations for youth offenders, the direct biennial revenue loss for the Oregon Youth Authority is estimated at \$1.1 million.

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 2011.¹
- 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, 2017 or 2019 sessions to access resources in the ESF.
- During the 2020 Second Special Session, the Legislature transferred \$400 million from the ESF to the State School Fund in HB 4303, effective in March 2021, to maintain the total amount allocated to the State School Fund at \$9 billion for the 2019-21 biennium. The amount of the transfer was determined based on the June 2020 economic and revenue forecast and the impact of the COVID-19 pandemic on the General Fund, Lottery Funds and Fund for Student Success revenues in 2020. The balance in the ESF at the end of the 2019-21 biennium is projected to be \$414.4 million.

As in the previous odd-numbered year sessions, the Legislature took no action during the 2021 session to access resources in the ESF. As of the May 2021 economic and revenue forecast, the ending balance for the fund at the end of the 2021-23 biennium is projected to be \$681.9 million.

Oregon Rainy Day Fund

The Oregon Rainy Day Fund (ORDF)² was established by the 2007 Legislative Assembly as a general purpose reserve fund. The ORDF was originally capitalized with a deposit of

¹ 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.

² See ORS 293.144 - 293.148.

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 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 2021 forecast, an average of roughly \$69 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.³

- 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 2021 economic and revenue forecast shows a projected balance of \$962 million in the ORDF at the end of the 2019-21 biennium. The projected balance in the ORDF at the end of the 2021-23 biennium is currently estimated at \$1,256 million.

Other Revenue Sources

Tobacco Master Settlement Agreement Funds

On November 23, 1998, 46 states and the four largest U.S. 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. Payments are made by April 15th of each year.

Oregon's MSA revenues are deposited in the Tobacco Settlement Funds Account administered by the Department of Administrative Services. During the 2021 session, the Legislature approved allocations totaling \$148.2 million from revenue available in the account through the passage of SB 5541 (2021). The individual allocations are as follows:

- \$30,912,380 to the Oregon Health and Science University Bond Fund to pay debt service and administrative fees on the Oregon Opportunity Bonds;
- \$100,209,000 to the Oregon Health Authority for the Oregon Health Plan;
- \$12,960,000 to the Oregon Health Authority for community mental health programs;
- \$3,344,000 to the Department of Education for physical education-related grants; and
- \$750,000 to the Department of Justice for MSA enforcement activities.

Oregon Marijuana Account

State marijuana tax revenue is deposited into the Oregon Marijuana Account. Prior to the passage of Ballot Measure 110 (2020), the Department of Revenue was required to transfer 20% of the funding in the Account to cities and counties, with the remaining 80% distributed to the State School Fund (40%), the Oregon Health Authority for behavioral health services (25%), and the Oregon State Police (15%). The ballot measure changed the structure of these distributions by capping the amount of total revenue available for them at \$11.25 million per quarter, or \$90 million per biennium.

The revenue collected above this threshold is now required to be transferred to the new Drug Treatment and Recovery Services Fund (DTRSF) for establishing Behavioral Health Resource Networks and increasing funding for substance use disorder services. This change reduces the amount of marijuana revenue received by local government, as well as the amount of revenue

³ 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.

available to be allocated to state agencies for schools, community behavioral health programs, and public safety. To mitigate the revenue decrease for the state program allocations, the Legislature appropriated \$181.5 million General Fund across the respective agency budgets based on these agencies' 2021-23 current service level budgets.

The estimated revenue available for the Oregon Marijuana Account in 2021-23 biennium totals \$339.4 million based on the May 2021 state economic and revenue forecast. Consistent with the revised statutory distributions, the Department of Revenue will transfer \$18 million of this amount to cities and counties. SB 5533 (2021) allocates funding to state agencies as follows:

- \$249.4 million to the Oregon Health Authority for deposit into the DTSRF;
- \$36 million to the State School Fund;
- \$22.5 million to the Oregon Health Authority for mental health treatment and alcohol and drug abuse prevention, early intervention and treatment services; and
- \$13.5 million to the State Police Account.

Student Success Act and the Corporate Activities Tax

The Legislature passed the Student Success Act (SSA) in 2019 that authorized a new corporate activity tax (CAT) which placed a tax on companies with commercial activity in Oregon above \$1 million. The CAT was effective on commercial activity on or after January 1, 2020, so 2019-21 was the first biennium in which revenues were collected. Expenditures funded with these revenues started in the second year of 2019-21. Funds are generally divided into four areas. First, an amount equal to the estimated loss in General Fund revenues due to the CAT and other tax changes in the SSA as well as \$40 million for the High Cost Disability Account is transferred to the State School Fund.

The remaining amount distributed is then transferred 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. The budget bill for the Oregon Department of Education (SB 5513) includes the necessary expenditure limitation. For 2021-23, \$685.7 million is transferred to the State School Fund, \$892.3 million is allocated to the Student Investment Account, \$436.1 million is allocated to the Early Learning Account, and \$432.9 million is allocated to Statewide Education Initiatives Account. The Legislature left at least \$150 million in reserve for variations in SSA related revenues and expenditures in future biennia. Detailed program by program SSA expenditures are found in the Education Program Area summary section of this report.

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 2021 legislative session, the Legislature allocated resources from the Criminal Fine Account in SB 5533.

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 2021 revenue forecast projects that CFA revenues in the 2021-23 biennium will total \$122.1 million. In total, this represents a 19.7% increase from the prior biennium level. The Legislature approved CFA allocations to agencies totaling \$92 million (a 1.7% increase over the prior biennium), which leaves a balance of \$30.2 million to be deposited into the General Fund (a 4.9% decrease from the 2019-21 biennium). The specific allocations authorized are outlined in the table on the next page.

CRIMINAL FINE ACCOUNT ALLOCATIONS

Criminal Fine Account Revenues \$ 122,136,979

Criminal Fine Account Allocations:

Department of Public Safety Standards and Training

Operations	\$ 43,257,427
Public Safety Memorial Fund	<u>279,677</u>
Subtotal:	<u>\$ 43,537,104</u>

Department of Justice

Child Abuse Multidisciplinary Intervention (CAMI)	\$ 11,694,249
Regional Assessment Centers	\$ 883,388
Criminal Injuries Compensation Account (CICA)	\$ 9,846,982
Child Abuse Medical Assessments	<u>\$ 747,739</u>
Subtotal:	<u>\$ 23,172,358</u>

Department of Human Services

Domestic Violence Fund	\$ 2,320,336
Sexual Assault Victims Fund	<u>556,265</u>
Subtotal:	<u>\$ 2,876,601</u>

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	<u>4,323,000</u>
Subtotal:	<u>\$ 5,997,708</u>

Oregon Judicial Department

State court security and emergency preparedness	\$ 4,147,778
County court facilities security	\$ 3,057,584
State Court Technology Fund	<u>\$ 3,887,500</u>
Subtotal:	<u>\$ 11,092,862</u>

Oregon State Police

Driving Under the Influence Enforcement	<u>\$ 351,572</u>
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Department of Corrections

County correction programs and facilities, and alcohol and drug program	<u>\$ 4,846,812</u>
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Department of Revenue

Administrative Expenses	<u>\$ 100,000</u>
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Total Allocations: \$ 91,975,017

Transfer to the General Fund: \$ 30,161,962

Fees and Fee Changes

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.

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; and
- 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, an exemption to the fee ratification process is usually 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 fee establishment or modification: 1) direct statutory fee establishment or modification, 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.

Measures approved by the Legislature during the 2021 session included authorizations to establish or increase fees by rule but did not identify specific fees or fee amounts. The fees established by state agencies under these bills are not included in the tables or totals provided. The fee actions taken by state agencies as allowed or required by these measures are anticipated to require ratification by the Legislature during the session immediately following the establishment of the fee by rule.

- SB 32 modifies fees charged by the Oregon Department of Agriculture (ODA) related to livestock branding and feedlot licensing. These fee changes include:
 - The cap on the brand renewal fee for sheep increases from \$40 to \$50;
 - The brand transfer fee increases from \$25 to a cap of \$50;
 - The cap on the brand service fee increases from \$25 to \$35;
 - The range on the brand inspection fee for cattle increases from between \$0.85 to \$1 per head of cattle, to between \$1 and \$1.35 per head of cattle.

This bill also changes the annual licensed feedlot fee from \$100 to a cap of not more than \$100. The bill contains an emergency clause and takes effect on passage, allowing ODA to immediately begin rulemaking around potential fee increases. If ODA were to administratively increase the brand service fee and the cattle brand inspection fees to their

maximum statutory caps, ODA would see an additional \$787,500 Other Funds revenue from these fees in the 2021-23 biennium.

- SB 33 authorizes the ODA to increase by rule certain food safety program license fees. The increase for the fiscal year beginning July 1, 2022 is capped at seven percent of the amount of the license fee for the preceding fiscal year. The increase for the fiscal year beginning July 1, 2023 is capped at seven percent of the license fee for the preceding fiscal year, excluding any increases that were made under the measure starting in the 2022 fiscal year. Increases to license fees under this measure do not preclude ODA from modifying or imposing additional license fees; under HB 2059 (2019) ODA was also granted the authority to increase fees by three percent annually through fiscal year 2025.
- The measure provided for the stepped increase in the maximum fee cap and the agency provided estimates of anticipated revenues resultant from the fiscal year 2022 increase as part of the approved budget for the agency. However, the fiscal impact statement for the measure noted that the estimated revenue amounts were simply placeholder amounts. Ultimately, the fees are to be set by rule and will require ratification by the legislature during the legislative session immediately following the adoption of the fee by rule for each fiscal year.
- SB 36 increases the statutory caps on fees for every brand, formula, and formulation of commercial feed that is manufactured, compounded, delivered, or distributed in Oregon. ODA also licenses certain animal feed manufacturers and distributors. The bill increased the statutory cap on commercial feed registration fees from \$20 to \$60, and the licensing fee cap from \$500 to \$1,000. Registrations and licenses are renewed annually.
- SB 58 authorizes the Department of Environmental Quality to establish a fee to recoup the cost of financial institution fees related to the processing of credit card payment transactions.
- SB 129 increased the maximum amount for one fee and authorized two new fees for the Teachers Standards and Practices Commission (TSPC). For each of these fees, the Commission must still take action to implement the changes, most likely later this calendar year or early next year. The maximum amount for the reinstatement of a suspended or revoked licensed authorized by ORS 342.127 (5) is increased from \$350 to \$1,000. The two new fees are to be assessed on educator preparation programs (EPPs) at Oregon universities and colleges. The first fee is to be based on the number of license applications received by TSPC from each EPP while the second fee will be based on the type of programs each EPP offers. The Commission will need to develop and pass rules to implement these fees. These fee changes are effective January 1, 2022 and the fees on the EPPs are repealed January 1, 2026.
- SB 844 established the Prescription Drug Affordability Board in the Department of Consumer and Business Services. The Board is to be financial solvent through an assessed fee paid for by the prescription drug manufacturers. Fee moneys are to be deposited in the Prescription Drug Affordability Account, a newly established subaccount in the Consumer and Business Services Fund. Startup costs will require a General Fund appropriation and the Board is to reimburse this money without interest when sufficient fee revenue is available, but no later than June 30, 2023. A fee amount has not yet been established.
- SB 485 established a regulatory program for student loan servicers and requires servicers to obtain a license from the Department of Consumer and Business Services (DCBS). DCBS is to

set the application form and content requirements by rule, including the license and renewal fee, and surety bond requirements. A fee amount has not yet been established.

- SB 582 requires the establishment of producer responsibility organizations with regard to recycling of certain products and materials. Section 31 of the bill required the Department of Environmental Quality to establish fees to be paid by these organizations for the review of producer responsibility programs and for the annual costs of the administration, implementation, and enforcement of certain provisions of the Act.
- SB 587 authorizes the establishment of fees by both the Department of Revenue and the Oregon Health Authority for the licensing of retailers of tobacco products or inhalant delivery systems. Fees established by the Department of Revenue under the measure are to support the licensing and enforcement of the establishment while the fees established by the Oregon Health Authority are to support activities related to public health and safety related to tobacco and inhalant delivery systems use. Although the Health Authority estimated revenues of \$2.1 million as a part of its legislatively approved budget, the fees are to be set by rule and will require ratification by the legislature during the legislative session immediately following the adoption of the fee by rule.

The following table provides the number of requested fee actions that were either approved, denied, or withdrawn 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				
Aviation	2			2
Board of Examiners for Speech Language Pathology and Audiology			19	19
Department of Agriculture		2	154	156
Department of Consumer and Business Services	1			1
Department of Environmental Quality	3	3	25	31
Occupational Therapy Licensing Board			7	7
Oregon Board of Dentistry	1			1
Oregon Board of Medical Imaging		5		5
Oregon Board of Naturopathic Medicine	1	5		6
Oregon Board of Optometry	1			1
Oregon Department of Transportation		3		3
Oregon Medical Board	1			1
Oregon Mortuary and Cemetery Board	1		1	2
Oregon Pharmacy Board	1			1
Oregon State Board of Nursing	1		1	2
Public Utility Commission			1	1
Water Resources Department	71			71
Oregon Health Authority	21		45	66
Oregon Board of Licensed Professional Counselors and Therapists			1	1
Oregon Board of Psychology			1	1
Total Approved	105	18	255	378
Denied				
Oregon Health Authority			107	107
Total Denied			107	107
Withdrawn				
Department of Agriculture	4			4
Total Withdrawn	4			4

Fee change actions fall into four categories: increase, decrease, establishment, and abolishment. The following table lists the number of fee changes and projected revenue impact

for the 2021-23 biennium for each agency, by fee change category, for the 378 fee changes approved during the 2021 session.

Agency	Establish		Increase	
	Number	Revenue Impact	Number	Revenue Impact
Aviation	1	\$ 184,500	1	\$ 4,575,075
Board of Examiners for Speech Language Pathology and Audiology			19	\$ 176,690
Department of Agriculture	1	\$ 262,500	155	\$ 275,142
Department of Consumer and Business Services	1	\$ 698,944		
Department of Environmental Quality	1	\$ 1,600,000	30	\$ 4,488,183
Occupational Therapy Licensing Board	3	\$ 17,625	4	\$ 129,100
Oregon Board of Dentistry			1	\$ -
Oregon Board of Medical Imaging			5	\$ 581,328
Oregon Board of Naturopathic Medicine			6	\$ 127,900
Oregon Board of Optometry			1	\$ -
Oregon Department of Transportation	3	\$ 18,023,650		
Oregon Medical Board			1	\$ -
Oregon Mortuary and Cemetery Board	1	\$ -	1	\$ 1,378,820
Oregon Pharmacy Board			1	\$ -
Oregon State Board of Nursing	1	\$ -	1	\$ -
Public Utility Commission			1	\$ 1,648,651
Water Resources Department			71	\$ 618,053
Oregon Health Authority	2	\$ 2,163,000	64	\$ 2,363,308
Oregon Board of Licensed Professional Counselors and Therapists	1	\$ -		
Oregon Board of Psychology	1	\$ -		
Total	16	\$ 22,950,219	362	\$ 16,362,250

Substantive legislation enacted during the 2021 Legislative Session provided the direct authorization to establish or increase certain fees charged by state agencies. Generally, the explicit fee amount and rates that are contained in the legislation and sometimes detailed in the agencies' legislatively approved budgets are assumed to be approved upon passage of the measure. Exceptions are noted in the individual bill narrative below.

- HB 2072 increases fees charged to home health agencies by the Oregon Health Authority. Beginning January 1, 2022 licensing a new home health agency increases by \$2,400 and renewal fees for a home health agency increase by \$1,275. Fees for a change of ownership increase by \$750.
- HB 2074 increases the fee charged by the boards of Dentistry, Naturopathic Medicine, Optometry, Medicine, Pharmacy, and Nursing on licensees authorized to prescribe controlled substances that support the Prescription Drug Monitoring Program at the Oregon Health Authority from \$25 to \$35 annually. Although these boards did not recognize an individual revenue impact due to this change, the Oregon Health Authority estimated an aggregate revenue increase of \$500,000 for the 2021-23 biennium from the pass-through of the increased rate charged by the boards.
- HB 2075 increases eight fees charged by the Oregon Health Authority related to radiation devices, equipment, and tanning devices. The bill also establishes an annual vendor licensing fee of \$500 for persons who distribute, install, market, service, inspect, and consult on radiation devices or equipment.
- House Bill 2120 increases the death report filing fee that is imposed and collected by the State Mortuary and Cemetery Board from \$20 to \$30 for each report. The amount of the fee increase is used to reimburse funeral establishments for the dispositions of unclaimed deceased indigent persons.
- Two bills increasing fees charged by the Water Resources Department were both adopted. HB 2142 increases fees on various water rights transactions and HB 2143 increases fees for hydroelectric projects.
- HB 2434 Removes the sunset of the increase in aircraft fuel taxes made by House Bill 2075 (2015). This change allows for the continuance of the current aircraft fuel tax of 11 cents a

gallon and the aircraft fuel tax for aircraft operated by turbine engines (jet fuel tax) of 3 cents per gallon

- HB 2910 changes the fees paid by emergency medical service providers. The fee for ambulance services with a maximum of four full-time paid positions increases from \$75 to \$190, and the license fee per ambulance increases from \$45 to \$115. The fee for ambulance services with five or more full-time paid positions increases from \$250 to \$625, and the license fee per ambulance will increase from \$80 to \$200. The bill eliminates a \$10 replacement fee charged for ambulatory licenses
- SB 38 allows the Department of Aviation to establish a fee to evaluate tall structures that have the potential to penetrate safety of flight airspace around airports to determine if these structures constitute hazards. ODA does not currently charge for this evaluation. ODA anticipates establishing a fee of \$100 per application to recover costs of the evaluation and anticipates a 10% increase per year. The assumed revenue from this fee level was included in the agency's legislatively adopted budget for 2021-23, therefore, subsequent ratification of the fee will not be required unless the actual fee varies substantially from the amount assumed.
- SB 57 modified fees charged by the Department of Environmental Quality (DEQ) for the disposal of certain types of waste. Under this measure, three types of hazardous waste now have a flat disposal fee of \$20 per ton as opposed to the prior tiered system, with costs per ton decreasing as the amount of waste increased. This includes polychlorinated biphenyls (PCBs), hazardous waste subject to regulation as a result of removal or remedial action in response to environmental contamination, or hazardous waste from corrective action or closure of a waste management unit. The measure also increased the disposal fee for other types of waste from \$2 per ton to \$5 per ton.
- SB 58 authorized a surcharge of 4% on each fee or invoice generated using the Department's Environmental Data Management System (EDMS). Surcharge revenue will be used to defray the costs of licensing and hosting the system. The agency's budget bill (SB 5516) assumes biennial revenue of \$1.6 million.
- SB 763 creates a new licensing and regulatory program for pharmaceutical representatives within the Department of Consumer and Business Services and establishes an annual licensure fee of \$750. DCBS estimates approximately 1,900 pharmaceutical representatives will be required to obtain a license.

Fee change approvals contained in agency budget bills or fee ratification bills.

A number of state professional licensing boards adopted fees as required by SB 688 (2019) providing the ability for spouses or domestic partners of the members of the United States armed forces stationed in Oregon to obtain temporary licensure to practice in Oregon. Senate Bill 5701 (2020 regular session) included the approval of those fees established by certain professional licensing boards, but that bill remained at the Senate desk at the end of the 2020 Legislative Session. Those fees and the associated revenue were assumed in the budget bills of the individual licensing boards and, therefore, are approved. The individual agency and bill numbers are: Oregon State Board of Nursing (HB 5022), Oregon Board of Licensed Professional Counselors and Therapists and Oregon Board of Psychology (SB 5523), and Occupational Therapy Licensing Board and Oregon Mortuary and Cemetery Board (SB 5521).

Board of Examiners for Speech Language Pathology and Audiology

SB 5521 is the budget bill for the Health Related Licensing Boards. The measure includes the budget for the Board of Examiners for Speech Language Pathology and Audiology. Policy option package 107 was approved as part of the agency's budget that approved and recognized the revenue from proposed adjustments to the board's fee schedule to fund increasing operating costs of the board; 19 individual fee changes were approved with an estimated increase in revenues of \$176,690 in the 2021-23 biennium

Department of Agriculture

The budget bill for the Department of Agriculture (SB 5502) included the approval of 154 individual fee changes for the Food Safety program. This annual 3% increase was authorized with passage of HB 2059 (2019). This is anticipated to generate revenue of \$254,142 Other Funds in the 2021-23 biennium, based on the 3% increase taking effect July 2021.

SB 5503 ratifies fees that were increased administratively including those fees that are charged by ODA for services conducted on behalf of the USDA. These fees are set by the USDA, which then requires ODA to administratively adjust their fees to align with the USDA rate. Additionally, SB 5503 includes the new fee established for Animal Rescue Entity license, as part of that program created in SB 883 (2019).

Department of Environmental Quality

SB 5517 ratifies fees adopted through administrative rule by the Department of Environmental Quality (DEQ) during the 2020-21 Interim. Motor vehicle inspection program certificates of compliance issued by DEQ in the Portland vehicle inspection area now have a maximum fee of \$25; and in the Medford-Ashland air quality maintenance area, a maximum fee of \$15 until June 30, 2021, and then a maximum fee of \$20. Certificates of compliance issued on-site to an automobile dealership have a maximum fee of \$30. These fee modifications are anticipated to generate an additional \$4,488,183 in revenue during the 2021-23 biennium.

Additionally, the budget bill for the Department of Environmental Quality (SB 5516) approved and recognized the revenue from proposed adjustments to fee schedules for the asbestos health protection program and the wastewater permitting program. It is notable however that the agency had yet to determine the individual fifteen fee changes to the fee schedule for the asbestos health protection program, only the estimate of total revenue anticipated to be generated; approximately \$600,000 in the 2021-23 biennium.

Occupational Therapy Licensing Board

SB 5521 is the budget bill for the Health Related Licensing Boards. The measure includes the budget for the Occupational Therapy Licensing Board. Policy option package 105 was approved as part of the agency's budget that approved and recognized the revenue from proposed adjustments to the board's fee schedule to fund increasing operating costs of the board. six individual fee changes were approved with an estimated increase in revenues of \$131,950 in the 2021-23 biennium

Oregon Board of Medical Imaging

SB 5522 ratified fees adopted through administrative rule by the Oregon Board of Medical Imaging during the 2020-21 Interim. Fees were adjusted for temporary licenses, temporary

limited permits, permanent licenses, permanent permits, and fluoroscopy permits. These fee modifications are anticipated to generate \$581,760 Other Funds revenue during the 2021-23 biennium.

Oregon Board of Naturopathic Medicine

SB 5525 ratified fees adopted through administrative rule by the Oregon Board of Naturopathic Medicine during the 2020-21 Interim. Fees were adjusted for license renewals and for a license change of status from inactive to active. These fee modifications are anticipated to generate \$120,000 Other Funds revenue during the 2021-23 biennium.

Oregon Department of Transportation

SB 5543 ratified fees adopted by the Oregon Department of Transportation. The specific fees affected by the measure include a fee of \$30 for the issuance, renewal or replacement of a Real ID issued by the Department of Motor Vehicles; a \$250 fee for preliminary certification of short line rail rehabilitation; and a fee equivalent to 0.50% of an estimated tax credit received, for final certification of short line rail rehabilitation. The fees related to short line rail rehabilitation were included in a fee ratification bill (SB 5701) during the 2020 regular session. Although SB 5701 had been approved by the Joint Committee on Ways and Means, the bill remained at the Senate desk at the end of the session.

Public Utility Commission

An adjustment to the Residential Service Protection Fund (RSPF) surcharge rate from \$0.10 to \$0.12 was approved with the Public Utility Commission's budget bill, HB 5032. This increase supports the Oregon Telephone Assistance Program (OTAP), which will increase the discount from \$3.50 to \$10.00 for eligible low-income households subscribing to phone or broadband internet access service. The projected revenue increase from the RSPF surcharge in the 2021-23 biennium is \$1,648,651.

Oregon Health Authority

The budget bill for the Oregon Health Authority (HB 5024) increased Other Funds expenditure limitation to support an estimated increase of \$559,241 in biennial revenue from proposed changes to the Public Health Division's radioactive material license fee schedule. This adjustment is part of policy option package 448 and supports the division's costs of providing radiological health and safety services required in statute.

Proposed Fee Changes Withdrawn

A change in the license types for certified pesticide applicators was contemplated by the Department of Agriculture to fill a gap in the licensing types for those private operators using restricted use pesticides that are not for the purpose of producing agricultural commodities or forest crops on land or commodities or material owned or leased by the individual or the employer of the individual. The legislative concept enabling this change was also captured as a policy option package in the agency's budget proposal. The change was estimated to reduce total licensing fee revenues by \$2,700 in the 2021-23 biennium. The legislative concept was ultimately withdrawn.

Proposed Fee Changes Not Approved

The Oregon Health Authority included the modification of fees for three regulated programs: Cosmetologists, Respiratory Therapists, and Oregon Environmental Testing Labs. In total, the agency included 107 individual fee changes that would have established four new fee types, eliminated three types of on-site inspection fees for testing labs, and increased the remaining 100 fees. Contemplating the adverse timing of the fee increases due to the pandemic and the concern that stakeholder participation in the setting of the new fee rates should be ensured, the Legislature opted to not approve the fee changes as a part of the agency's budget proposal, but to recommend that the agency engage in authorized rulemaking to complete the fee changes during the upcoming interim.

Program Area Summaries

EDUCATION

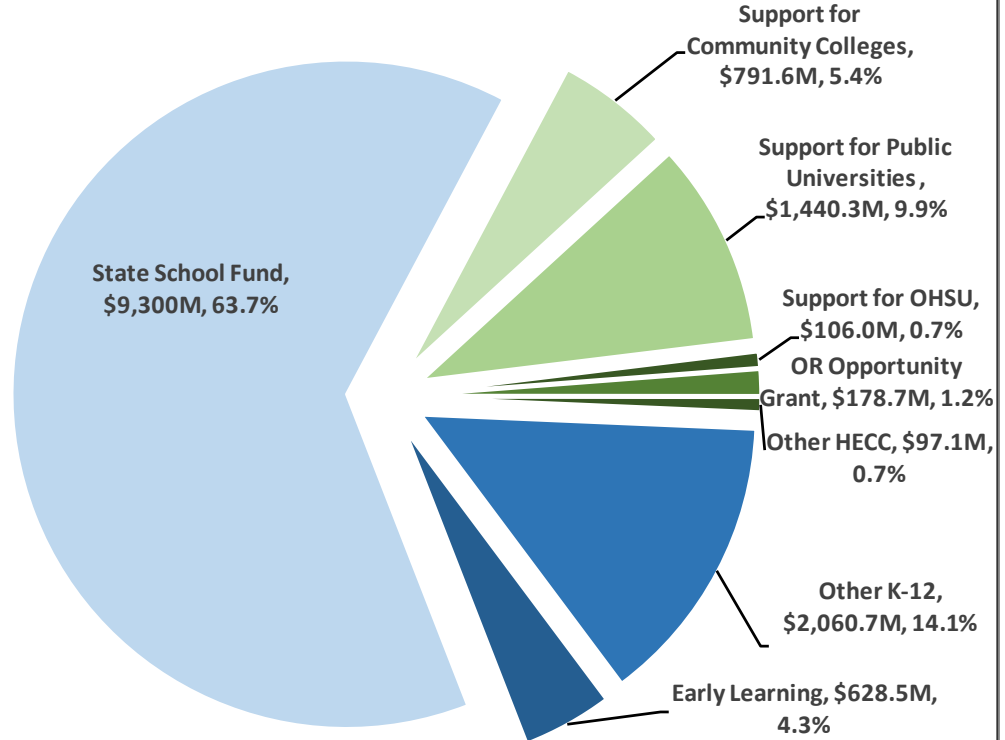
The Education program area includes state operated or financed activities serving children or students from early education through post-secondary education (P-20). This P-20 scope includes:

- Early childhood programs which are currently 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. A new Department of Early Learning and Care will be established effective January 1, 2022.
- 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 Student Success Act and its funding stream (Fund for Student Success) will be fully implemented in 2021-23.
- Youth development programs administered through ODE that include Juvenile Crime Prevention Programs and a variety of other grant programs directed to at-risk youth.
- Post-Secondary education programs including workforce development 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.

The 2021-23 legislatively adopted General Fund and Lottery Funds budget for the Education program area is \$12.179 billion. This is an increase of \$450 million (or 3.8%) from the 2019-21 legislatively approved budget. The total funds budget of \$19.931 billion reflects a 14.2% increase over the prior biennium.

The total funds increase is in large part due to the increased pandemic related federal funds and the fully implemented Fund for Student Success. The \$9.300 billion SSF, as demonstrated in the chart below, represents 63.7% of the combined General Fund, Lottery Funds, Fund for Student Success, and dedicated marijuana revenues.

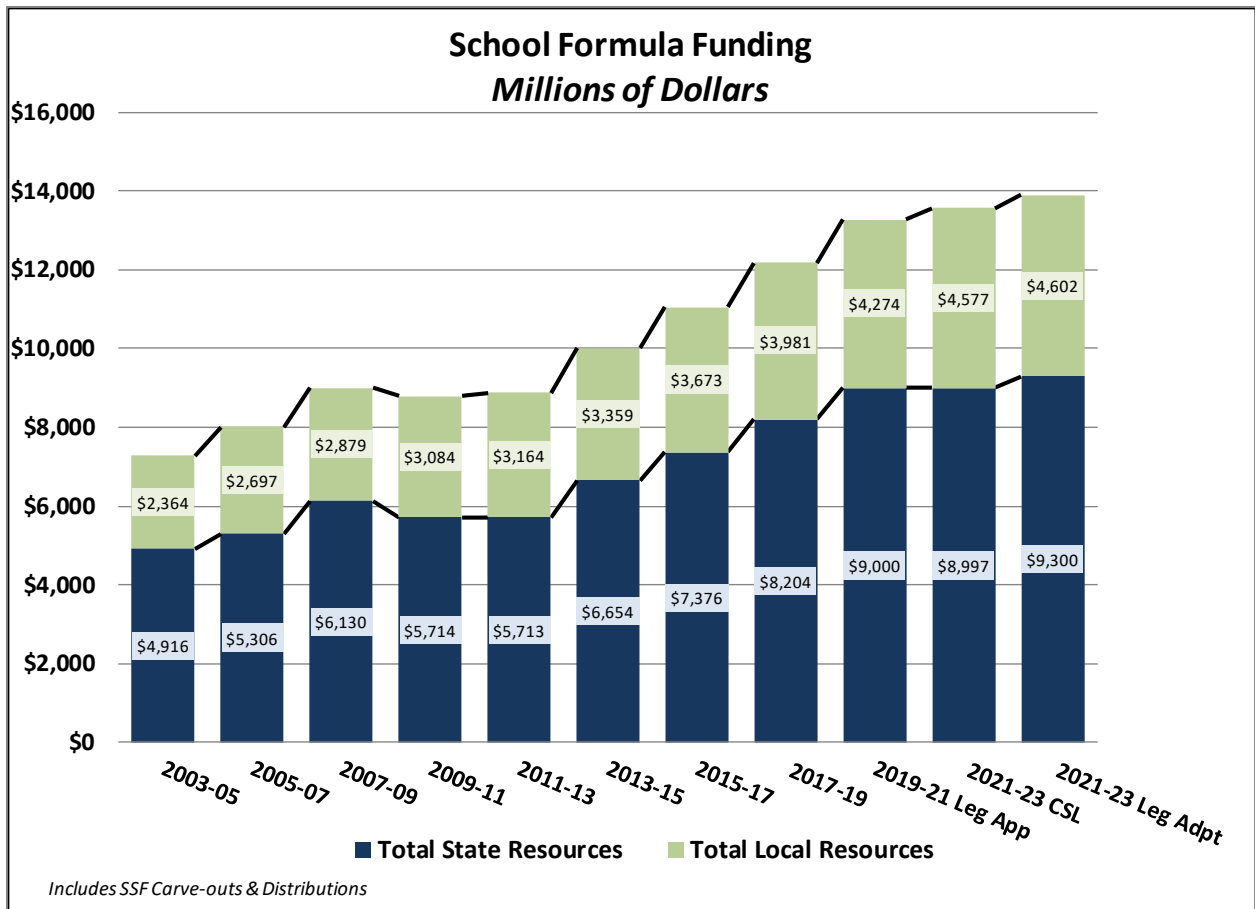
Education Program Area - 2021-23 Legislatively Adopted Budget
General and Lottery Funds, Student Success and Marijuana Revenues
\$14,603 Million



State School Fund

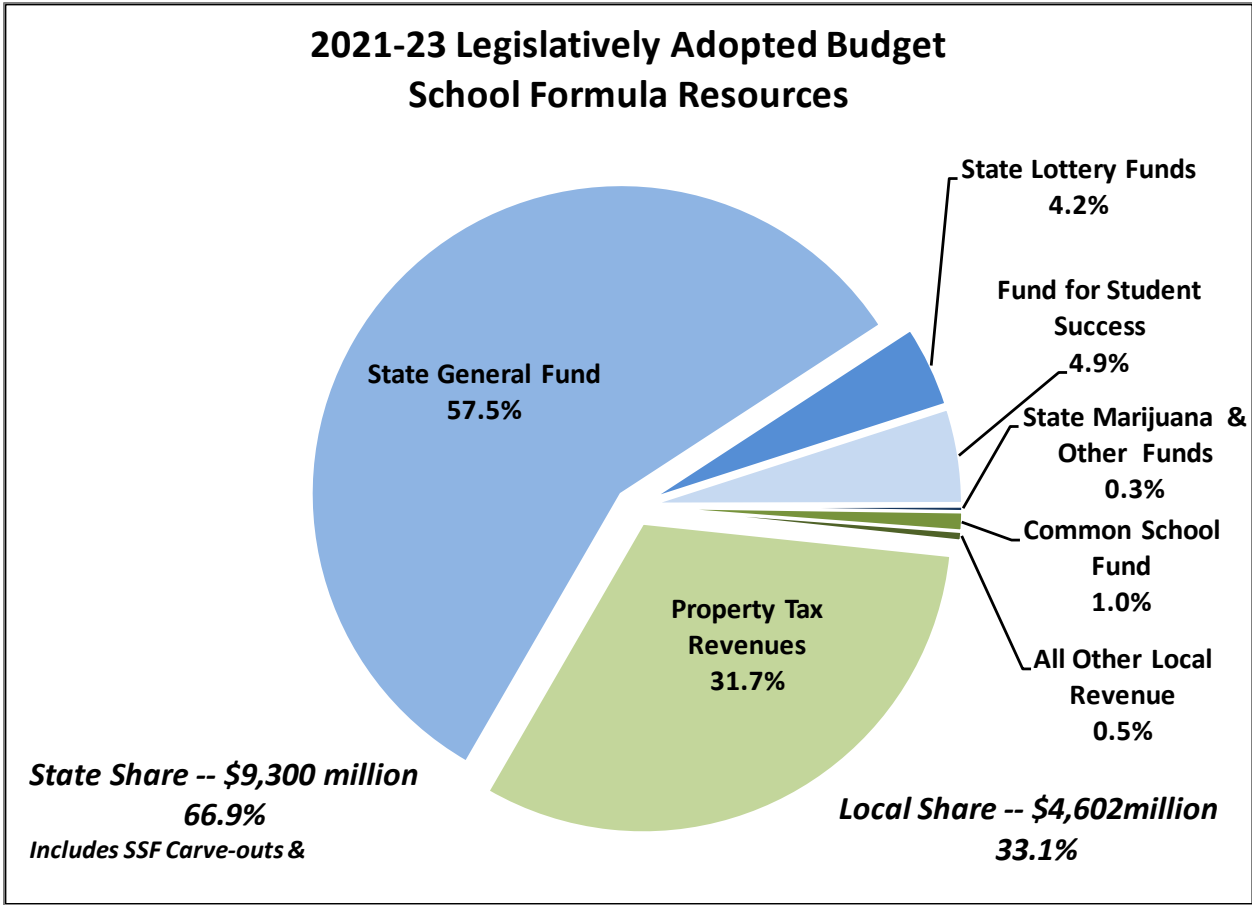
The 2021-23 legislatively adopted budget includes \$9.300 billion total funds for the State School Fund which makes up the state portion of the amount distributed to School Districts and Education Service Districts through the school funding formula. The 2021-23 SSF budget represents a \$300 million (or 3.3%) increase in total funds for the SSF over the amount available in 2019-21 and a \$3.3% increase over the 2021-23 current service level. The Legislature considered using Education Stability Fund resources as it did in 2019-21 but decided not to in its final decisions.

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.



Beginning in 2019-21, the funding mix for the SSF changed significantly with the passage of the Student Success Act and a new funding source from the Fund for Student Success. While the General Fund remains the largest source of funding, the new Fund for Student Success contributes \$685.7 million for 2021-23. Unlike 2019-21, the transfer represents only the amount of General Fund resources lost due to the income tax rate reductions and other tax changes in HB 3427 (2019) and the \$40 million increase for the High Cost Disability account. A one-time \$200 million contribution to the SSF was made during 2019-21 is not continued for 2021-23.

The other major revenue change for the SSF was the Marijuana tax where in 2019-21 these revenues represented \$103.8 million. With the passage Ballot Measure 110, Marijuana revenues are limited to \$36 million for 2021-23. The chart below demonstrates the various state and local resources that are part of the calculation of the formula distribution for 2021-23 which totals \$13.90 billion. The overall state share decreases from 67.8% in 2019-21 to 66.9% representing a larger proportionate estimated share of local revenues.



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, K-12 grant-in-aid support to local programs, Common School Fund distributions, early learning grant-in-aid, and youth development programs.

The 2021-23 legislatively adopted budget includes General Fund of \$986.8 million (there is no Lottery Funds), which is \$142.2 million (or 12.6%) less than the 2019-21 legislatively approved budget. The primary reason for the decrease in funding is the almost \$250 million General Fund added to the budget for the summer learning initiative passed early in the 2021 legislative session. The total funds budget of \$7.040 billion is 52.4% greater than the 2019-21 amount, primarily due to the \$1.720 billion increase in COVID related federal funding included in the budget which will be distributed to school districts and early learning providers during the 2021-23 biennium, Other contributing factors to this overall total funds growth is the roll-up of the funding made available from the Student Success Act (2019) to a full 24 months, continued Other Funds limitation to continue the summer learning initiative, and a major expansion of preschool programs.

The largest share of this budget (82% General Fund and 89% of total funds) is to be distributed 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 ODE budget includes 772 positions (753.23 FTE) representing an increase of 75 positions (102.33 FTE) from 2019-21. Almost half of this FTE are associated with limited duration positions. Major contributors to this position increase include:

- Twenty-three limited duration positions (22.50 FTE) associated with the distribution of the COVID related federal funding.
- Continuation of limited duration Student Success Act positions whose work was delayed during 2019-21 because of the pandemic.
- Nine positions (8.92 FTE) for additional support to the business and administrative functions of the agency -- many of these positions were limited duration positions established in 2019-21 to keep pace with the growth of the agency's programs.
- Seven positions (4.75 FTE) added for specific policy bills including those related to preventing early learning suspension and expulsions and vision screening.

Another 14 positions (12.92 FTE) are associated with the establishment of the new Department of Early Learning and Care (DELIC) as authorized in HB 3073 which transfers the responsibility of the current Early Learning Division to the new agency effective January 1, 2023. There is \$3.5 million General Fund in the budget for the full biennial cost of these 14 positions which will be hired prior to March 2022 to develop the various programmatic and administrative systems for the new agency. A further \$5.1 million General Fund is in a special purpose appropriation to the Emergency Board for the costs of new staff and associated costs for those positions hired after March 1, 2022. The legislature during the February 2022 Session will determine how much additional staff will be required for the new agency.

The budget for K-12 Grant-in-Aid programs for 2021-23 totals \$520.5 million General Fund and \$4.76 billion total funds. General Fund were reduced by 26.8% over 2019-21 almost entirely due to the \$250 million summer learning initiative passed early in the 2021 legislative session. Without this one-time investment, the 2021-23 K-12 grant-in-aid General Fund would have been 9.8% greater than the 2019-21 amount. For total funds, there is an increase of \$1.6 billion or 50.6% over the 2019-21 amount, primarily driven by the increase in COVID related federal funding (over \$1.2 billion Other Funds). The table below provides program by program detail. Notable changes include:

- A new state education plan is established for the LBGTQ+ school population with \$2 million available for grants to organizations serving this population. A staff position is also established to initially assist in the development of the plan and to manage the grants. Funding is expanded for the Latinx state education plan by expanding it by \$5.1 million over 2019-21 levels (\$4 million over CSL) to a total of \$6.1 million. Funding for the African American Education Plan and the Native American Education Plan is maintained at CSL amounts of \$14.4 million and \$6.7 million total funds respectively.
- While some STEM and CTE programs were reduced, \$5 million General Fund was added for a new Mathways program (\$2 million), expansion of Regional STEM Hubs (\$2.1 million), and an expansion of STEM Innovation grants (\$0.9 million). All three of these investments are to

be directed to assist diverse learners or students who have historically had access issues to STEM programs.

- A one-time investment of \$8 million General Fund for the Juvenile Detention Education Program (JDEP) and the Youth Corrections Education Program (YCEP). These funds are to be used to transition to a new payment structure for these programs which are currently funded as a “carve-out from the State School Fund. ODE is to work with providers and other education advocates to develop a new payment structure for consideration by the 2023 legislature.
- Student Investment grants funded from the Fund for Student Success (FSS) increases from \$150 million for 2019-21 (second year of the biennium) to \$892.3 million, significantly above the 50% minimum required of total FSS distributions. Other FSS funded program changes include an additional \$2 million for the ongoing summer learning program for Title I schools, and \$1.2 million for equipment purchases for Breakfast After the Bell programs. This was to be a one-time investment in 2019-21 but the pandemic kept the investment from being made.

	2019-21 Legislatively Approved Budget			2021-23 Current Service Level (CSL)			2021-23 Legislatively Adopted Budget		
	Millions of Dollars								
	GF	OF-FSS	TF	GF	OF-FSS	TF	GF	OF-FSS	TF
Student Success Grant Programs									
Start Making A Reader Today (SMART)	0.14	-	0.14	0.28	-	0.28	0.28	-	0.28
Reach Out to Read Program	0.04	-	0.04	0.08	-	0.08	0.08	-	0.08
Supporting Accelerated Learning Opportunities	1.54	-	1.54	2.86	-	2.86	2.90	-	2.90
Regional Promise Grants	1.61	-	1.61	3.37	-	3.37	-	-	-
Physical Education Grants	1.29	-	4.19	1.48	-	4.49	1.48	-	4.49
Chronic Absenteeism Grants	3.24	-	3.24	6.75	-	6.75	6.75	-	6.75
Trauma Informed Grants (NQLT)	-	-	1.00	-	-	-	-	-	-
High School Success Grants (Measure 98)	166.20	133.20	299.40	170.64	136.68	307.32	170.64	136.68	307.32
High School Success Carryover (2019-21 grants)	-	-	-	-	-	-	-	-	16.57
Student Investment Program - Formula Grants	-	150.00	150.00	-	986.94	986.94	-	892.28	892.28
Student Investment Intensive Program: High Need	-	4.00	4.00	-	25.03	25.03	-	25.03	25.03
Summer Learning Initiative	236.82	-	236.82	-	-	-	-	-	-
E-Rate	0.34	-	0.34	-	-	-	-	-	-
Emergency Use Federal Funds (e.g., CRF, GEER, ESSER)	-	-	171.08	-	-	-	-	-	1,231.59
Other Federal/Other Funds Grants	7.44	-	488.32	-	-	32.29	-	-	164.65
District Capacity and Technical Assistance Grant Programs									
ESD Technical Assistance Support Grants	-	20.00	20.00	-	41.08	41.08	-	41.08	41.08
Healthy & Safe School Plan Grants	-	-	2.00	-	-	2.09	-	-	2.09
Statewide School Safety & Prevention Systems	-	1.73	1.73	-	3.60	3.60	-	3.31	3.31
Early Warning System Grants	-	1.53	1.53	-	3.65	3.65	-	3.65	3.65
Electronic Warning System Technical Assistance Grants	-	1.00	1.00	-	2.09	2.09	-	1.83	1.83
Foster Care & Extra Curricular Transportation Grants	-	-	2.00	-	-	2.09	-	-	2.09
STEM and CTE Related Programs									
STEM/CTE Regional Network Grants	4.43	-	4.43	5.05	-	5.05	6.72	-	6.72
CTE Revitalization Grants	6.42	-	6.42	7.32	-	7.32	7.32	-	7.32
STEM/CTE Career Pathway Fund	7.76	-	7.76	8.84	-	8.84	8.09	-	8.09
STEM/CTE Innovation Grants	4.21	-	4.21	4.80	-	4.80	5.29	-	5.29
Student Leadership Centers	0.66	-	0.66	0.76	-	0.76	0.76	-	0.76
Mathways	-	-	-	-	-	-	2.00	-	2.00
Future Farmers of America Association (FAA)	1.43	-	1.43	1.49	-	1.49	1.49	-	1.49
Agricultural Summer Program Grants	0.60	-	0.60	0.63	-	0.63	0.63	-	0.63
For Inspiration & Recognition of Science & Tech (FIRST)	0.24	-	0.24	0.50	-	0.50	-	-	-
CTE Vocational Education Grant: Perkins Grant	-	-	33.33	-	-	34.72	-	-	34.72
Nutritional Programs									
Federal Reimbursement Programs	-	-	407.12	-	-	435.67	-	-	435.67
After School Meal/Snack Program	0.50	-	0.50	0.52	-	0.52	0.52	-	0.52
Breakfast & Summer Lunch Programs	1.01	-	1.01	1.06	-	1.06	1.06	-	1.06
Breakfast Before the Bell Program	-	1.18	1.18	-	-	-	-	1.18	1.18
Hunger Free Schools Program Grants	-	40.43	40.43	-	84.34	84.34	-	52.17	52.17
Free Lunch Grant Program (SSF Transfer)	-	-	2.85	-	-	2.85	-	-	2.85
Farm to School - Transfer to Dept. of Agriculture	0.50	-	0.50	0.50	-	0.50	0.24	-	0.24
Farm to School Programs	9.31	-	9.31	14.79	-	14.79	9.99	-	9.99
Educator Effectiveness & Professional Development									
Accelerated College Credit Instructor Program	0.14	-	0.14	0.28	-	0.28	-	-	-
Educator Professional Development Grants	-	14.72	14.72	-	31.29	31.29	-	30.72	30.72
Title IIA Teacher and Principal Grant	-	-	37.67	-	-	39.29	-	-	39.29
Closing the Achievement Gap									
African American Education Plan Grants	6.23	3.81	10.04	6.50	7.95	14.44	6.50	7.95	14.44
Latino State Plan	-	1.00	1.00	-	2.09	2.09	-	6.09	6.09
LGBTQ+ State Plan	-	-	-	-	-	-	-	2.00	2.00
Native American Education Plan Grants	-	3.19	3.19	-	6.65	6.65	-	6.65	6.65
Tribal Attendance Grants	1.61	-	1.61	1.68	-	1.68	1.68	-	1.68
Native American Curriculum Grants	1.80	-	1.80	-	-	-	-	-	-
Public Charter School Equity	-	-	-	-	-	-	-	2.00	2.00
English Language Learners Grants	-	-	10.00	-	-	10.00	-	-	10.00
Summer Learning Grants	-	3.00	110.71	-	6.26	6.26	-	8.26	8.26
Low Income: Title I, Part A	-	-	301.13	-	-	313.00	-	-	313.00
School Improvement Grants	-	-	20.38	-	-	21.26	-	-	21.26
Migrant Education (Title I, Part C) Grants	-	-	38.00	-	-	40.01	-	-	40.01
English Language Acquisition (Title III) Grants	-	-	13.38	-	-	13.97	-	-	13.97
Title IV-A Student Enrichment Grants (new 2018-19)	-	-	20.00	-	-	20.89	-	-	20.89
Title IV-B 21st Century Community Learning Centers	-	-	18.79	-	-	19.71	-	-	19.71
Specialized Student Service Grant Programs									
Vision Screenings Reimbursements	1.06	-	1.06	1.94	-	1.94	3.23	-	3.23
Youth Corrections/Detention (YCEP/JDEP)	-	-	16.74	-	-	17.39	7.97	-	25.36
Transition Network Facilitator Grants (TNFs)	1.40	-	1.40	1.46	-	1.46	1.46	-	1.46
Early Intervention/Early Childhood Educ (EI/ECSE)	194.37	37.50	265.03	216.11	83.80	328.92	216.11	83.80	328.92
Regional Programs	28.73	-	62.69	29.97	-	65.21	29.97	-	65.21
Hospital Programs	1.37	-	7.57	1.48	-	7.89	1.48	-	7.89
Long Term Care and Treatment	13.40	-	41.74	20.50	-	43.45	20.50	-	43.45
Blind & Visually Impaired	0.50	-	1.10	1.00	-	1.60	1.08	-	1.68
Individuals with Disabilities Act (IDEA) Grants	3.31	-	274.85	-	-	280.91	3.31	-	280.91
Charter School Grants	-	-	7.28	-	-	7.58	-	-	-
Other Special Education Grants	-	-	0.80	-	-	-	-	-	-

The budget for early learning related Grant-in-Aid (GIA) programs for 2021-23 totals \$280.3 million General Fund and \$1.32 billion total funds. This represents a 3.8% increase over 2019-21 for General Fund and 83.4% for total funds. As for the K-12 GIA programs, early learning GIA

program Total Funds growth is primarily due to COVID related federal aid in the 2021-23 budget, almost \$475 million.

There was also the roll-up costs of Student Success Act (Other Funds) funded programs initiated in the second year of 2019-21 to a full 24 months for 2021-23. The table below provides program by program funding. Other notable changes include:

- Preschool programs were expanded by \$68 million Other Funds over CSL providing almost 4,300 additional preschool slots. Investments were made in Preschool Promise (2,516 slots), Oregon Pre-Kindergarten for ages 3 to 5 (1,400 slots), Oregon Pre-Kindergarten for ages Pre Natal to 3 (265 slots), and Healthy Family Oregon (100 slots).
- Establishment of a separate Tribal Early Learning Hub specifically for coordinating and serving the child and families of the nine recognized Tribal Governments in the State. Just over \$600,000 General Fund is for grants for designing, goal setting and initial costs of the Hub. Additional resources are provided in the Operations component of the ODE budget for a position and related costs.
- An additional \$8.4 million in Fund for Student Success resources (Other Funds) are invested in Relief Nurseries (\$2 million), Parenting Education (\$2 million), Early Learning Equity Fund (\$3 million) and for the remodel and renovation of the North Baker School property into a full-service early learning center (\$1.4 million).

	2019-21 Legislatively Approved Budget			2021-23 Current Service Level (CSL)			2021-23 Legislatively Adopted Budget		
	<i>Millions of Dollars</i>								
	GF	OF-FSS	TF	GF	OF-FSS	TF	GF	OF-FSS	TF
EARLY LEARNING DIVISION									
Oregon Prekindergarten (OPK 3-5)	156.42	44.40	200.82	163.14	92.62	255.76	163.14	110.04	273.18
Early Head Start (OPK PN-3)	1.71	22.34	24.05	1.79	46.61	48.39	1.79	52.44	54.22
Preschool Promise	37.09	30.53	67.62	38.26	64.66	102.92	38.26	108.58	146.84
Healthy Families	25.73	2.00	29.89	26.84	4.17	36.06	26.84	5.00	36.89
Office of Child Care	1.83	-	61.67	1.91	-	46.50	1.91	-	46.50
DHS - Employment Related Day Care (ERDC)	-	-	140.09	-	-	121.34	-	-	121.34
DHS - Inclusive Child Care	-	-	1.11	-	-	1.16	-	-	1.16
Baby Promise	-	-	8.74	-	-	9.12	-	-	9.12
Parenting Education	-	1.00	1.00	-	2.09	2.09	-	4.09	4.09
Preschool Development Grant (Birth to 5)	-	-	3.10	-	-	3.23	-	-	20.31
Early Childhood Equity Fund	-	10.00	10.00	-	20.86	20.86	-	23.86	23.86
Coaching / Professional Development	-	7.50	7.50	-	27.97	27.97	-	27.24	27.24
Relief Nurseries	9.41	2.80	14.96	9.81	5.84	17.74	9.81	7.84	19.74
Kindergarten Partnerships Initiative	8.71	-	8.71	9.09	-	9.09	9.09	-	9.09
Early Learning HUBs	15.33	2.19	22.36	15.69	3.65	22.34	16.29	3.65	22.95
Federal COVID Aid (e.g. CRF, GEER, other)	-	-	98.31	-	-	-	-	-	473.76
Childcare Facility Projects	-	6.90	6.90	-	-	-	-	1.42	1.42
Residential and Day Camps Assistance	10.00	-	10.00	-	-	-	-	-	-
Early Childhood Suspension and Expulsion	-	-	-	-	-	-	3.78	-	3.78
Other Early Learning Grants	3.72	1.67	5.39	0.42	3.97	4.39	9.42	3.97	29.30

Funding for Youth Development Grant-in-Aid programs for 2021-23 is \$14.7 million General Fund and \$30.6 million total funds. These are increases over 2019-21 of 5.3% and 25.1%, respectively.

There were few significant changes for 2021-23 and much of the increase is the roll-up to a full 24 months of the youth Re-engagement program to a full 24 months for 2021-23 funded with FSS resources (Other Funds). This program assists in reconnecting youth with school and employment. The table below provides a program by program amount for these programs.

	2019-21 Legislatively Approved Budget			2021-23 Current Service Level (CSL)			2021-23 Legislatively Adopted Budget		
	<i>Millions of Dollars</i>								
	GF	OF-FSS	TF	GF	OF-FSS	TF	GF	OF-FSS	TF
YOUTH DEVELOPMENT DIVISION									
Juvenile Crime Prevention	6.11	-	6.56	6.37	-	6.84	6.37	-	6.84
Gang Prevention & Intervention Grants	0.70	-	0.70	0.81	-	0.81	0.81	-	1.59
Youth & Community	3.82	-	9.64	3.99	-	10.06	3.99	-	10.06
Youth & Innovation	3.29	-	3.29	3.43	-	3.43	3.43	-	3.43
Youth Re-Engagement Grants	-	4.00	4.00	-	8.34	8.34	-	8.34	8.34
Community Schools and Other	0.10	-	0.35	0.11	-	0.37	0.11	-	0.37

The 2021-23 ODE budget includes \$125 million of new authorization and related expenditure limitation for Article XI-P general obligation bonds for the Oregon School Capital Improvement Matching (OSCIM) program which provides matching funds to local school districts for capital costs including construction, improvement, remodeling, equipment purchase and maintenance of facilities. Districts must match these state funds with the proceeds of local voter approved bonds for this purpose. An additional \$150 million in Other Funds expenditure limitation is also included for payment to districts for OSCIM projects approved for the program in previous biennia. There are also \$5.5 million of approved bonding authority for Article XI-Q bonds and related Other funds expenditure limitation for capital projects at the Oregon School for the Deaf. Finally, the Legislature approved \$17.5 million in Lottery Bonds for the Connecting Oregon School Fund which provides state funding for expanding Internet connectivity in schools and maximizing the use of available federal resources from the federal E-rate program.

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 2021-231 legislatively adopted budget for HECC is \$2.614 billion General Fund and Lottery Funds, an increase of \$455 million (or 21.1%) from the 2019-21 legislatively approved budget. The 2021-23 total funds budget is \$3.576 billion, a decrease of \$244 million or 6.4%. Much of that decrease is attributed to refunding existing bonds issued on the behalf of public universities and community colleges. If that nonlimited amount for the 2019-21 refunding of bonds is factored out of the calculation, the 2021-23 total funds amount for HECC is 19.7% greater than the corresponding amount for 2019-21. The following sections break-out this budgetary action descriptions for HECC into public universities, community colleges, Oregon Health Sciences University, Oregon Opportunity Grant, and the remainder of HECC’s programs and operations (all the agency’s staff and operating costs).

State Support for Public Universities

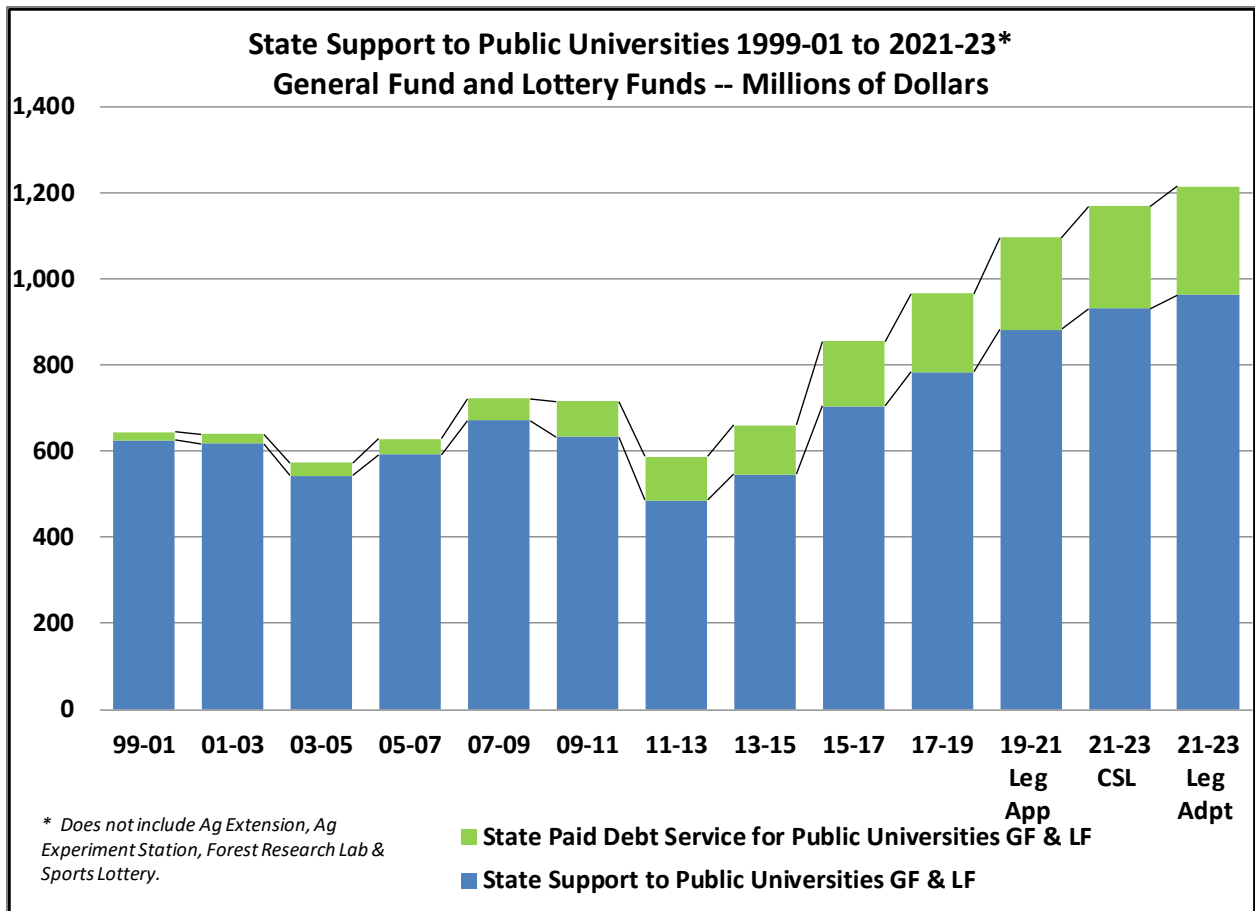
State General Fund support for the seven public universities in the 2021-21 legislatively adopted budget totals \$1.342 billion and Lottery Funds total another \$98.2 million. This is an increase of \$146.5 million (or 11.3%) of combined General and Lottery Funds from the 2019-21 legislatively approved budget. Public universities are no longer subject to Other Funds expenditure limitation by the Legislature, but Other Funds resources (limited and nonlimited) of \$286.5 million are included in HECC’s budget for capital construction projects (\$445.9 million),

debt service on state-supported bonds (\$6 million), and non-state paid debt service on bonds supported with university revenues (\$152 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 \$963 million, which is a \$81.5 million (or 9.2%) increase from the 2019-21 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 2021-23, the PUSF totals \$901.1 million, which represents a \$64.2 million increase over the amount available in 2019-21.

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 \$61.9 million General Fund, an increase of \$17.3 million or 38.8% growth over 2019-21 levels. New programs or investments for 2021-23 include funding for the Veterinary Diagnostic Laboratory (formally funded through the PUSF), a one-time \$4.7 million “Strong Start” investment for getting students back in school and on track after the pandemic, a Women’s Leadership program (\$1 million) at Portland State University, and a \$5.50 million applied computing and healthcare investment at Oregon Institute of Technology.

State funding for debt service and related costs is \$220.1 million General Fund and \$32.3 million Lottery Funds, for a total of \$252.4 million for 2021-23. This represents a 14.8% increase over the combined total 2017-19 General Fund and Lottery Funds debt service of \$215.1 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 \$19.1 million to \$159.1 million, which is 13.6% above the 2019-21 budget, to maintain the cost of existing programs, as well as provide funding for investments in assessing wildfire related smoke damage to grapes and other fruits, a Berry Initiative, and funding for facilities maintenance at OSU (formally funded through the PUSF). The 2021-23 OSU Extension Service budget also includes \$49.8 million in Lottery Funds for the statewide Outdoor School program which represents a 15.8% increase over the \$43 million approved for 2019-21. Sports Lottery funding was approved at \$16.5 million for the biennium and the distribution between the seven public universities represents the same proportions as in 2019-21. Both the Outdoor School and the Sports Lottery budgeted amounts reflect the May 2020 economic and revenue forecast.

State Support for Community Colleges

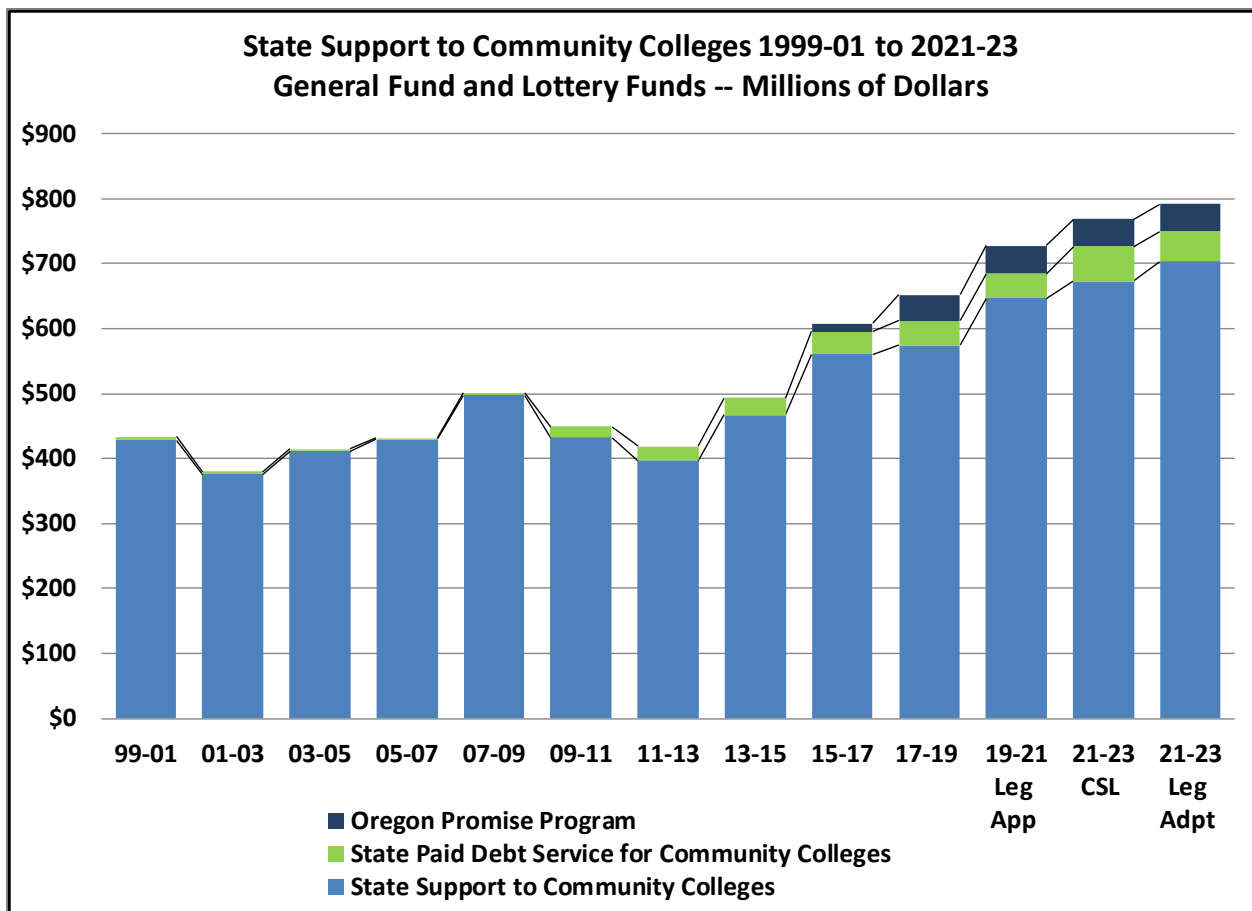
The 2021-23 legislatively adopted budget for the support of community colleges of \$791.6 million combined General Fund and Lottery Funds is \$69.9 million (or 9.7%) greater than the 2019-21 legislatively approved budget. This number includes the Community College Support Fund, the Oregon Promise program, and debt service on state bonds issued on behalf of Community Colleges. The Support Fund is the largest portion of this budget representing \$703 million General Fund, an increase of \$62.1 million (or 9.7%) General Fund over the 2019-21 legislatively approved budget of \$640.9 million. Almost all the 2021-23 amount (\$699 million) is for payments to community colleges for general operations. Other funding includes \$2.6 million

for assistance for underserved students (e.g., first generation students) and \$1.4 for grants to two Skills Centers in the Portland area.

Debt service accounts for \$46.3 million combined General and Lottery Funds, an increase of \$3 million or 7.4% over the 2019-21 budget. There is a total of \$56.5 million in capital construction Other Funds expenditure limitation for eight projects at various community colleges.

A total of \$42.2 million is available for the Oregon Promise program, \$2 million more than the amount budgeted for 2019-21. At this time, current estimates show no need for restrictions placed on the program to stay within its budgeted amount and the current program structure. The agency continues to explore options to expand the amount provided to lower income students by restricting eligibility based on family income or other measures.

The following graph shows the state support for community colleges funding for a multi-biennia period for the programs described above.



State Support for Oregon Health and Science University

The 2021-23 legislatively adopted budget for HECC includes \$106 million General Fund for the Oregon Health and Science University (OHSU), which is an increase of \$3.4 million (or 3.3%) from the 2019-21 legislatively approved budget. General Fund support includes \$79.2 million for the OHSU Schools of Medicine, Nursing, and Dentistry (\$63.6 million); the Area Health Education Centers and Office of Rural Health (\$5 million); the Oregon Poison Center (\$2.9

million); the Child Development and Rehabilitation Center (CDRC) (\$9 million); and another one-time investment in the Children’s Integrated Health Database (\$2 million). An additional \$23.6 million General Fund supports debt service payments due in 2021-23 on bonds issued for the benefit of OHSU, almost the same amount as in 2019-21.

Oregon Opportunity Grants

The 2021-23 legislatively adopted budget of \$200 million total funds is an increase of \$35.8 million (or 21.8%) over the 2019-21 legislatively approved budget. The agency estimates that the program will assist roughly 39,000 recipients per year and awards have been set at a maximum grant of \$3,612 for four-year institutions and \$2,778 for two-year institutions in the first year of the biennium. The agency also estimates that there is sufficient funding to make awards to students with an Expected Family Contribution (EFC) up to \$6,000. This will be the first year in many where students with EFCs of over \$3,500 will be able to receive assistance. The mix of funding for the program has changed considerably for 2021-23 from 2019-21. In a reverse to two years ago, there will be greater reliance on General Fund (\$166.4 million) as the estimated distribution of interest and investment earnings from the Education Stability Fund has been substantially reduced from the assumed \$40 million two years to the most recent estimate of \$5.6 million. Other resources for the program are almost \$7 million in Lottery Funds beginning balance and \$21.3 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 (152 positions, 143.36) 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 2021-23 budget for this area is \$97.1 million General Fund and \$328.8 million total funds. This represents a significant increase in General Fund resources compared to the \$43 million General Fund in 2019-21. Contributing to this General Fund increase are new investments or initiatives including health care for part-time faculty (\$12.9 million), benefit navigators at public post-secondary institutions (\$5 million), an addition two positions relating to diversity and equity (\$0.5 million), additional finance related positions (\$0.7 million), debt service for a new financial aid data system (\$0.9 million), development of a “transfer portal” between community college and public universities (\$0.6 million), further implementation of a common course numbering system (\$0.8 million), and \$11 million included in the wildfire bill (SB 769) for the Oregon Wildfire Workforce Corps Program for youth and young adults.

Teacher Standards and Practices Commission

The \$14.9 million total funds operating budget for the Teacher Standards and Practices Commission (TSPC) for 2021-23 is \$2.9 million (or 22.2%) greater than the 2019-21. The budget includes 30 positions (29.25 FTE). The growth in the budget is in large part due to two policy bills establishing new responsibilities for the agency. Almost \$1 million General Fund and four positions (3.75 FTE) was added for two new initiatives: (1) HB 2166 which allows TSPC to approve school districts, education service districts (ESDs) and other entities to be Educator Preparation Providers without accreditation by a national organization and to establish new pathways to educator licensure; and (2) HB 3354 which requires TSPC to create a performance-

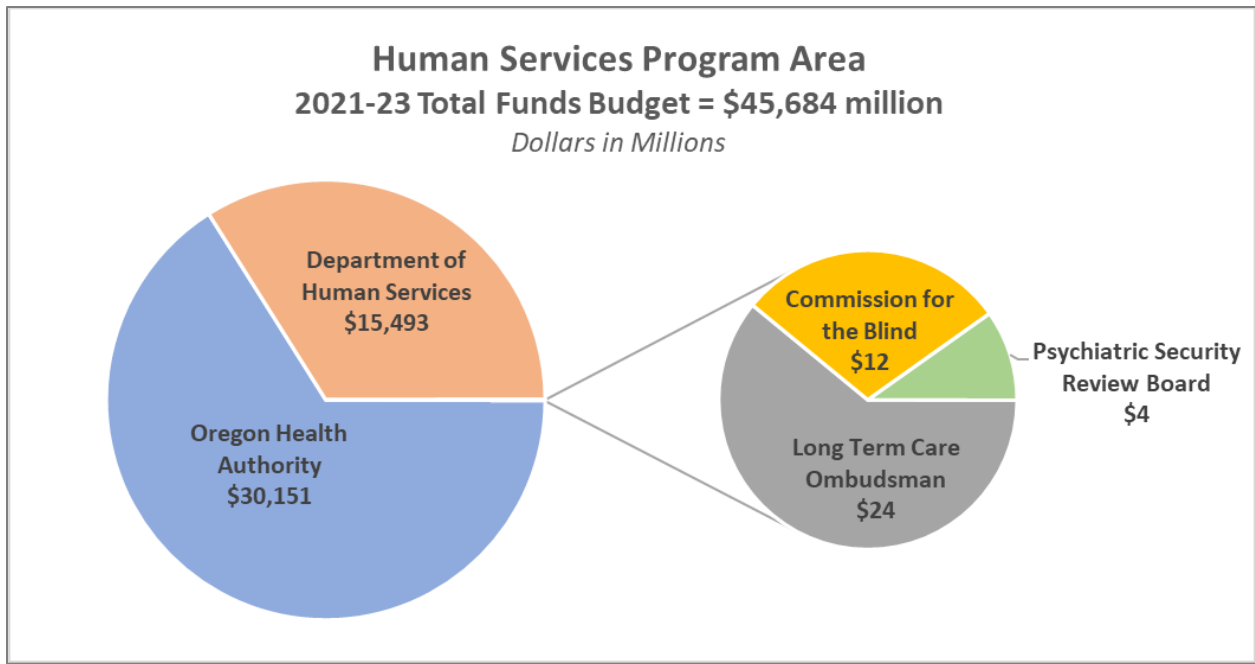
based measure to determine if a licensing candidate's knowledge and skills quality the candidate for licensure.

This TSPC budget responds to the ongoing revenue shortage for the agency which receives most of its revenue for operations from educator licensee fees. To meet this shortfall, a net two position (2.00 FTE) reduction is taken to reflect this response. The budget also reflects the transfer of over \$1.4 million from the National Board Certification Fund to the Commission's operating fund to offset the need for larger fee increases. Participation in the National Board program has been much lower than anticipated. The Commission will have to monitor costs and revenues and may have to increase fees during this or next biennia. A limited duration position is also established to continue the development of the TSPC's licensing system. The budget also reflects the continuation of the \$5 million Other Funds interagency agreement with the Oregon Department of Education's Educator Advancement Council along with two positions (2.00 FTE) relating to educator diversity.

HUMAN SERVICES

The agencies in the Human Services program area include the Oregon Health Authority, Department of Human Services, Oregon Commission for the Blind, Long Term Care Ombudsman, and Psychiatric Security Review Board. These agencies work with local governments and communities, private for-profit and non-profit organizations, and individuals to provide cash and employment assistance, nutrition assistance, medical coverage, long term care, and other support to low-income individuals and people with disabilities. They also intervene in cases of child abuse and neglect; offer treatment and recovery services to persons with behavioral health issues; oversee 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.

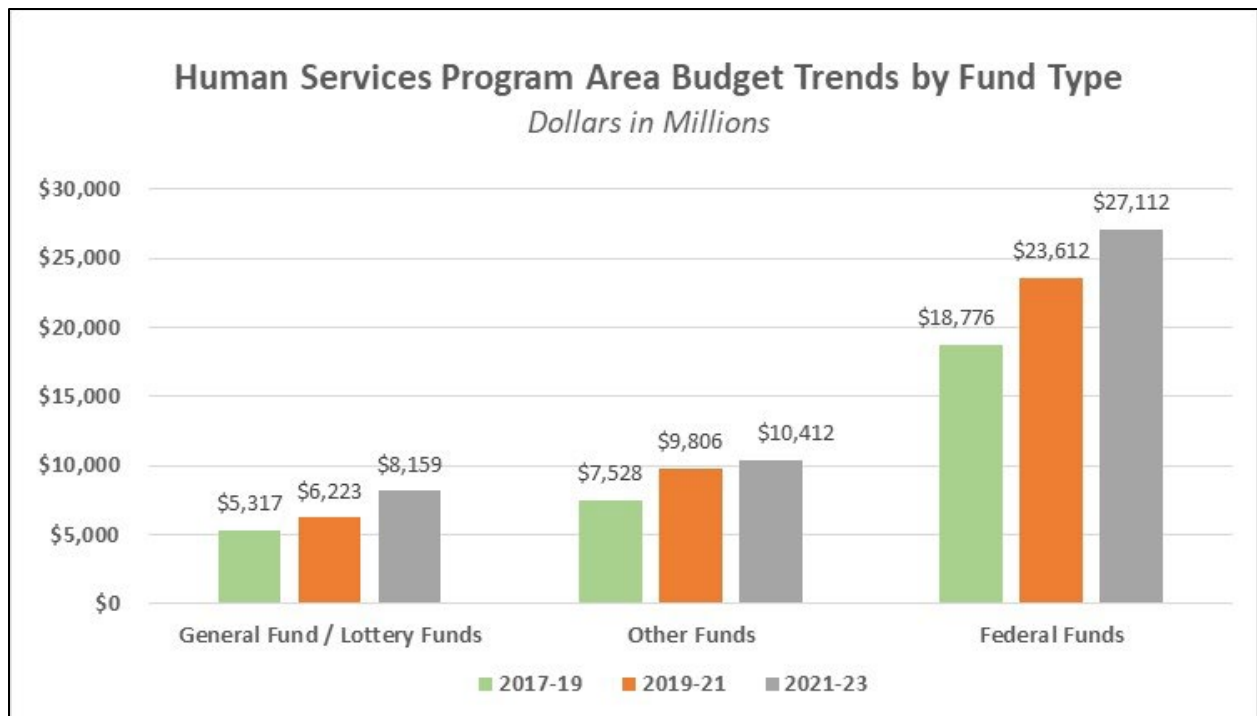
The combined 2021-23 legislatively adopted budget for Human Services program area agencies totals \$45.68 billion, which includes \$8.14 billion General Fund and 15,027 positions (14,863.93 FTE). This represents a \$6.04 billion, or 15.2%, total funds increase and a \$1.93 billion, or 31.2%, General Fund increase compared to the 2019-21 legislatively approved budget. Over half of the General Fund growth is in the Oregon Health Authority budget, with the largest contributing factor being Medicaid inflationary and caseload costs. The remaining General Fund increase is mostly attributed to current service level (CSL) growth and provider rate increases in the Department of Human Services budget.



The 2021-23 Lottery Funds budget totals \$18.6 million, which represents a 3.6% increase over 2019-21. The program area's Lottery Funds resources are all budgeted in OHA consistent with the level of lottery proceeds statutorily dedicated for gambling addiction treatment services, as well as the amount of lottery proceeds available for veterans' behavioral health services based on the Department of Veterans' Affairs.

The 2021-23 Other Funds budget totals \$10.41 billion, the majority of which supports health care coverage for eligible individuals through Medicaid, including long-term care, the Public Employees' Benefit Board (PEBB), and Oregon Educators Benefit Board (OEBB). Sources of Other Funds revenue for Medicaid are primarily from hospital, insurer, and long-term care facility assessments, intergovernmental transfers, tobacco taxes, and Tobacco Master Settlement Agreement proceeds. Both PEBB and OEBB are funded by premium payments from state agencies and the K-12 school system. Other significant sources of Other Funds revenue include marijuana tax revenue, licensing and regulatory fees, beer and wine taxes, prescription drug rebates, and third-party recoveries.

The program area's Federal Funds budget totals \$27.11 billion, with Medicaid matching funds representing the largest source of revenue. Other key sources of federal revenue include the Temporary Assistance for Needy Families block grant; various federal grants for vocational rehabilitation, developmental and/or intellectual disabilities, public health, child welfare, and behavioral health services; and amounts budgeted as nonlimited funding for Supplemental Nutrition Assistance Program (SNAP/food stamps) benefits and Women, Infants, and Children nutritional services.



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

Oregon Health Authority

The 2021-23 legislatively adopted budget for OHA totals \$30.15 billion, which includes \$3.48 billion General Fund and 4,770 positions (4,717.60 FTE). This represents a total funds increase of 17.7%, General Fund increase of 41.2%, and staffing increase of 370 positions (397.63 FTE) compared to 2019-21. The change in OHA’s budget varies across agency programs, as displayed in the table below.

OHA Program (dollars in millions)	General Fund			Total Funds		
	2019-21	2021-23	% Change	2019-21	2021-23	% Change
Health Systems Division	\$1,461.9	\$2,602.8	78.1%	\$18,796.6	\$23,392.5	24.5%
Health Policy and Analytics	\$43.7	\$55.4	26.7%	\$161.0	\$229.5	42.6%
Public Health Division	\$93.5	\$169.4	81.2%	\$1,163.4	\$995.9	-14.4%
Oregon State Hospital	\$609.4	\$358.0	-41.3%	\$686.1	\$735.8	7.2%
Public Employees' Benefit Board	\$0.0	\$0.0	NA	\$2,178.7	\$2,311.4	6.1%
Oregon Educators Benefit Board	\$0.0	\$0.0	NA	\$1,803.9	\$1,874.8	3.9%
Central Services, Shared Services, SAEC	\$258.3	\$298.2	15.4%	\$833.3	\$610.8	-26.7%
Total	\$2,466.7	\$3,483.8	41.2%	\$25,623.1	\$30,150.7	17.7%

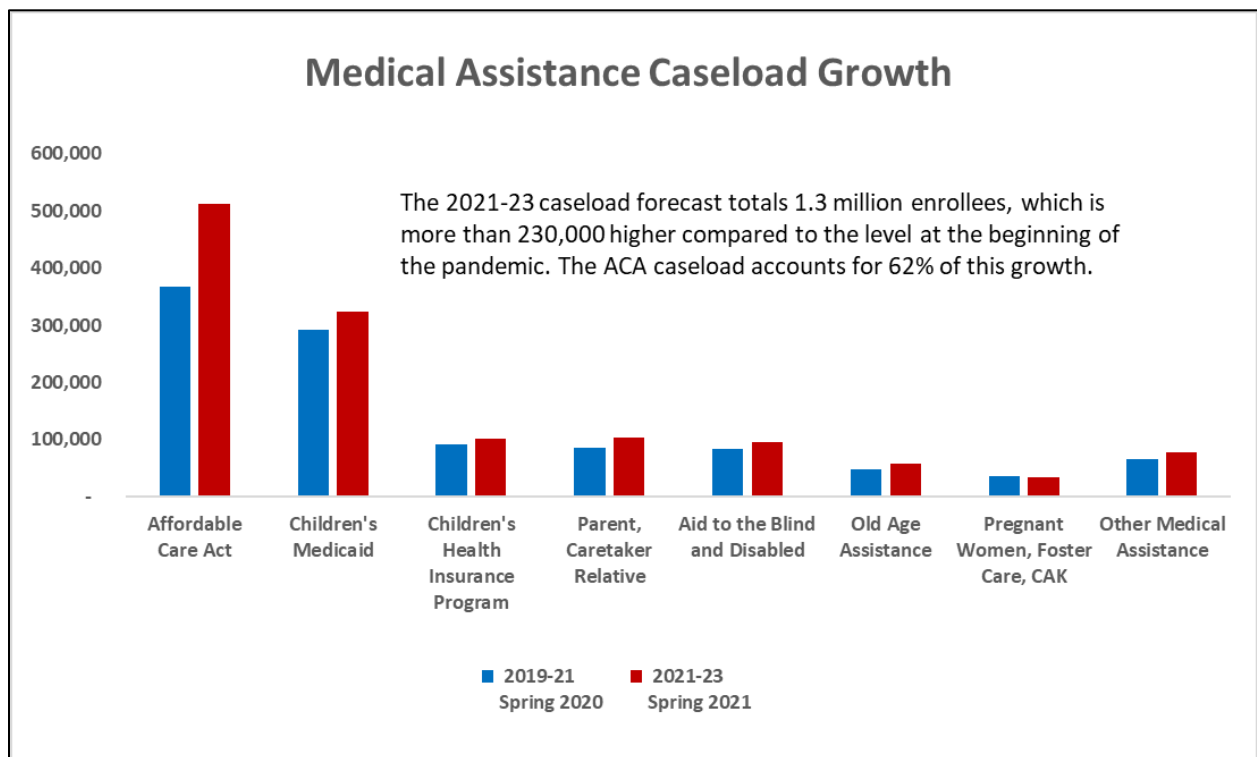
The General Fund growth is net of considerable savings available from increased tobacco tax revenue and a temporary enhancement to Oregon’s Medicaid match rate, or Federal Medical Assistance Percentage (FMAP), above the base rate. The budget maintains inflation for health care services provided through Medicaid, the Public Employees’ Benefit Board, and Oregon Educators Benefit Board at 3.4% per member per year and does not include adjustments to reduce program service levels.

The sections that follow summarize the key budget changes in each of OHA’s major programs.

Health Systems Division

The Health Systems Division (HSD) budget includes Medicaid (largely through the Oregon Health Plan), Non-Medicaid Behavioral Health, and Program Support and Administration programs. The 2021-23 HSD budget totals \$23.39 billion, which includes \$2.6 billion General Fund and 437 positions (424.00 FTE). This represents a total funds increase of 24.5% and General Fund increase of 78.1% compared to the 2019-21 legislatively approved budget.

Medicaid: The largest source of OHA budget growth in terms of dollars is from significant increases in Medicaid and other medical assistance program caseloads, which has largely been the product of federal provisions aimed at minimizing the number of individuals without health care coverage while the COVID-19 federal public health emergency (PHE) is in place. In particular, the federal government has limited states’ ability to disenroll members from Medicaid coverage even when those members lose eligibility. The 2021-23 caseload is budgeted according to the spring 2021 caseload forecast, which shows a caseload increase of over 230,000 members compared to the 2019-21 level forecasted shortly before the pandemic. The 2021-23 budget includes an additional \$3.7 billion total funds and \$740.5 million General Fund to support the increased caseload, which includes both CSL and post-CSL adjustments.



To help with costs associated with the Medicaid eligibility provisions during the PHE, the federal government enhanced states’ FMAP rates by 6.2 percentage points. Consistent with federal communication on the expected duration of the PHE, the budget includes \$240 million in General Fund savings through the first three quarters of 2021-23 from the enhanced rate. Apart from the rate enhancement, states’ base FMAP rates still fluctuate each federal fiscal year

according to their relative share of per capita personal income. As a result of the pace of Oregon's economic growth, the state's fiscal year 2023 FMAP decreased from 60.25% to 60.06% for the non-ACA Medicaid population and 72.18% to 72.04% for the Children's Health Insurance Plan. These changes resulted in a net General Fund cost of \$54.6 million to maintain Medicaid services in 2021-23.

Not including CSL adjustments, increased Other Funds revenue offsets Medicaid General Fund expenses by \$517.6 million. Of this amount, \$414 million, which includes \$102 million in one-time carryover from 2019-21, is from tobacco tax revenue available from the increased taxes on cigarettes and e-cigarette products established by Ballot Measure 108 (2020). The remaining Other Funds revenue amounts include \$74 million from increasing insurer assessment payments; \$16.8 million from rural hospital assessments; and \$12.8 million from Tobacco Master Settlement Agreement proceeds.

HB 3352 (2021) established the Cover All People program to expand Oregon Health Plan benefits to adults who meet Medicaid eligibility requirements except for citizenship status beginning July 1, 2022. The bill appropriates \$100 million General Fund to support these benefits and provide community outreach. OHA is authorized to collaborate with community partners to cap enrollment in 2021-23 if this funding proves to be insufficient. The potential 2021-23 enrollment cap sunsets at the end of the biennium, meaning all persons eligible for coverage can be enrolled in 2023-25 under current law.

Other noteworthy investments in the Medicaid budget include:

- **SUD Waiver** - \$129.5 million total funds (\$19.3 million General Fund) to support a new substance use disorder Medicaid waiver, which the Centers for Medicare and Medicaid Services (CMS) approved in April 2021.
- **Indian Managed Care Entity** - \$15 million total funds (\$1.4 million General Fund) for a new Indian Managed Care Entity to improve care coordination and outcomes for participating tribal members.
- **Renal Dialysis Coverage** - \$2.9 million total funds (\$1.1 million General Fund) to expand end-stage outpatient renal dialysis coverage for individuals eligible for limited Medicaid services through the Citizen Alien Waived Emergent Medical program.
- **Fee-for-service rate increases** - \$6.7 million General Fund for reproductive health rates; \$1.9 million total funds (\$750,000 General Fund) for neonatal provider rates; \$10.8 million total funds (\$4.3 million General Fund) for behavioral rehabilitation services home rates; \$9.8 million total funds (\$3.3 million General Fund) for applied behavior analysis rates; and \$3 million total funds (\$1.2 million General Fund) for reimbursing intravenous nutrition costs.

Non-Medicaid Behavioral Health: 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 ineligible for federal Medicaid reimbursement. These costs are primarily supported with General Fund, tobacco tax revenue, marijuana tax revenue, and federal block grants. The 2021-23 budget includes an array of behavioral health adjustments, which are primarily related to the passage of Ballot Measure 110 (2020) and investments in

provider capacity, system transformation, and services targeting the state's growing Aid and Assist population.

Ballot Measure 110 (2020), as amended by SB 755 (2021), decriminalized the possession of small amounts of controlled substances and supports addiction treatment and recovery services through new behavioral health resource networks (BHRNs) and grants to eligible organizations. The ballot measure funds these costs by redirecting all but \$90 million in biennial marijuana tax revenue previously dedicated to schools, public safety, county behavioral health programs, and local government to the new Drug Treatment and Recovery Services Fund. OHA's adopted budget includes \$302.2 million in Other Funds expenditure limitation for the Fund based on the May 2021 state revenue forecast and estimated one-time carryover revenue from 2019-21 (\$52.8 million). The budget also includes \$70.2 million General Fund to backfill the marijuana tax revenue previously dedicated to county behavioral health programs.

Other major investments in non-Medicaid behavioral health services include:

- **Regional development and innovation** - \$130 million total funds (\$65 million General Fund) for capital, start-up, and operational costs to increase the statewide capacity of licensed residential facilities and housing for people with behavioral health conditions.
- **System transformation and alignment** - \$50 million General Fund for aligning outcomes, roles, responsibilities, risk, and incentives in Oregon's behavioral health system. Of this amount, \$49 million is available as a special purpose appropriation to the Emergency Board and \$1 million is appropriated to OHA for operational expenses.
- **Certified Community Behavioral Health Clinics (CCBHC)** - \$121.4 million total funds (\$24.9 million General Fund) to continue Oregon's CCBHC demonstration project serving individuals with complex behavioral health needs.
- **Aid and Assist** - \$23.6 million total funds (\$20.9 million General Fund) for community-based restoration, housing, and wraparound services for individuals unable to aid and assist in their own defense at trial. This funding also includes \$500,000 for a contract to conduct a root-cause analysis of the increase in this population, as well as 10 positions (10.00 FTE) for oversight and coordination of services. A separate investment was approved for the Oregon State Hospital to increase its capacity to admit more Aid and Assist patients, which is discussed below.
- **Youth and Young Adults** - \$9.2 million General Fund to add four 5-bed residential treatment homes and one 10-bed secure residential treatment facility to serve Oregon's young adult population (age 17 to 25); and \$7.5 million General Fund to add 47 new psychiatric residential treatment service beds to address a capacity shortage for children with complex behavioral health issues.
- **System of Care** - \$16.7 million General Fund for mobile response and stabilization services for youth (\$6.5 million), grants to local systems of care and tribal partners (\$4.5 million), and interdisciplinary assessment team services (\$5.7 million).

Health Policy and Analytics

The 2021-23 legislatively adopted budget for the Health Policy and Analytics (HPA) Division totals \$229.5 million, which includes \$55.4 million General Fund and 194 positions (190.08 FTE).

This represents a 42.6% total funds increase and 26.7% General Fund increase compared to 2019-21. The following are the major adjustments contributing to this growth:

- **Behavioral Health Workforce** - \$80 million Other Funds and 14 positions (14.00 FTE) supported by one-time American Rescue Plan Act (ARPA) State Fiscal Recovery Funds for programs established in HB 2949 (2021) to increase the capacity and diversity of Oregon's behavioral health workforce.
- **Health Insurance Marketplace** - \$14.9 million Other Funds and 18 positions (18.00 FTE) to support the transfer of the Health Insurance Marketplace and Compact of Free Association (COFA) Premium Assistance Program from the Department of Consumer and Business Services to OHA, as required by SB 65 (2021). The COFA Premium Assistance Program will be phased-out by the end of 2021 due to the adoption of federal legislation in December 2020 that reinstated Medicaid eligibility for COFA members, thereby removing the need for the premium assistance program.
- **Office of Health Information Technology (OHIT)** - \$2 million General Fund to maintain service levels in the HIT Commons and Emergency Department Information Exchange programs due to the expiration of enhanced federal match for state health technology programs.
- **Mergers and Acquisitions** - \$780,457 General Fund and four positions (2.84 FTE) to implement HB 2362 (2021), which requires OHA to review and approve mergers, acquisitions, and new affiliations among health care entities when these transactions meet certain financial thresholds.
- **Task Force on Universal Health Care** - \$516,768 General Fund and two positions (1.26 FTE) to extend the sunset on the 20-member Task Force on Universal Health Care from January 2, 2022 to January 2, 2023, which is required by SB 428 (2021).

Public Health Division

The 2021-23 legislatively adopted budget for the Public Health Division totals \$995.9 million, which includes \$169.4 million General Fund and 872 positions (850.73 FTE). This represents a 14.4% total funds decrease and 81.2% General Fund increase compared to 2019-21. The total funds decrease results from one-time federal funding awarded in 2019-21 to help the state respond to the COVID-19 pandemic. The 2021-23 Federal Funds expenditure limitation will eventually need to be adjusted upon determination of any unspent amounts from these awards, as well as for supplemental federal awards announced in spring 2021 and thereafter.

The growth in General Fund is driven by a \$45 million increase for Public Health Modernization efforts aimed at improving the state's capacity to deal with emerging public health challenges and to address health inequities. With the previous investments approved in the 2017-19 and 2019-21, the total General Fund budget for Public Health Modernization is \$60.7 million.

Other major adjustments to the Public Health Division's budget include:

- **Universally Offered Home Visiting** - \$7.8 million total funds (\$4.6 million General Fund) and four positions (3.50 FTE) for the continued rollout of the Universally Offered Home Visiting program established in Senate Bill 526 (2019).

- ***Psilocybin Program*** - \$2.2 million General Fund and 14 positions (5.52 FTE) to implement Ballot Measure 109 (2020), which legalized the use of psilocybin in controlled settings and requires OHA to regulate psilocybin products and services. This funding represents the estimated program costs for its first year; OHA will provide updated information during the February 2022 session regarding expected costs for the remainder of the biennium. Once the program is implemented, costs will be supported with Other Funds revenue from a psilocybin sales tax and licensing fees.
- ***Tobacco Use Prevention/Cessation*** - \$49.6 million Other Funds available from increased tobacco taxes established by Ballot Measure 108 (2020) for tobacco use prevention and cessation programs. This funding includes an estimated \$10 million in one-time carryover revenue from 2019-21.
- ***Tobacco Retail Licensure*** - \$2.6 million Other Funds and 12 positions (7.74 FTE) for regulatory activities related to the licensure of tobacco and inhalant delivery system retailers, as required by SB 587 (2021).
- ***Wildfire Clean Air Grant Program*** - \$4.8 million General Fund and four limited duration positions (3.13 FTE) for one-time costs to equip public buildings with smoke filtration systems and increase the availability of smoke filtration systems for Oregonians who are vulnerable to the health effects of wildfire smoke. The General Fund is appropriated in SB 762 (2021) as part of a multi-agency strategy to promote wildfire risk reduction, response, and recovery.
- ***Hospital Nurse Staffing Law*** - \$1.4 million General Fund and six positions (3.75 FTE) for the ongoing implementation of Oregon’s hospital nurse staffing law.
- ***Fee Increases*** - \$2.1 million Other Funds for statutory fee increases approved to support costs for radiation protection services, home health agency oversight, and the Prescription Drug Monitoring program.

Oregon State Hospital

The 2021-23 legislatively adopted budget for the Oregon State Hospital totals \$735.8 million, which includes \$358 million General Fund and 2,425 positions (2,424.82 FTE). General Fund normally comprises the overwhelming share of the hospital’s funding; however, the 2021-23 budget includes \$300 million from ARPA State Fiscal Recovery Funds for eligible OSH expenses which, in turn, saves a commensurate amount of General Fund on a one-time basis.

The budget includes three other material adjustments impacting OSH. First, \$31 million General Fund and 110 positions (110.00 FTE) support opening two 24-bed units at the Junction City campus. These additional units will enable the Salem campus to make more bed space available to admit additional Aid and Assist patients. Second, a reduction of \$6.6 million General Fund reflects savings from the closure of two eight-bed residential treatment cottages opened by OHA in 2019-21 to serve civilly committed patients transitioning to lower levels of care. The cottages are no longer needed for this purpose due to an ongoing decline in the number of civil commitment patients admitted to OSH. Finally, the budget includes \$2.3 million Other Funds (ARPA revenue) for deferred maintenance and equipment replacement costs and \$7.9 million Other Funds (Article XI-Q Bonds) to construct a well water treatment facility on the Salem campus and replace automated medication dispensing cabinets in Salem and Junction City.

Additionally, the Legislature established a \$20 million appropriation to the Emergency Board to address shortfalls in direct care staffing levels experienced by the hospital. A budget note instructs OHA to work with relevant stakeholders to develop a sustainable plan by November 1, 2021 to maintain appropriate daily staffing levels.

Public Employees' Benefit Board / Oregon Educators Benefit Board

The 2021-23 legislatively adopted budget for the Public Employees' Benefit Board (PEBB) is \$2.31 billion Other Funds and 20 positions (19.50 FTE); the Oregon Educators Benefit Board (OEBB) budget totals \$1.87 billion Other Funds and 20 positions (20.00 FTE). Both programs are funded with Other Funds revenue from premiums collected for the employees and dependents enrolled in coverage.

No policy changes were adopted during the 2021 session impacting PEBB and OEBB premium rates and the rate of cost growth for both programs continues to be capped at 3.4% per member per year. The only significant adjustment in 2021-23 is an increase of \$8.2 million Other Funds across both programs to support the next stage of the PEBB/OEBB benefit management system replacement project. This project began in 2019-21 with the goal of replacing the independent legacy systems used by both programs with a single solution that enhances security and modernizes user experience.

Central Services, Shared Services, and State Assessments and Enterprise-wide Costs

The 2021-23 legislatively adopted budget for Central Services, Shared Services, and State Assessments and Enterprise-wide costs totals \$610.8 million, which includes \$298.2 million General Fund and 802 positions (788.47 FTE). From 2019-21, this represents a total funds decrease of 30%, which is largely due to the phase-out of one-time debt refinancing expenses, and a General Fund increase of 15.4%. The following summarizes the major adjustments included in the budget:

- **Health Equity** - \$7.3 million total funds (\$5.8 million General Fund) and 17 positions (15.08 FTE) to expand the Office of Equity and Inclusion to help the agency meet its 10-year goal of eliminating health inequities in Oregon.
- **REALD/SOGI Data** - \$17.9 million total funds (\$9.4 million General Fund) and 43 positions (32.25 FTE) for information technology, incentive grants, and personnel costs associated with collecting data on race, ethnicity, language, and disability (REALD) and sexual orientation and gender identity (SOGI) from health care entities, per HB 3159 (2021).
- **Health Care Interpreters** - \$670,664 General Fund and two positions (1.50 FTE) to implement HB 2359 (2021), which requires health care providers to work with health care interpreters to give patients the option of being served in languages other than English.
- **Public Health Plan** - \$650,000 General Fund to develop a plan to implement a public health plan available to individuals and families in the individual health insurance market, and to small employers whose employees struggle with health care costs. This work is required by HB 2010 (2021).
- **Health Care Navigators** - \$567,057 General Fund to establish three health care navigator positions (3.00 FTE) to assist adults in custody who have certain health risks.

- **Tribal Traditional Health Workers** - \$384,855 total funds and one position (0.75 FTE) to assist with the creation of a sixth Traditional Health Worker category for Indian Health Care Providers.

Department of Human Services

The 2021-23 legislatively adopted budget for the Oregon Department of Human Services (DHS) is \$4.64 billion General Fund, \$15.49 billion total funds, and 10,140 positions (10,032.41 FTE). The budget is 24.6% General Fund and 10.8% total funds more than the agency's 2019-21 legislatively approved budget. This growth is largely driven by current service level adjustments, including inflation, growth in caseload and cost per case, and federal fund match rate changes.

In general, the agency budget is influenced by demographic and economic trends, such as the growing population of older adults and people with disabilities, and the mismatch between wages and the cost of living. Other recent challenges affecting the budget include the COVID-19 pandemic, wildfire recovery, and calls for diversity, equity, and inclusion.

The DHS budget includes several cross-cutting budget initiatives: (1) \$37.1 million General Fund (\$69.7 million total funds) is included to fund the transition to maintenance and operation of the Integrated Eligibility project; (2) \$4.3 million General Fund (\$5.6 million total funds) is included for diversity, equity, and inclusion initiatives across multiple programs; and, (3) a total of \$275.8 million federal funds limitation is provided to implement American Rescue Plan Act (ARPA) investments in Home and Community-Based Services (HCBS).

The following sections cover some of the key budget investments for each of 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 \$506.8 million General Fund and \$4.2 billion total funds, which is 11.3% and 1.1% higher, respectively, than the \$455.2 million General Fund and \$4.1 billion total funds in the 2019-21 legislatively approved budget. Some of the key budget investments include:

- \$75 million General Fund and nine positions (7.5 FTE) to administer shelter and food services to wildfire survivors.
- \$14 million Other Funds expenditure limitation to allow the agency to use one-time ARPA funds for emergency food supply stabilization.
- \$10 million General Fund and three positions (3.00 FTE) to create the Survivor Investment Partnership program to provide domestic violence and sexual assault services to survivors through contracts with culturally specific organizations and Tribes.
- \$5.8 million General Fund for nutrition and anti-hunger programs, including \$4.0 million for the Double-up Food Bucks program.

- \$4.3 million General Fund for refugee extended case management and employment support services to individuals granted an immigration status that has been approved for services by the federal Office of Refugee Resettlement.
- \$3 million General Fund on a one-time basis to continue the expansion of 211 service in response to the statewide increase in calls during the COVID-19 pandemic.
- \$95 million Other Funds increase to implement a new co-pay structure in the Employment-Related Day Care program.

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 legislatively adopted budget is \$890.6 million General Fund and \$1.5 billion total funds, which is 17.0% and 9.8% higher, respectively, than the \$761.3 million General Fund and \$1.4 billion total funds in the 2019-21 legislatively approved budget. Some of the key budget investments include:

- \$13.7 million General Fund to establish a new respite care benefit in the foster care program. A budget note requires the agency to report during the 2022 Session on the status of implementation of foster care respite services, including the number and type of certified and trained respite providers, and the number of families and children who have received and will receive respite services during the 2021-23 biennium.
- \$6.6 million General Fund for In-Home services for youth with non-medical necessity needs, which align with previous investments in the children's continuum of care services included in SB 1 (2019).
- \$5.9 million General Fund and two permanent positions (1.76 FTE) in the Foster Care and Youth Transitions Unit to expand the Independent Living Program.
- \$4.6 million General Fund (\$6.1 million total) and 29 permanent positions (25.52 FTE) in the Child Welfare Safety program to develop internal infrastructure to provide supports and coordination of community-based prevention services to children and families.
- \$3.1 million General Fund (\$6.2 million total) to increase Behavioral Rehabilitation Services (BRS) rates by approximately 6.5% due to updated wage data.
- \$0.9 million General Fund (4 million total) and 19 positions (16.72 FTE) in the Child Welfare Training Unit to enhance the division's ability to design, deliver, evaluate, and oversee training received by Child Welfare staff.
- One full-time permanent position (0.88 FTE) to support the Governor's Child Foster Care Advisory Commission.
- Extension, at least through September 2021, of the Alternative Child Care program established in 2019-21 to provide flexibility to foster care parents during the COVID-19 public health emergency.

The legislatively adopted budget established a \$15.9 million General Fund special purpose appropriation to the Emergency Board to fund 99 positions (87.12 FTE) to address the agency's use of double-fill positions. This includes 59 positions (51.92 FTE) in the CW programs division,

and 34 positions (29.92 FTE) in Central Services and six positions (5.28 FTE) in Shared Services for child welfare-related work. The Legislature adopted a budget note that conditions access to the special purpose appropriation on the agency's demonstrated progress in filling child welfare vacancies, reducing turnover, implementing strategies to improve recruitment and retention, and curbing the establishment of double-fill positions.

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 \$35.7 million General Fund and \$125.3 million total funds, which is 5.9% higher and 19.5% lower, respectively, than the \$33.8 million General Fund and \$155.6 million total funds in the 2019-21 legislatively approved budget. The budget includes a Federal Funds limitation increase of \$170,746 to fund one permanent position (1.00 FTE) in the Youth and Workforce program to improve the current reimbursement system to achieve the maximum amount of reimbursement from the Social Security Administration.

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 \$1.4 billion General Fund and \$4.7 billion total funds, which is 32.1% and 17.2% higher, respectively, than the \$1.1 billion General Fund and \$4 billion total funds in the 2019-21 legislatively approved budget.

The budget makes significant investments in Oregon's long-term care system workforce, facilities, and provider accountability, as well as in programs that promote independence, safety and well-being for older adults and people with disabilities. Key investments include:

- \$44.4 million General Fund (\$87.8 million Federal Funds) for enhanced rates for wages in assisted living, memory care, skilled nursing facilities, and in-home care service agencies.
- \$14 million one-time ARPA funds (Other Funds) for a Long-Term Care Capital Improvement and Emergency Preparedness program.
- \$4.4 million General Fund, \$40.4 million Federal Funds, and 52 positions (18.81 FTE) to expand Oregon Project Independence (OPI) and create a new Family Caregiver Supports program.
- \$2.5 million General Fund and 12 positions (10.56 FTE) to meet increased workload demands associated with abuse screenings, investigations, policy development, training, and operational support for program staff and contractors.
- \$1.4 million General Fund and \$10.8 million one-time ARPA funds (Other Funds) for workforce development and training in the long-term care sector.
- \$1.8 million General Fund (\$1 million Federal Funds) to support implementation of a time, attendance and payment system for Home Care Workers and Personal Support Workers.

- \$1.2 million General Fund and six positions (6.00 FTE) to provide technical assistance regarding infectious disease and prevention practices in long-term care facilities.
- \$0.8 million General Fund (\$0.8 million Federal Funds) to develop and implement an acuity-based staffing tool for residential care facilities as required by SB 714 (2021).

In addition, the 2021-23 legislatively adopted budget for APD provides \$107.6 million Federal Funds expenditure limitation to implement a one-time 10% increase in federal funds for certain home and community-based services (HCBS). ARPA requires the funds to be used to improve and expand home and community-based services. In June, DHS submitted Oregon's proposed spending plan to the Centers for Medicare and Medicaid Services for review and approval. A budget note was adopted requiring DHS to report throughout the 2021-23 interim on the status of the home and community-based services investment plan.

Budget notes were adopted requiring the department to report to the legislature on the long-term care capital improvement and emergency preparedness program, and workforce development and training efforts.

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 \$1.2 billion General Fund and \$3.9 billion total funds, which is 31.7% and 19.9% higher, respectively, than the \$939.3 million General Fund and \$3.2 billion total funds in the 2019-21 legislatively approved budget.

The IDD budget makes investments to create a stable and competent workforce for IDD services through implementation of transparent rate models, increase service equity and language access, and increase safety and service capacity. Key budget investments include:

- \$44.3 million General Fund (\$131 million total) for implementation of new rate models at 80% of cost for IDD services. Effective July 1, 2021, a portion of the funds will be used to provide an across the board 3.2% rate increase. Effective July 1, 2022, the balance of the funds will be used to implement the new rate models at 80% of cost. A budget note was adopted directing the agency to seek additional funds --either from one-time ARPA monies for HCBS or an Emergency Board request -- to implement the new rate models at 100% of cost.
- \$2 million General Fund (\$4 million total) and 19 positions (16.72 FTE) in the Licensure and Quality Improvement Office to meet growing workload demands and to ensure Oregon meets federal timelines for licensure visitations and investigations of neglect and abuse.
- \$1.4 million General Fund to restore Family-to-Family Networks to the 2019-21 funding level, adjusted for inflation. The 10 networks provide referral services and peer networking opportunities, potentially mitigating the need for families to access more expensive Medicaid services.

- \$0.6 million General Fund (\$1.1 million total) to reduce or eliminate language access barriers and increase communications that are designed specifically to reach people with intellectual and developmental disabilities.
- \$0.4 million General Fund to cover Disability Rights Oregon's (DRO) costs associated with guardianship reviews.
- \$0.1 million General Fund and \$0.1 million Federal Funds limitation for the Department to contract for a study to identify, and make recommendation for, an improved funding structure for Community Developmental Disability Programs (CDDPs).

In addition, the 2021-23 legislatively adopted budget for IDD provides \$168.2 million Federal Funds expenditure limitation to implement a one-time 10% increase in federal funds for certain home and community-based services (HCBS). ARPA requires the funds to be used to improve and expand home and community-based services. In June, DHS submitted Oregon's proposed spending plan to the Centers for Medicare and Medicaid Services for review and approval. A budget note was adopted requiring DHS to report throughout the 2021-23 interim on the status of the home and community-based services investment plan.

Commission for the Blind

The 2021-23 budget for the Commission for the Blind totals \$24,349,910, comprising of \$5,658,523 General Fund, \$1,079,323 Other Funds, \$17,612,064 Federal Funds, and 69 positions (66.42 FTE). This is an 11.65% decrease in General Fund from the 2019-21 budget level due to the phase out of a project 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 budget includes \$506,931 General Fund to retain \$1,873,027 in Federal Funds to maintain current service level of service to in-school transition aged youth enrolled in secondary high school programs around Oregon. The budget also includes an increase of Federal Funds limitation by \$246,914 and the establishment of one Accountant 3 position (1.00 FTE) to serve as a Grant Accountant to ensure that complex federal and other funds financial reports are prepared in compliance with statutory, regulatory and agency requirements.

Long Term Care Ombudsman

The Long Term Care Ombudsman's 2021-23 legislatively adopted budget of \$10.8 million General Fund is 43.2% more than the 2019-21 budget of \$7.6 million General Fund, primarily due to the addition of six new permanent positions in the Oregon Public Guardian program, including five deputy ombudsman positions. The budget also provides funds to reclassify several existing positions, and to backfill grant funds that have not kept pace with growth in personal service costs. The overall budget, at \$11.7 million total funds, is a 34.9% increase above the prior biennium funding level and supports 36 positions (35.5 FTE).

Psychiatric Security Review Board

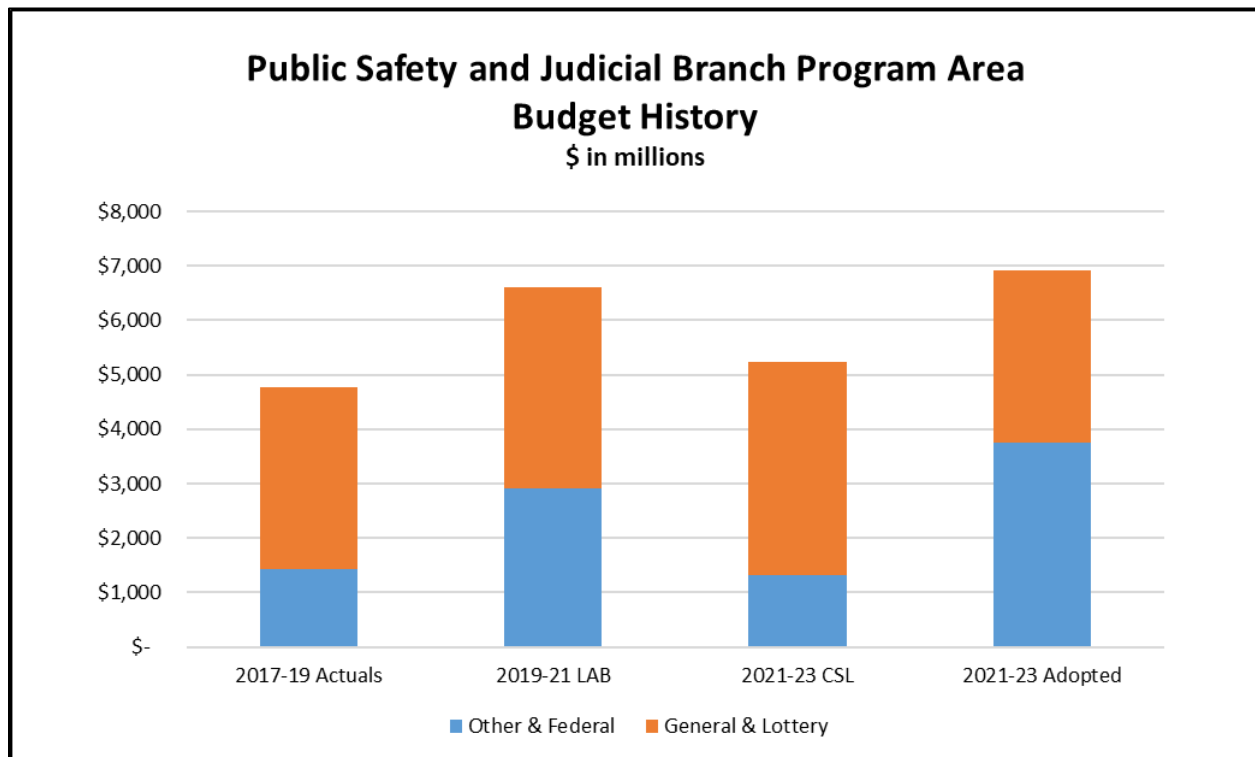
The 2021-23 legislatively adopted budget for the Psychiatric Security Review Board (PSRB) totals \$3,934,061 General Fund and 12 positions (12.00 FTE). This represents a 22% General Fund increase compared to the 2019-21 legislatively approved budget, which is almost entirely due to two new investments. First, the budget includes \$138,219 to sufficiently pay for board member stipends for the time they spend preparing for each hearing day, at an average of one

preparation day per hearing day. An additional \$165,734 funds a new Administrative Specialist 2 position (1.00 FTE) to support the PSRB’s workload. The agency had managed its workload with 11 full-time staff since 2013 despite growing demands on staff time, including the expansion of PSRB’s jurisdiction to include certain civilly committed individuals; the return of jurisdiction over “tier 2” guilty except for insanity offenders; the creation of the Sex Offender Reclassification program; and increased oversight activities for a caseload that is growing in terms of both numbers and complexity.

PUBLIC SAFETY AND JUDICIAL BRANCH

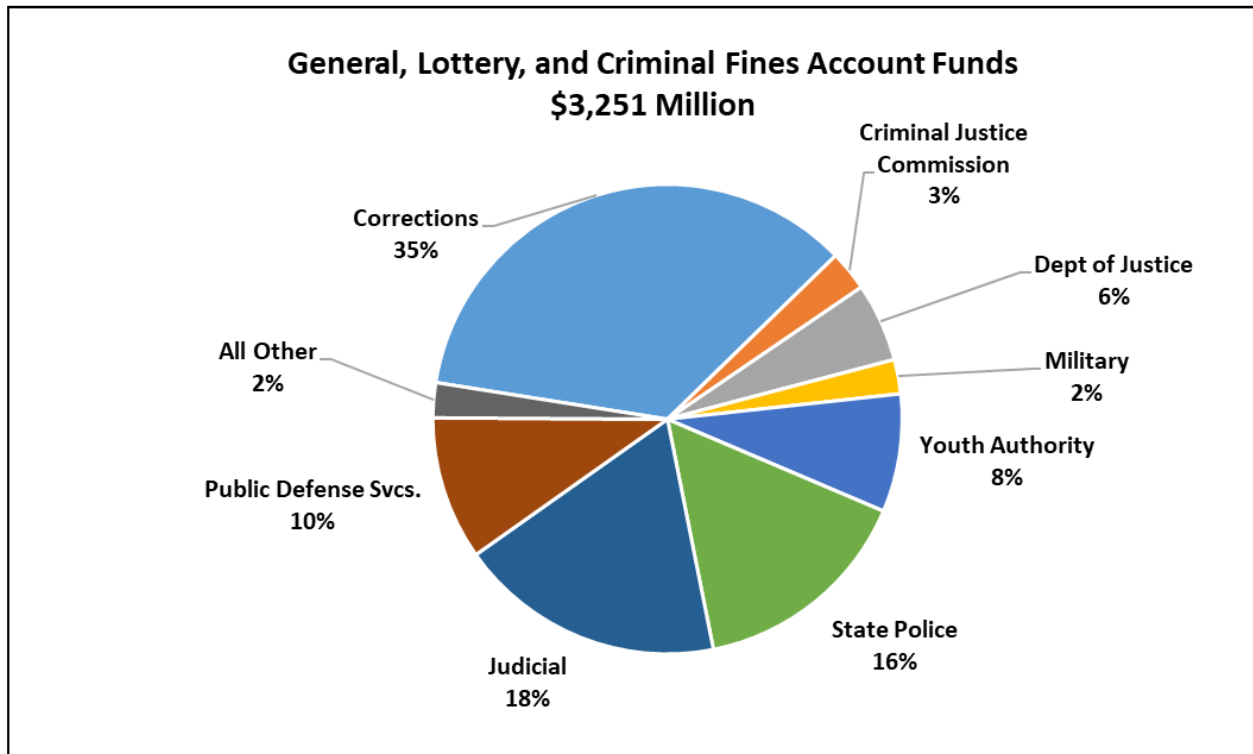
The agencies in the combined Public Safety and Judicial Branch program area ensure the safety of and justice for Oregonians by providing services through four interconnected systems: (1) community safety, law enforcement, homeland security, and resolution of civil matters; (2) prosecution and defense 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 11.8% of the statewide 2021-23 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.



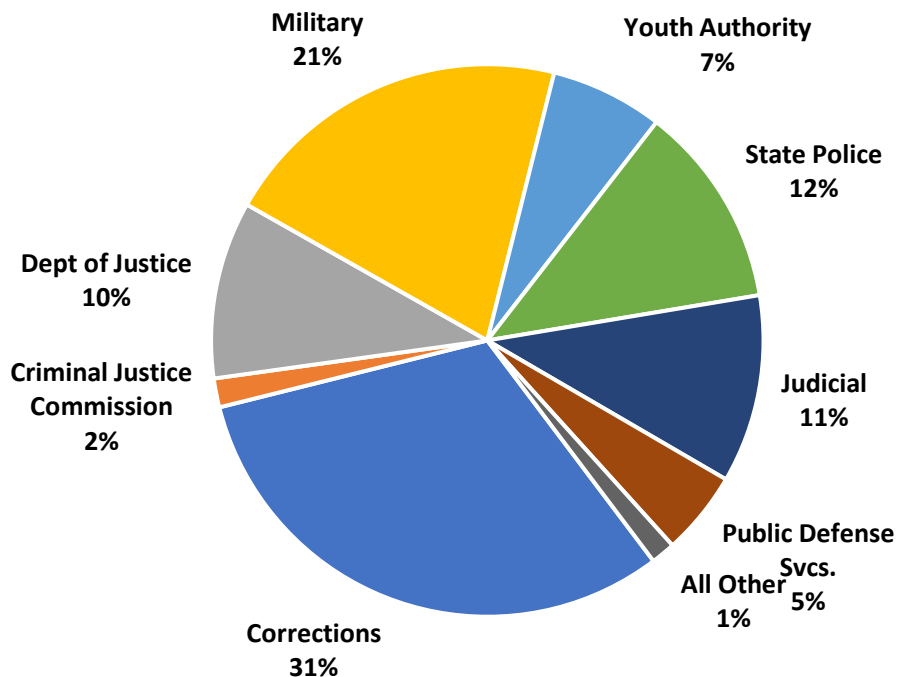
Several public safety agencies also receive Criminal Fine Account (CFA) revenues, as allowed by statute. Of the \$122.1 million total, \$83 million (or 68%) was allocated to public safety and judicial branch agencies.

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. Note that “All Other” agencies 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.

**Public Safety and Judicial Branch Total Funds
\$6,912.2 Million**



Criminal Justice Commission

The Criminal Justice Commission’s (CJC) 2021-23 legislatively adopted budget is \$89.3 million General Fund, \$116.8 million total funds, and 22 positions (22.00 FTE). This is a 12.6% increase in General Fund from the 2019-21 legislatively approved budget level and a 9.1% increase overall. Policy bills added funding and responsibilities to the Commission’s budget for 2019-21, as follows:

- HB 2049 provided \$1 million General Fund to capitalize a new Innovative Grant Fund, and established \$1 million Other Funds expenditure limitation in order for the CJC to make grants from the fund.
- HB 2932 directs law enforcement units to participate in the National Use-of-Force Data Collection operated by the Federal Bureau of Investigation (FBI), and directs the Criminal Justice Commission to analyze data from that database and report to the Legislature annually with the analysis. The measure provided the CJC with \$198,996 General Fund and one position (1.00 FTE) to prepare the required reports.
- HB 3000, relating to cannabis, added \$3 million to the CJC budget for the Illegal Marijuana Market Enforcement Grant Program.

Additionally, HB 5006 contained several significant funding increases for both new and ongoing programs, including:

- \$650,000 General Fund for the Family Preservation Project and \$500,000 General Fund to continue the legal services pilot program established by HB 2631 (2019), both operating at

the Coffee Creek Correctional Facility. Both amounts are pass-through payments to the nonprofit organizations operating the programs.

- \$10 million General Fund to recapitalize the Improving People’s Access to Community-based Treatment, Supports and Services (IMPACTS) Account established by SB 973 (2019), and \$10 million Other Funds expenditure limitation for making grant awards from the account.
- \$4 million General Fund on a one time basis, an additional \$228,395 General Fund on an ongoing basis, and one permanent, ongoing position (1.00 FTE) for a new restorative justice grant program.

Military Department

The Military Department’s 2021-23 total funds budget is \$1.4 billion, which - due to an unprecedented amount of federal disaster funding received during the 2019-21 biennium - is both exactly the same level as the 2019-21 legislatively approved budget and 213.6% greater than the 2021-23 current service level. General Fund is \$76.7 million, an increase of 96.8% from the 2019-21 budget level. The budget includes a total of 579 positions (530.30 FTE), 62 more than in 2019-21. The 2021-23 budget includes other significant changes to the Department’s spending and operations, including:

- \$15.5 million of Article XI-Q bond proceeds and six year capital construction expenditure limitation for two armory service life extension projects in Ashland and Corvallis and one new readiness center in Washington County, and \$2.1 million General Fund for debt service on the bonds issued to pay for the projects.
- \$31.8 million Federal Funds and six-year capital construction expenditure limitation for two projects at Camp Umatilla and for the new readiness center.
- \$6.7 million General Fund and \$6.7 million Federal Funds expenditure limitation for deferred maintenance projects at Military Department facilities throughout the state.
- \$0.8 million General Fund and \$0.6 million Other Funds expenditure limitation for the recently-expanded Oregon Youth Challenge Program.

The Office of Emergency Management is created as a separate state agency on July 1, 2022 by HB 2927. In addition to receiving \$4.4 million General Fund, \$5 million Other Funds expenditure limitation, and 13 positions (13.00) to establish the new department, the Office of Emergency Management received additional resources to bolster the state’s emergency preparedness and response functions, including:

- \$820 million Federal Funds expenditure limitation to continue to pass through federal disaster relief funding to state agencies, tribal and local governments, and individuals.
- \$10 million in General Obligation bond proceeds to recapitalize the State Preparedness and Incident Response Equipment (SPIRE) Fund, and \$10 million Other Funds expenditure limitation to make grants from the fund.
- \$20 million General Fund to provide state match for the Federal Emergency Management Agency’s (FEMA) Hazard Mitigation Grant Program.
- \$3.7 million General Fund, \$4.9 million Federal Funds expenditure limitation, and 40 new positions (40.00 FTE) to staff mitigation and recovery functions and other emergency management requirements in the new department.

- \$40 million Other Funds expenditure limitation and a fund shift of \$1.3 million from Other Funds to General Fund in the 9-1-1 Program, to pass through increased Emergency Communications Tax revenues to public safety answering points and to properly align 9-1-1 Program funding with staff responsibilities.
- \$2.7 million on a one-time basis for costs incurred during the 2020 wildfire season.

Department of Public Safety Standards and Training

The 2021-23 legislatively adopted budget for the Department of Public Safety Standards and Training (DPSST) is \$9.1 million General Fund for debt service, \$55.4 million Other Funds (including \$43.5 million Criminal Fine Account revenue), and \$7.8 million Federal Funds for a total biennial budget of \$72.3 million, including 160 positions (158.74 FTE). The 2021-23 budget is 10.4% more than the 2019-21 legislatively approved budget, and includes two new positions (1.66 FTE) and \$360,656 Other Funds expenditure limitation for the Statistical Transparency of Policing (STOP) program, one new position (0.83 FTE) and \$202,475 Other Funds expenditure limitation to develop a new instructor training program, and \$1.2 million Other Funds expenditure limitation for deferred maintenance projects.

Two policy bills added funding and new requirements for DPSST. HB 2162 requires DPSST to designate an accrediting body for law enforcement agencies and to establish a statewide equity training program as a required part of the training for law enforcement officer certification. The measure provided \$409,468 Other Funds expenditure limitation and two positions (2.00) for this new function. HB 2527 requires DPSST to license private security entities and allows the agency to establish a new fee to pay for this service. The measure provided \$655,972 Other Funds expenditure limitation and three positions (3.00 FTE) to implement the new program.

Oregon Youth Authority

The Oregon Youth Authority's (OYA) 2021-23 budget is \$264.4 million General Fund, \$455.9 million total funds, and 1,001 positions (971.66 FTE). General Fund is decreased by 19.8% from the 2019-21 legislatively approved budget, while total funds are 18.6% more, due to American Rescue Plan Act Coronavirus State Fiscal Recovery (ARPA) funds being used, on a one-time basis, in the Facility Program to support public safety services. Additional significant changes in OYA's 2021-23 legislatively adopted budget are as follows:

- Funding for community residential treatment beds was reduced by \$2 million General Fund to reflect lower-than-anticipated usage of community-based residential treatment services.
- The agency's diversity, equity, and inclusion priorities were funded with \$1.2 million General Fund, \$28,671 Federal Funds expenditure limitation, and six positions (5.03 FTE).
- \$2.4 million General Fund and \$1.7 million Federal Funds expenditure limitation will increase the rates paid to providers of behavioral rehabilitation services (BRS).
- \$675,391 General Fund covers the increased cost of providing sex offense treatment services in OYA's close custody facilities, and an additional \$574,510 General Fund addresses the increased cost of providing sex offense treatment by BRS providers. The latter amount is provided on a one-time basis pending Medicaid funding for this service.
- \$40.3 million of Article XI-Q bond proceeds will allow the agency to complete its renovation of living units at MacLaren, Tillamook, and Camp Riverbend; continue the Juvenile Justice Information System (JJIS) Modernization project, and complete capital improvements at

other OYA facilities. \$1.3 million of this amount pays the cost of bond issuance. \$4.5 million General Fund will pay for new debt service in the 2021-23 biennium.

- \$5.4 million ARPA funds will pay for the non-bondable costs of capital improvement projects and the JJIS Modernization project, replacement of the emergency generator at Maclaren, and replacement of the parole and probation office at the Oak Creek Youth Correctional Facility.
- \$1.8 million General Fund will reimburse counties for the cost of automatically expunging certain juvenile court records.

District Attorneys and Their Deputies

The budget for District Attorneys and Their Deputies is \$14.8 million General Fund and 36 positions (36.00 FTE) for the 2021-23 biennium. The budget includes \$546,000 General Fund for the recording of grand jury proceedings. The budget is \$450,831 (or 3.2%) more than the 2019-21 legislatively approved budget. The budget includes two budget notes: one directing the updating of Key Performance Measures and the other related to the Legislature receiving information on the funding of District Attorney offices.

Department of Justice

The budget for the Department of Justice is \$717.9 million total funds, including \$153.1 million General Fund, \$380 million Other Funds, and \$185.2 million Federal Funds. The total funds budget is \$10.2 million (or 1.4%) more than the 2019-21 legislatively approved budget. The budget includes 1,483 positions (1,463.93 FTE), which is a 70.87 FTE increase (or 3.9%) over the prior biennium.

Key provisions of the budget include the following:

- \$22.2 million Federal Funds and three positions/2.64 FTE for the continuation of a Victims of Crime Act grant.
- \$6 million General Fund for a one-time investment in Child Abuse Intervention Centers.
- \$5.6 million General Fund and \$6.2 million Federal Funds for various Division of Child Support investments, most notably for the payment of intra-agency charges, legal billings, Child Support Enforcement Automated System (CSEAS) application State Data Center hosting, and one-time CSEAS operational and maintenance support.
- \$5.3 million General Fund for a Division of Child Support revenue shortfall in the recovery of Temporary Assistance to Needy Families.
- \$5 million General Fund for a one-time investment to assist victims of domestic violence and sexual assault with housing needs.
- \$4.9 million General Fund for the Crime Victims and Survivor Services Division to backfill a revenue shortfall in punitive damage awards.
- \$3.2 million Other Funds expenditure limitation (Legal Services Fund) and ten position (8.04 FTE) for the General Counsel Division to support legal services provided to state agencies.
- \$2.1 million Other Funds expenditure limitation and eight positions (7.04 FTE) for the Trial Division to support cases related to the U.S. Supreme Court decision of *Ramos v. Louisiana* (non-unanimous juries).
- \$2 million General Fund and six positions (5.25 FTE) for bias crimes response.

- \$1.8 million General Fund for the Defense of Criminal Convictions in Appellate and Trial Divisions.
- \$1.8 million and five positions (4.75 FTE) for the continuation of funding for the Legal Tools Replacement information technology project.
- \$1.6 million General Fund to fund shift the Environmental Crimes and Cultural Resources Enforcement Unit from Other Funds to General Fund.
- \$1.3 million General Fund for supplemental pass-through support for the Oregon Crime Victims Law Center.
- \$1.3 million Other Funds expenditure limitation and four positions (3.52 FTE) For the Trial Division for supplemental staffing of special litigation cases.

The legal services rate (also known as the Attorney General rate) for the 2021-23 biennium was set at \$242 per hour and is estimated to generate \$272 million in revenue for the biennium, with a projected ending balance of \$13.8 million. The rate increased \$28 per hour (or 13.1%) over the \$214 rate established for the 2019-21 biennium.

The Legislature repealed three re-appropriations from DOJ's Operating Account (SB 846): in the Legal Services Fund (\$2 million), in Charitable Activities (\$2.3 million) and in the Medicaid Fraud unit (\$800,000). The budget report includes five budget notes relating to reporting on the activities of the Environmental Crimes and Cultural Resources Enforcement Unit, prior biennia crime victim investments and outcomes, the Legal Tools Replacement project, legal support for high risk agencies, and the agency's internal audit function. General and Other Funds related to the most recent U.S. Supreme Court's *Ramos v. Louisiana* decision was unscheduled until the decision can be better understood, and a report made to the Legislative Fiscal Office.

Department of State Police

The legislatively adopted total funds budget for the Department of State Police (OSP) is \$821 million, with \$491.3 million General Fund, \$304.9 million Other Funds, \$11.1 million Lottery Funds, \$13.8 million Federal Funds, and 1,482 positions (1,462.14 FTE). General Fund increased by 70.3%; the total funds budget is 47% higher than the 2019-21 legislatively approved budget.

The Legislature made significant changes to OSP's General Fund budget. Fund shifts and backfill adjustments include:

- \$4,183,520 General Fund and thirteen positions (13.00 FTE) to backfill a former contract for police services between OSP and Oregon State University.
- \$29,197,200 General Fund to backfill Marijuana Tax revenue lost due to provisions of Ballot Measure 110 (2020).
- A reduction of \$13,404,580 General Fund on a one-time basis and an increase in Other Funds in the same amount to allow the agency to use reimbursements from FEMA for wildfire-related expenditures.

General Fund investments include:

- \$5.8 million and 11 positions (10.04 FTE) for an agency-wide Police Accountability and Wellness package.
- \$3.2 million and 16 positions (14.66 FTE) to support the Office of the Chief Medical Examiner.

- \$5 million and 18 positions (11.25 FTE) for new troopers and associated equipment and vehicles.
- \$1.9 million and 7 positions (6.16 FTE) for a new Digital Forensics Unit, for sworn support on southern Oregon drug interdiction task forces, and for administrative positions in the Finance and Facilities programs.
- \$2.8 million to complete Phase 6 of the LEDS 20/20 information technology project.

SB 762 made a significant investment in the Office of the State Fire Marshal, providing a total of \$100.5 million General Fund and 56 positions (49.73 FTE) to staff and fund community risk reduction programs and firefighting activities statewide, to capitalize the new Community Risk Reduction Fund, and to modernize and improve the Oregon Fire Mutual Aid system. And \$25 million Other Funds expenditure was included in the bill to allow the agency to make grants from the Community Risk Reduction Fund.

Other significant investments in the State Police budget include:

- \$111.6 million of Article XI-Q bond proceeds and six year capital construction expenditure limitation to remodel and expand the Central Point Office, build a new forensic laboratory and medical examiner office in Springfield, and build a new Patrol Area Command office in Springfield. \$1.4 million of this amount pays the cost of bond issuance. \$2.7 million General Fund was provided for debt service payments in the 2021-23 biennium.
- \$8.9 million Other Funds from the American Rescue Plan Act Coronavirus State Fiscal Recovery (ARPA) Fund for vehicles and forensic laboratory equipment and for the non-bondable costs of capital construction projects.
- \$2.4 million Other Funds on a one-time basis and 17 limited-duration positions (14.96 FTE) to address a backlog of firearms background checks.

Department of Corrections

The Department of Corrections (DOC) operates the state's prison system, where adult and certain juvenile felons sentenced to prison for more than twelve months are incarcerated. The April 2021 prison population forecast projects an average of 11,347 men and 886 women to be housed daily during the 2021-23 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 average 25,151 during the 2021-23 biennium.

The 2021-23 legislatively adopted budget for DOC is \$1.14 billion General Fund, \$2.17 billion total funds, and 4,781 positions (4,688.65 FTE). General Fund is 40.8% less than the 2019-21 legislatively approved budget and total funds are 4.2% lower, due entirely to \$214 million of one-time debt refinancing activities in 2019-21 and the use of almost \$900 million in federal pandemic relief funds in lieu of General Fund in both 2019-21 and 2021-23 to provide public safety services. Other Funds of \$946 million include \$849.2 million from both the CARES Act and the American Rescue Plan Act Coronavirus State Fiscal Recovery Fund (ARPA), and \$88.2 million in Article XI-Q bond proceeds for capital projects and the implementation of an electronic

health records system. Bonds will be issued throughout the biennium, requiring new debt service of \$10.4 million General Fund in the 2021-23 biennium.

Select operational changes and investments in the budget include:

- A reduction of \$28.8 million General Fund, \$3.6 million Other Funds, 53 positions and 121.25 FTE to account for the planned closure of the Mill Creek Correctional Facility and the Shutter Creek Correctional Institution during the 2021-23 biennium.
- An investment of \$47.9 million in prison Health Services for Hepatitis C and other specialty treatments and off-site medical care for adults in custody.
- \$32.7 million General Fund to provide an inflationary increase to Community Corrections funding.
- \$21.6 million General Fund and 107 positions (107.00 FTE) to increase staffing and alleviate overtime usage in prison housing units, transport, health services, food services, and the prison laundry.
- \$37.3 million Other Funds expenditure limitation (ARPA) for deferred maintenance projects throughout the prison system.

Board of Parole and Post-Prison Supervision

The 2021-23 budget for the Board of Parole and Post-Prison Supervision totals \$10,769,785 General Fund, \$12,184 Other Funds, and 27 positions (27.00 FTE). This is a 24.2% increase from the 2019-21 legislatively approved budget. The budget adds two Assessment Specialist 2 positions (2.00 FTE) to augment the Static99 Sex Offender Reviews; reclassifies four existing positions; increases the facilities management budget to reflect increased costs associated with moving out of the Dome Building; and increases the amount for State Government Service Charges associated with the transfer of services previously provided by the Department of Corrections and now provided by the Department of Administrative Services.

Judicial Department

The budget for the Oregon Judicial Department is \$761.4 million total funds, including \$585.4 million General Fund, \$174.8 million Other Funds, and \$1.5 million Federal Funds. The budget includes 1,932 positions (1,888.09 FTE), which is a 70.87 FTE (or 3.9%) increase over the prior biennium. The total funds budget is \$110.4 million (or 17%) more than the 2019-21 legislatively approved budget. Key provisions of the budget are as follows.

The largest increases to the budget are related to capital construction funding at the state and county-level:

- \$96.7 million Other Funds expenditure limitation for the Oregon Courthouse Capital Construction and Improvement Fund for state (Article XI-Q bonds) and local matching funds for four courthouse projects in Benton, Linn, Crook, and Clackamas counties.
- \$21.7 million Other Funds expenditure limitation (Article XI-Q bonds) for continued funding of the Supreme Court Building Renovation.
- \$5 million Other Funds expenditure limitation (American Rescue Plan Act State Fiscal Recovery Funds) for non-bondable expenses associated with the Supreme Court Building Renovation.
- \$3.7 million Other Funds expenditure limitation (American Rescue Plan Act State Fiscal Recovery Funds) for the planning and costs associated with replacement of the Curry

County Courthouse (\$3.5 million) and for planning and costs associated with replacement of the Crook County Courthouse (\$169,827).

- \$950,000 Other Funds expenditure limitation (State Court Facilities Security Account) for courthouse capital improvements at the Josephine (\$700,000 Other Funds) and Klamath County Courthouses (\$250,000 Other Funds).

The budget includes several operational investments in various courts and for court administration:

- \$7.2 million Other Funds expenditure limitation and 27 positions (25.00 FTE) for various collaborative agreements with other agencies and for the expenditure of state grants.
- \$3.3 million General Fund and 15 positions (15.00 FTE) for statewide data tracking and analysis of disparate outcomes and for Equity, Diversity, and Inclusion training and support.
- \$5.1 million General Fund reduction for a debt service adjustment.
- \$3.3 million General Fund to backfill an Other Funds revenue shortfall in the Oregon eCourt Program.
- \$2.2 million General Fund and three positions (2.00 FTE) for supplemental information technology support.
- \$1.9 million General Fund and 10 positions (8.80 FTE) to support individuals participating in the criminal adjudicatory process with behavioral health and/or substance abuse disorders.
- \$1.6 million General Fund and eight positions (6.5 FTE) for two additional statutory circuit court judgeships in Deschutes County, including associated judicial staff.
- \$702,683 General Fund and \$933,772 Federal as Other Funds expenditure limitation and nine positions (7.44 FTE) for statewide child support for self-represented litigants.
- \$1.2 million General Fund and eight positions (6.58 FTE) for one-time funding for the expungement of criminal records for marijuana infractions.
- \$682,350 General Fund and three positions (2.50 FTE) for the juvenile delinquency improvement project.

The budget includes a budget note related to the Department convening a statewide summit on the intersection of behavioral health and the state court system, the pretrial release program, family treatment courts, and the Clackamas County Courthouse project.

Public Defense Services Commission

The budget for the Public Defense Services Commission (PDSC) is \$339.6 million total funds, including \$321.2 million General Fund and \$18.5 million Other Funds. The total funds budget is \$27.5 million (or 7.5%) less than the 2019-21 legislatively approved budget. The budget includes 108 positions (104.72 FTE), an increase of 18 positions (or 20%) and 18.25 FTE (or 21.1%) from the 2019-21 biennium.

The Legislature, absent action by the Commission, undertook the following actions related to PDSC's budget and operations:

- Reorganized the agency along lines of business and restructured the agency's appropriations to align with cost centers to increase the transparency of budgeted activities and to impose a heightened level of financial discipline and accountability on the agency.

- Augmented operational staffing in key areas of the agency, including agency leadership, financial management, and procurement.
- Added compliance, audit, and performance management functionality to the agency.
- Re-established “in-house” base level information technology services.
- Directed an independent financial and performance audit of the agency, including reviews of agency operations, procurement, human resources, information technology, accounting, budget, performance management, and auditing.
- Provided General Fund to resolve material current service level deficits across the agency.

These changes are premised on the Commission continuing to advance the recommendations of the Sixth Amendment Center study that was completed in 2018. To date, PDSC has yet to develop a plan to implement the Sixth Amendment Center report findings or conduct a financial analysis of the cost of adopting the report’s recommendations.

The budget includes a holdback of funding in the amount of \$100 million General Fund, which is held in a special purpose appropriation (SPA) to the Emergency Board. The SPA is related exclusively to the agency’s current service level funding and no provision is made for enhanced programmatic funding. The release of the holdback is contingent upon the Commission’s satisfactory progress, as determined by the Legislature and/or the Legislative Emergency Board, in executing legislative expectations for agency restructuring, modernization, financial controls, quality management, performance metrics, and governance. The holdback is due to an inordinately high degree of uncertainty related to the agency’s procurement costs. The Commission’s 2021-23 budget, excluding the General Fund holdback, would represent a \$75.6 million, or 19.8%, increase from the 2019-21 legislatively approved budget.

Other key investments undertaken by the Legislature to modernize the agency include the following:

- \$22.9 million General Fund to resolve a current service level deficit in Juvenile Services procurements.
- \$14 million fund shift from General to Federal as Other Funds transferred from the Department of Human Services for Title IV-E funding for the Parent Child Representation Program (PCRP)
- \$10.4 million General Fund to resolve a current service level deficit in PCRP program procurements.
- \$1.9 million General Fund and seven positions (5.51 FTE) to establish a Compliance and Research unit within the agency.
- \$1.1 million General Fund and four positions (2.89 FTE) to reinstate “in-house” base level information technology services.
- \$905,645 General Fund to resolve a current service level deficit in the Criminal Trial program procurements.
- \$806,160 General Fund and four positions (3.88 FTE) to augment core financial management activities.
- \$765,230 General Fund and two positions (1.88 FTE) for Executive Divisions staffing, including the establishment of a Deputy Director position.
- \$537,674 General Fund and two positions (1.76 FTE) to establish an internal audit function.

- \$408,925 General Fund to resolve a current service level deficit in the Appellate Division’s PCR program.
- \$350,000 General Fund for an independent external financial and performance audit of the agency.

The budget includes four budget notes related to status reporting to the Legislature and Emergency Board and the release of the General Fund holdback, direction for an external financial and performance audit of the agency, direction to establish an internal audit function, and reporting on the development of the Compliance, Audit, and Performance Division.

Additionally, PDSC was instructed to move Trial Criminal contracts to a biennial fiscal year contracting model beginning with the 2023-25 biennium. The agency has historically let procurement contracts on a two calendar year basis, which has resulted in a misalignment with the biennial budget. In addition, by July 1, 2022, PDSC was instructed to begin the procurement of trial-level representation to parents in juvenile dependency cases and termination of parental rights cases as contracts separate and distinct from the Trial Criminal program.

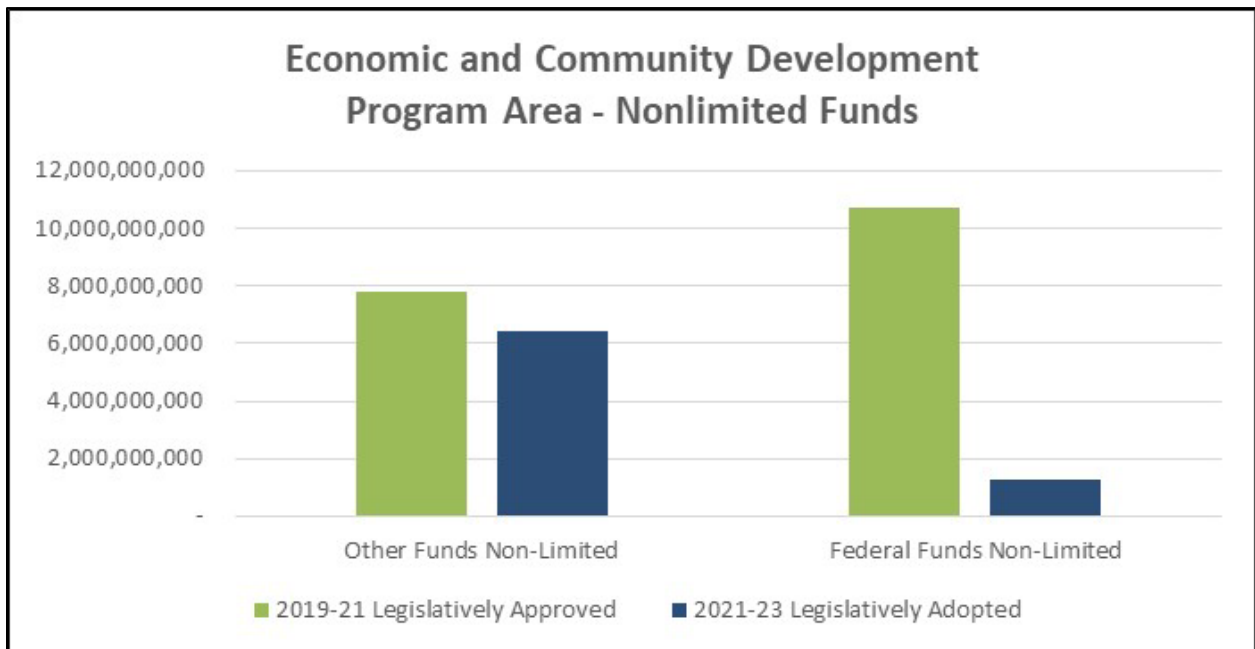
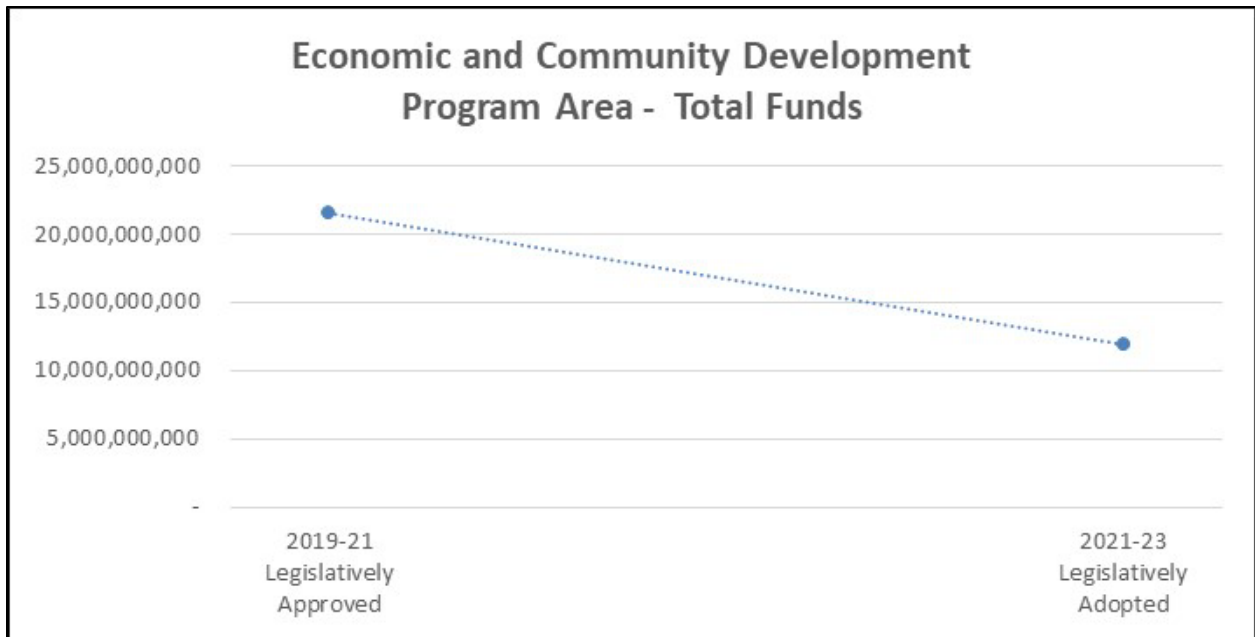
Commission on Judicial Fitness and Disability

The budget for the Commission on Judicial Fitness and Disability totals \$289,807 General Fund and includes one permanent part-time position (0.50 FTE). General Fund in the amount of \$20,073 is included for extraordinary expenses related to the investigation and prosecution of complaints. The budget is \$194 (or 0.1%) less than the 2019-21 legislatively approved budget, which equates to a current service level budget.

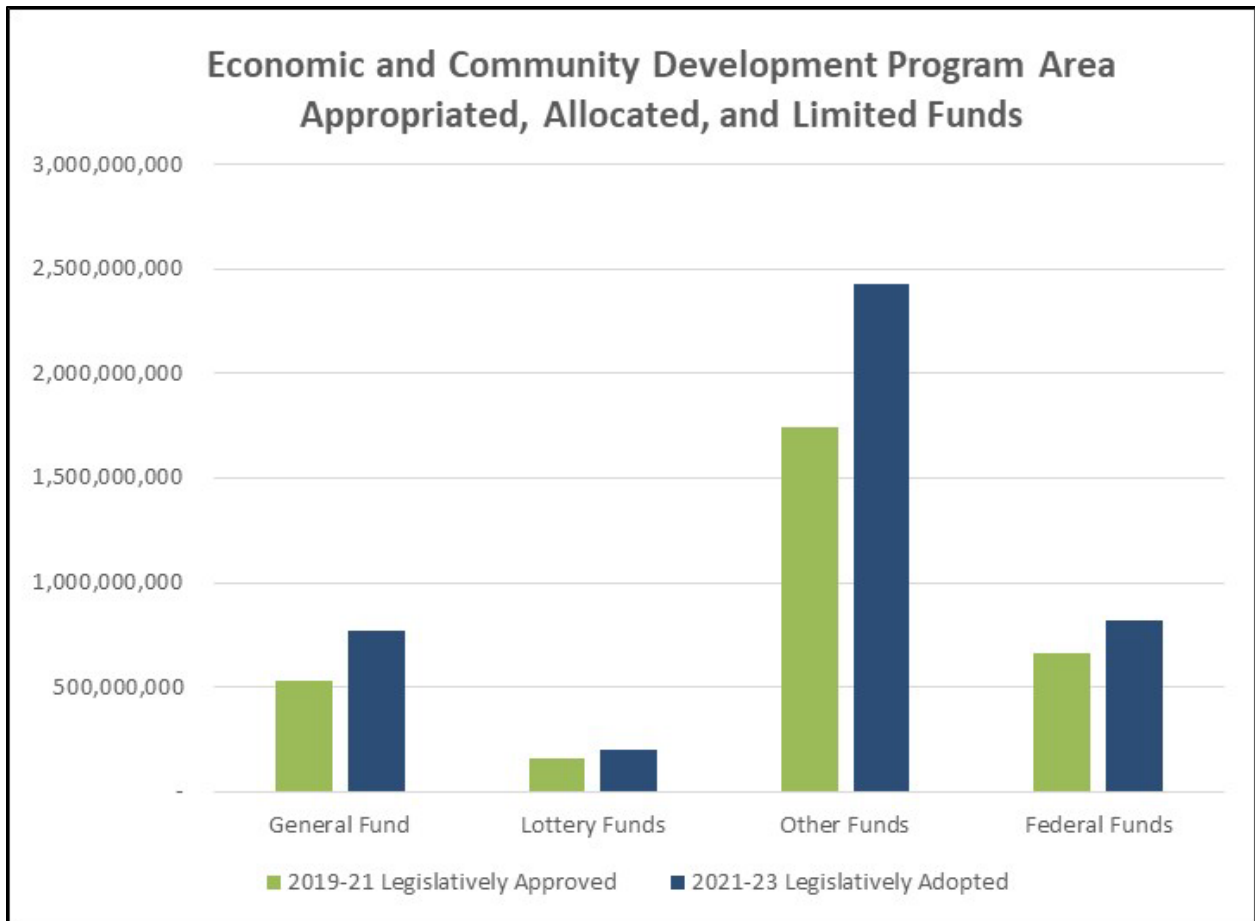
ECONOMIC AND COMMUNITY DEVELOPMENT

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.

The 2021-23 budget for the Economic and Community Development program area represents a total funds decrease of \$11.9 billion (or 44.96%) from the 2019-21 legislatively approved budget; this is due to major decreases in unemployment insurance benefit payments scheduled to be phased out, as the economy reopens after the COVID-19 pandemic.



However, General Fund, Lottery Funds, Other Funds, and Federal Funds compared to 2019-21 legislatively approved levels are increasing by 45.0%, 23.7%, 38.9%, and 23.6%, respectively.



Oregon Business Development Department

The Legislature adopted a \$1,948,042,900 budget for the Oregon Business Development Department (OBDD) for the 2021-23 biennium. This is an increase of \$578,616,523 or 42.25% over the legislatively approved budget for the 2019-21 biennium. The budget includes funding for 158 positions (156.42 FTE).

Both Lottery revenue and General Obligation bonds were authorized for issuance to support programs at OBDD. Lottery revenue bonds included:

- \$10 million for the Brownfields Redevelopment Fund
- \$50 million for the Special Public Works Fund
- \$10 million to support grants for county fair capital improvement projects
- \$15 million to support grants from the Levee Grant Program Fund
- \$9.15 million for grants to specified cultural facilities

General Obligation bonds included:

- \$160 million for seismic rehabilitation grants for public school buildings and emergency services facilities
- \$20 million for grant funding to the City of Salem for its drinking water system

General Fund investments of \$127.5 million were made by the Legislature both for one-time projects and ongoing programs.

In addition to the \$50 million bonding authorized for the capitalization of the Special Public Works Fund, \$50 million General Fund was also approved for deposit in the fund.

Two projects that were provided General Fund in the prior biennium but did not have the grant funds fully drawn down were provided General Fund appropriations in the 2021-23 biennium: \$7 million for the City of Sweet Home for a wastewater treatment plant upgrade; and \$5.65 million for the Confederated Tribes of the Warm Springs for water system upgrades and a wastewater treatment plant upgrade.

General Fund grant assistance to local governments following the 2020 fire season was continued and expanded in the OBDD budget for 2021-23. This included: \$4 million for general municipal wildfire assistance grants; \$4.24 million for grants to specified local governments for building and planning departments staffing; and \$772,000 for grants to specified local governments for general staffing and operational needs.

A General Fund appropriation of \$5 million was made for deposit into the University Innovative Research Fund to provide grants for matching funds supporting innovation or commercialization of technology developed at Oregon's public universities and the Oregon Health and Science University.

Three new programs were provided General Fund for the upcoming biennium. A \$25 million appropriation to OBDD was provided to establish an Emerging Opportunities Program. This pilot is intended to support flexible grants to public and/or private entities for projects targeted at facilitation private investment in Oregon, with a focus on leading or emerging business sectors. The other two programs were established by HB 2266. A \$10 million appropriation was provided for the purpose of making awards to fund loan-loss reserves to increase lending to business owners who current lack access to capital. An additional \$10 million appropriation was provided to support a direct-loan program to certain eligible businesses that have been certified by the Certification Office for Business Inclusion and Diversity.

Significant Lottery Funds investments included:

- \$10 million for a grant to support the World Track and Field Championships in Eugene
- \$9 million to increase technical assistance to underrepresented businesses through a competitive grant program to culturally specific organizations delivering technical assistance services
- \$2 million to expand funding of the Rural Opportunity Initiative that supports entrepreneurship based economic development in rural communities
- \$1 million to increase funding for the Small Business Development Center network, bringing total funding to just over \$5.6 million
- \$750,000 for increased funding for the Oregon Manufacturing Extension Partnership

The Legislature made \$275.7 million of investments local water and wastewater infrastructure using American Rescue Plan Act (ARPA) funds made available to the Oregon Business Development Department. ARPA funds of \$50 million were also used to establish a grant program for music, cultural, and community venues and organizations that were financially harmed due to the COVID pandemic.

American Rescue Plan Act, Capital Projects Funds of \$120 million were allocated to OBDD for the Broadband Fund to provide grants and loans for the planning and development of broadband service infrastructure, digital literacy, digital inclusion, and digital adoption.

Employment Department

The 2021-23 legislatively adopted budget for the Employment Department is \$6,759,804,027 total funds, and 3,297 positions (2,248.02 FTE). The adopted funding represents a 33% decrease from the 2019-21 legislatively approved budget, largely because of the projected changes in unemployment insurance benefits expected to be paid as the COVID-19 pandemic winds down; of the \$6.8 billion budgeted for the Oregon Employment Department, \$6.2 billion is associated with unemployment insurance benefits expected to be paid to Oregon's workers who are laid off through no fault of their own.

Conversely the number of positions in the Employment Department increased 28% from the 2019-21 legislatively approved level, due to new resources being brought to bear on a temporary basis for changes to unemployment insurance taxes and in continued response to the pandemic, as well as new permanent resources to support ongoing needs associated with federal reemployment programs, and the paid family and medical leave insurance program.

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.

General Fund in the amount of \$47.1 million is associated with start-up costs in the 2021-23 biennium for the Paid Family and Medical Leave Insurance division, which is tasked with implementing a separate program for this purpose; employer and employee contributions for this program will begin being collected in January 2023 and are anticipated to be sufficient to repay General Fund start-up costs from this and the prior biennium by biennium's end. A total of \$56.9 million is anticipated to be repaid at that time, depending on whether program development, staffing, and appropriate collection mechanisms are on schedule and in place.

The 2021-23 legislatively adopted budget included approval of Other Funds expenditure limitation in the amount of \$279,153,141. Of this amount, \$62 million is attributable to unemployment insurance administration, \$95 million is for the workforce operations division, \$18 million is for shared services/agency administration, and \$54.6 million is associated with efforts to modernize the Department's Unemployment Insurance tax, benefits, and business operations systems.

Increases in Federal Funds expenditure limitation were primarily associated with increased federal support for training and reemployment services provided to workers, and federal administrative funding to administer unemployment insurance benefits and extensions stemming from the COVID-19 pandemic.

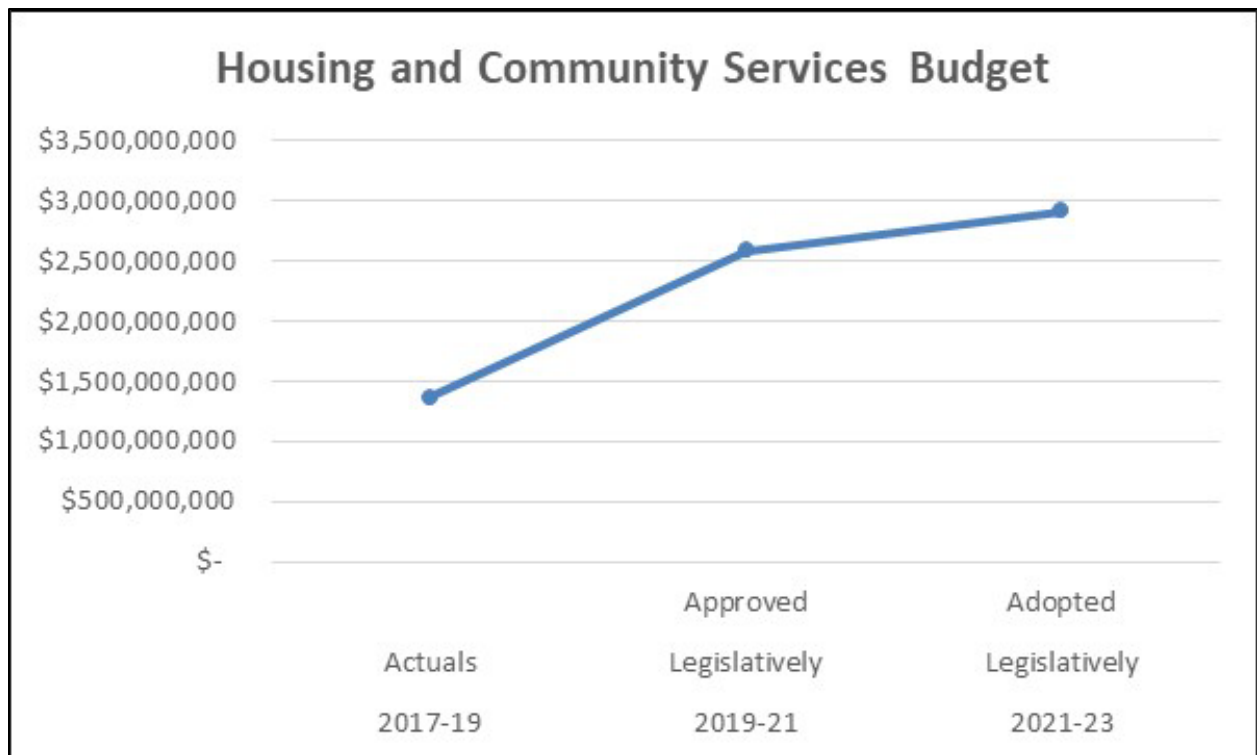
Major adjustments to the 2021-23 legislatively adopted budget include the following:

- Continuing Other Funds expenditure limitation and position authority approved at the September 2020 meeting of the Emergency Board to address pandemic-related workload issues: \$3.1 million OF and 12.00 FTE (0 additional positions; months were added to existing part time positions);
- Modernization of agency business services and technology infrastructure, including vendor costs: \$26.6 million Other Funds and 16 positions (4.00 FTE);
- Employment services provided under contract to state agencies and other organizations: \$13.5 million OF, \$4.4 million FF, and 56 positions (49.76 FTE);
- Enhanced federal Trade Act services to displaced workers: \$9.6 million FF and 45 positions (45.00 FTE);
- Paid Family Medical Leave Insurance program implementation: \$35.1 million GF, \$7.7 million OF, and 368 positions (153.68 FTE);
- Paid Family Medical Leave Insurance technology implementation: \$9.2 million GF, \$2.2 million OF; and
- Pandemic-driven updated forecasts of workload and benefit payments, requiring additional expenditure limitation and position authority: \$23.1 million OF, \$32.6 million FF, and 865 positions (288.33 FTE).

Housing and Community Services Department

The Housing and Community Services Department (HCSD) provides financing and program support for the development and preservation of affordable housing to low-and very low-income Oregonians, and administers state and federal antipoverty, homeless and energy assistance programs. Lottery Funds in the HCSD budget is dedicated to payment of debt service on lottery bonds issued in support of affordable housing projects.

The 2021 Legislative Assembly approved a total funds budget for HCSD of \$2,915,975,280 and 350 positions (327.84 FTE), the largest budget in the agency's history. The 2021-23 legislatively adopted budget was a total funds increase of 12.8% over the 2019-21 legislatively approved budget; General Fund expenditures increased by \$170.7 million. Approved positions increased by 154, or 79% from the 2021-23 current service level. Resources for the agency are included in its budget bill (HB 5011), the end of session emergency fund allocation bill (HB 5006), the Capital Construction bill (SB 5506), and several policy bills (HB 2739, HB 2163, HB 3335, HB 3040, HB 3141).



Investments can be categorized into the following main areas: efforts to address and prevent homeless (including pandemic-related rental assistance and landlord compensation associated with the extension of a state eviction moratorium through June 30, 2021); preserving and increasing the supply of affordable rental housing; providing and maintaining homeownership opportunities; centralized agency administration; and wildfire response and resilience. The agency issues bonds for single family mortgage products, offers 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. HCSD continues to focus efforts on historically underserved black, indigenous and persons of color (BIPOC), who have been disproportionately negatively impacted by the pandemic, homelessness, and a lack of housing affordability.

Major new investments to address and prevent homelessness included the following:

- \$25 million General Fund for shelter support;
- \$13.7 million General Fund for rental assistance and services for approved permanent supportive housing units developed with bonds issued pursuant to Article XI-Q of the Oregon Constitution;
- \$35 million General Fund to compensate landlords for missed rent payments because of COVID-19;
- \$4.5 million General Fund and \$4.5 million Other Funds expenditure limitation for long-term rental assistance for at risk youth and young adults, pursuant to HB 2163;
- \$15 million in additional Other Funds increase for the Energy Conservation Helping Oregonians program (for a total of \$28.8 million in Public Purpose Charge utility funding for this purpose);
- \$130.5 million Federal Funds for emergency rental assistance payments (note that this is the portion of \$360 million in total that is anticipated to be spent in 2021-23);

- \$53.6 million Federal Funds for the Emergency Solution Grant program to restabilize low-income Oregonians who've experienced a housing crisis;
- A total of \$137.5 million Federal Funds in utility assistance funding under the Low-Income Home Energy Assistance and Low-Income Household Water Assistance programs.

Significant new expenditures related to affordable housing infrastructure included:

- \$410 million Other Funds (supported by bonds issued under the authority of Article XI-Q of the Oregon Constitution) to build affordable housing through the Local Innovation and Fast Track (LIFT) Housing and Permanent Supportive Housing programs. These funds help construct approximately 4,738 affordable rental units (including 635 units of housing from the 2021 notice of Funding Availability period that met award criteria but did not receive funding due to resource constraints) under the LIFT program. Of the total, 350 units of permanent supportive housing are also projected to be constructed with these funds.
- \$13.4 million General Fund for rental assistance and services associated with permanent supportive housing developments;
- \$100 million General Fund for preservation of existing affordable rental housing units
- \$30 million General Fund to acquire land for affordable housing development and naturally occurring affordable housing; and

A \$10 million General Fund-supported special purpose appropriation to the Emergency Fund was included to support affordable rental housing co-located with early childhood education/childcare facilities. Pursuant to a budget note, HCSD and the Oregon Department of Education must present a proposal to the Legislature by February 2022 for a grant program that supports gap financing for such projects.

The most significant 2021-23 legislatively adopted budget adjustments to augment homeownership opportunities directed funding through the following programs:

- \$20 million General Fund for down payment assistance;
- \$20 million General Fund to construct new homes for purchase utilizing alternative ownership models;
- \$10 million General Fund for manufactured housing initiatives (including \$3 million for a manufactured home park in Springfield, and \$7 million for the park preservation, home decommissioning and replacement);
- A one-time \$7 million General Fund investment to match low-income savers' Individual Development Accounts, which can be used for down payment on a home purchase; and
- \$8 million General Fund for the following initiatives:
 - \$3 million for homeowner counseling to those in danger of foreclosure;
 - \$2 million to organizations that provide culturally specific outreach and education to potential homebuyers who have been historically underrepresented;
 - \$2 million to SquareOne Villages for a tiny home shared equity pilot program; and
 - \$1 million to Hacienda CDC for an Accessory Dwelling Unit pilot program.
- \$1.5 million Other Funds to continue the Oregon Homeownership Stabilization program, and \$32.9 million Federal Funds for the Homeownership Assistance Program, to help prevent foreclosure on homeowners experiencing pandemic-related economic hardship.

Emergency response and resiliency-related expenditures included \$100.4 million General and two additional positions are associated with construction, rebuilding and financing initiatives for wildfire survivors. A further \$50.8 million in Other Funds expenditure limitation supported by the issuance of lottery bonds will support efforts to acquire land for building efforts, as well as interim housing for those displaced by wildfires.

Managing the additional state and federal funding required increases in agency administrative capacity. An additional \$2 million General Fund, along with increased Other Funds expenditure limitation \$8.4 million, and additional Federal Funds expenditure limitation in the amount of \$11.8 million support 101 new positions within various divisions of the agency. Thirty-five of these positions are located in the Central Services division to support functions including human resources, communications, contracting, and project management.

Department of Veterans' Affairs

The Legislature approved a 2021-23 total funds budget of \$357.4 million and 104 positions (103.79 FTE) for the Department of Veterans' Affairs, which is 35% decrease from the 2019-21 legislatively approved budget. The decrease is primarily attributable to a \$204.3 million decrease in Other Funds nonlimited expenditure limitation to align with projected home loans and debt service payments.

Excluding Nonlimited funds, the 2021-23 legislatively adopted budget is an 8.6% increase from the 2019-21 legislatively approved budget. Lottery Funds expenditure limitation of \$21.1 million is included in the budget and represents a 9.4% increase over the prior biennium. The budget also includes \$8.9 million of General Fund, which consists of \$8.6 million for veterans' services and \$371,660 for debt service on outstanding bonds.

The legislatively adopted budget makes key investments with the lottery dollars dedicated by Ballot Measure 96 for services to veterans, while retaining a projected \$3.2 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 includes the following specific packages:

- \$6.1 million in lottery bond proceeds for the veterans' affordable housing project in Salem and associated bond costs of issuance.
- \$3 million increase in Other Funds expenditure limitation on a one-time basis in order to respond to anticipated cost increases related to providing care to veterans living in the two Oregon Veterans' Homes during the ongoing COVID-19 pandemic.
- \$750,000 in Lottery Funds on a one-time basis to continue the agency's progress towards replacing the Conservatorship Program system.
- \$650,000 in Lottery Funds on a one-time basis is transferred to ODOT to administer the Rural Veteran Healthcare Transportation grant program. ODVA partnered with ODOT during the 2019-21 biennium to administer this program.
- 600,000 in Lottery Funds on a one-time basis for Campus Veteran Resource Center Grants.
- \$400,000 increase in Other Funds expenditure limitation on a one-time basis to continue to fund efforts to replace aging technology for the Veteran Home Loan Program.
- \$342,669 Lottery Funds on a one-time basis to increase funding for the Veteran Services Grant Program to a total of \$938,118 for the 2021-23 biennium.

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 wildfire recovery initiative in the Department of Consumer and Business Services. Finally, \$261,416 in one-time lottery funding is included for the Bureau of Labor and Industries for 2021-23. Changes of note for Consumer and Business Services program area agencies are summarized below.

Board of Accountancy

The Board's 2021-23 legislatively adopted budget totals \$3,182,967 Other Funds and includes 8 positions (7.50 FTE). The budget is a 9.5% increase from the 2019-21 legislatively approved budget and is projected to leave the Board with an ending balance of approximately \$2,148,346 Other Funds, which is equivalent to an estimated 16 months of operating expenses. The budget, which does not include any policy option packages, allows the Board to continue current service level operations in the 2021-23 biennium.

Board of Chiropractic Examiners

The Board's 2021-23 budget totals \$2,146,466 Other Funds and includes 6 positions (5.10 FTE). This budget is a 7.1% reduction from the 2019-21 legislatively approved budget and leaves the Board with an ending balance equivalent to approximately 2.2 months of operations. The budget includes a decrease in Other Funds expenditure limitation to ensure the agency maintains a sufficient level of operating reserves.

Construction Contractors Board

The Board's 2021-23 budget totals \$17,837,162 Other Funds and includes 59 positions (59.00 FTE). This budget is an 8.6% increase from the 2019-21 legislatively approved budget, and leaves the Board with approximately four months of operating reserves. The budget includes increased expenditure limitation for Services and Supplies, to bring the budget in line with historical spending patterns; elimination of three vacant positions; and establishment of an Operations and Policy Analyst 1 position to work on licensing system improvements, and a new Human Resources Analyst 3 position.

Department of Consumer and Business Services

The 2021-23 legislatively adopted total funds budget for the Department of Consumer and Business Services (DCBS) is \$685,106,184 and includes 950 positions (941.15 FTE). The budget includes \$172 million in Nonlimited Other Funds for Workers' Compensation and Insurance programs. This budget is a 5.3% decrease from the 2019-21 legislatively approved budget.

Budget reductions include:

- *Workers' Compensation Program* - Phases out \$1.4 million in Other Funds expenditure limitation from the Premium Assessment Operating Account for one-time initial expenditures for the ongoing worker's compensation modernization project.

- *COFA Islander Premium Assistance Program* - Eliminates \$1.2 million of one-time General Fund appropriations due to beneficiaries now qualifying for Medicaid.
- *Division of Financial Regulation* - Phases-out \$101 million in Other Funds expenditure limitation and \$84.5 million in Federal Funds expenditure limitation for the administration and insurer payments for the Oregon Reinsurance Program. The expenditure limitations and administrative position authorizations are re-established at the projected required funding level for the 2021-23 biennium. Additionally, \$780,000 in Federal Funds expenditure limitation related to grant funding for Affordable Care Act enforcement provisions is also phased-out.
- *Senior Health Insurance Benefits Assistance (SHIBA) Program* - DCBS is transferring the SHIBA program to the Department of Human Services (DHS) which includes \$1.8 million Federal Funds and 4 positions (4.00 FTE).
- *Health Insurance Marketplace Program* - As described in SB 65 (2021), DCBS is transferring the Health Insurance Marketplace program to the Oregon Health Authority (OHA) which includes \$14.9 million Other Funds and 18 positions (18.00 FTE).

Budget additions include:

- *Division of Financial Regulation* - The largest addition to the DCBS budget is one-time expenditure limitation of \$105.6 million Other Funds and \$104.4 million Federal Funds to allow the Department to make payments to insurers under the Oregon Reinsurance Program established by HB 2391 (2017).
- *Wildfire Recovery Initiative* - A general Fund appropriation of \$10.7 million and 1 position (1.00 FTE) was approved as part of the Wildfire Recovery Initiative. This funding is for a new grant program to incentivize residential and commercial fire hardening for rebuilding and repairing dwellings and other structures that were destroyed or damaged in the 2020 wildfires.
- *Prescription Drug Affordability* - The establishment of the Prescription Drug Affordability Board (SB 844) adds \$1.8 million and 8 positions (5.26 FTE).
- *Behavioral Health Benefits* - \$708,708 and 3 positions (3.00 FTE) Other Funds expenditure limitation is added for oversight of new requirements for behavior health benefit carriers regarding nonquantitative treatment limitations established by HB 3046.
- *Pharmaceutical Representative Licensure* - SB 763 (2021) establishes a regulatory program for pharmaceutical representatives and requires representatives to obtain a license from DCBS. Other Funds expenditure limitation of \$698,944 and 2 positions (2.00 FTE) are added for the new program.

Board of Dentistry

The Board's 2021-23 budget totals \$3,768,719 Other Funds and includes 8 positions (8.00 FTE). This budget is a 3.9% increase from the 2019-21 legislatively approved budget, and leaves the Board with an ending balance equivalent to approximately six months of operating reserves. The budget includes an increase in expenditure limitation of \$85,416, for a new licensing database and on-going IT support.

Bureau of Labor and Industries

The 2021-23 legislatively adopted budget for the Bureau of Labor and Industries (BOLI) represents a 18.4% increase from the 2019-21 legislatively approved budget. Increases include:

- \$556,656 and two permanent full-time positions (2.00 FTE) to reestablish pre-COVID service levels to the Technical Assistance for Employers program.
- \$214,952 and one full-time position (1.00 FTE) to service the growing case volume in the Administrative Prosecution Unit.
- \$1.7 million and nine permanent full-time positions (9.00 FTE) to increase civil rights enforcement capacity to the Civil Rights Division.
- \$193,551 and one permanent full-time position (1.00 FTE) to provide support to Spanish speakers in the investigation of wage claims and complaints for the Wage and Hour Division's Eugene Office.
- \$484,107 and two permanent full-time positions (2.00 FTE) to continue the Eastern Oregon based apprenticeship and Veteran's Outreach positions.
- \$614,885 and one permanent full-time position (1.00 FTE) to establish a Diversity, Equity, and Inclusion support for the Apprenticeship and Training Division. A limited duration position (1.00 FTE) is also established to fulfill obligations related to an ongoing collaboration with the Higher Education Coordinating Commission (HECC) and the Oregon Employment Department (OED).
- \$2.3 million and eight permanent full-time positions (8.00 FTE) for the Fair Housing Enforcement Statewide Investment collaborative partnership between Fair Housing Council of Oregon (FHCO), BOLI, Department of Justice (DOJ), and other housing partners.

Medical Board

The 2021-23 legislatively adopted budget for the Oregon Medical Board totals \$16,951,813 Other Funds and includes 42 positions (42.00 FTE). The budget is a 20.4% increase from the 2019-21 legislatively approved budget and is projected to leave a ten-month operating reserve in the ending fund balance. The budget increase is due to investments in modernization of the Board's core business software, the addition of one Investigator position (1.00 FTE), and implementation of a Security Information Event Management Software solution.

Board of Medical Imaging

The Board's 2021-23 budget totals \$1,206,467 Other Funds and includes 4 positions (3.50 FTE). The budget is a 0.43% decrease from the 2019-21 legislatively approved budget and the projected ending balance of \$485,482 will leave the Board with approximately 9.66 months of operating expenses. The budget includes the ratification of fee increases expected to generate \$581,760 Other Funds to offset increasing administrative costs.

Mental Health Regulatory Agency

The Agency's 2021-23 legislatively adopted budget totals \$5,352,276 total funds, including \$5,052,276 Other Funds, and includes 14 positions (14.00 FTE). The budget is a 22.4% increase from the 2019-21 legislatively approved budget and is projected to leave the Board with an ending balance of approximately \$1,923,048 Other Funds, which is equivalent to an estimated 8 months of operating expenses. The Agency provides administrative support for two boards: The Board of Psychology and the Board of Licensed Counselors and Therapists. The budget includes an increase of two positions (2.00 FTE) from the 2019-21 legislatively approved budget.

The Agency's budget includes an increase in Other Funds expenditure limitation of \$227,013 to hire one Licensing Manager position (1.00 FTE) to direct and support the licensing activity

operations for both boards, which have both experienced continued growth of their licensee base. The budget increases Other Funds expenditure limitation by \$182,151 to add a limited duration Investigator position (1.00 FTE) to assist with the boards' growing investigation backlog by performing complaint investigations and investigation reporting and documentation. The budget also increases the agency's Other Funds expenditure limitation by \$146,965 in services and supplies for Attorney General costs, in order to process and dispose of the boards' increasing number of complaints and investigations. Additionally, the budget includes an appropriation of \$300,000 General Fund and a budget note directing the Agency to engage a third-party consultant to study the demographics of individuals licensed by the boards and to devise a plan to increase licensee diversity. The Agency must submit a written report and diversity plan to appropriate legislative policy committee(s) by December 31, 2022.

Mortuary and Cemetery Board

The 2021-23 budget for the Mortuary and Cemetery Board totals \$2,832,630 Other Funds and includes 7 positions (7.00 FTE). The budget is a 17.76% increase from the 2019-21 legislatively approved budget. The projected ending balance of \$1,500,805 will leave the Board with approximately 12.72 months of operating reserves. The budget includes an increase of \$61,760 Other Funds expenditure limitation to allow inspectors to travel to complete facilities inspections and an increase of \$150,000 Other Funds expenditure limitation for the Indigent Disposition Program.

Board of Naturopathic Medicine

The 2021-23 budget for the Board of Naturopathic Medicine totals \$1,060,590 Other Funds and 3 positions (3.00 FTE). The budget is a 12.18% decrease from the 2019-21 legislatively approved budget and the projected ending balance of \$324,778 will leave the Board with approximately 7.35 months of operating expenses. The budget includes the ratification of fee increases expected to generate \$120,000 Other Funds to offset increasing administrative costs.

Board of Nursing

The 2021-23 legislatively adopted budget for the Board of Nursing totals \$20,961,185 Other Funds and includes 54 positions (53.90 FTE). The budget is a 3.1% increase from the 2019-21 legislatively approved budget and includes no position or FTE changes. The budget is projected to leave an ending fund balance of \$7,907,092 Other Funds, or approximately 9.1 months of operating reserves. The budget includes Other Funds expenditure limitation of \$100,000 to provide enough limitation to pay for e-government transaction fees effective January 1, 2021. This fee, charged by NIC Oregon, would otherwise be paid by licensees.

Occupational Therapy Licensing Board

The Board's 2021-23 budget totals \$697,289 Other Funds and includes 2 positions (1.65 FTE). The budget is a 9.04% increase from the 2019-21 legislatively approved budget and the projected ending balance of \$289,954 will leave the Board with approximately 9.98 months of operating reserves. The budget includes fee increases expected to generate \$131,950 Other Funds to offset increasing administrative costs.

Board of Pharmacy

The Board's 2021-23 budget totals \$9,463,698 Other Funds and includes 22 positions (22.00 FTE). The budget is a 4.94% increase from the 2019-21 legislatively approved budget and the

projected ending balance of \$3,308,114 will leave the Board with approximately 8.33 months of operating reserves. The budget includes a \$29,851 increase in Other Funds limitation for to reclassify two positions in accordance with pay equity adjustments.

Public Utility Commission

The Other Funds budget for the Public Utility Commission increased \$3.9 million (or 7.2%) over the 2019-21 legislatively approved budget. Increases include:

- \$321,971 for ongoing costs for the e-filing/e-discovery IT project.
- \$1.2 million to increase the Oregon Telephone Assistance Program (OTAP) discount from \$3.50 to \$10.00 for eligible low-income households that subscribe to phone or broadband internet access service.
- \$324,286 and one permanent full-time position (1.00 FTE) to comply with the provisions in SB 762. SB 762 provides statewide comprehensive directions to promote wildfire risk reduction, response, and recovery, including the development of a comprehensive statewide map of wildfire risk as well as the establishment and implementation of program activities related to defensible space, building codes, land use, and community emergency preparedness.
- \$1.9 million and ten positions (6.50 FTE) to implement a new clean energy program (HB 2021) which sets greenhouse gas emission reduction targets for electric companies.

Board of Examiners for Speech-Language Pathology and Audiology

The Board's 2021-23 budget totals \$1,045,357 Other Funds and includes 3 positions (3.00 FTE). The budget is a 5.94% increase from the 2019-21 legislatively approved budget and the projected ending balance of \$200,160 will leave the Board with approximately 4.59 months of operating reserves. The budget includes fee increases expected to generate \$149,821 Other Funds to offset increasing administrative costs.

Board of Tax Practitioners

The Board's 2021-23 budget totals \$1,082,116 Other Funds and includes 2 positions (2.00 FTE). The budget is a 3% reduction from the 2019-21 legislatively approved budget and leaves the Board with approximately 5.9 months of operating reserves. The budget eliminates a long-term vacant Program Analyst 1 position and increases the agency's Administrative Specialist 1 position from part- to full-time.

Veterinary Medical Examining Board

The Board's 2021-23 budget totals \$1,337,579 Other Funds and includes 4 positions (3.75 FTE). The budget is a 6.15% increase from the 2019-21 legislatively approved budget and the projected ending balance of \$1,201,829 will leave the Board with approximately 21.56 months of operating reserves. The approved budget is the current service level budget with additional policy option packages.

Department of Agriculture

The adopted budget for the Department of Agriculture totals \$145 million. The budget includes \$34.9 million General Fund, \$10.4 million Ballot Measure 76 Lottery Funds, \$81.4 million Other Funds, \$18.4 million Federal Funds, and 522 positions (400.74 FTE). The total funds budget is 10.1% higher than the 2019-21 legislatively approved budget level. The General Fund budget is

42.3% higher than the 2019-21 budget due to roll-up costs for the State Meat Inspection Program established by HB 4206 (June 2020 Special Session), funding for two positions in the Native Plant Conservation program, funding for water quality work in small watersheds, and \$1.5 million shift of Other Funds costs to the General Fund in the Food Safety program to mitigate the level of fee increase necessary to fund the program over the next two biennia.

Additionally, some one-time General Fund investments were made, including funding in the noxious weed control program, facilitation and research work in the State's designated Groundwater Management Areas and predator control. Finally, General Fund was provided for the regulation of kratom (HB 2646) and for one-time grants to eligible establishments that want to operate under the State Meat Inspection Program (HB 2785).

While \$1.9 million of Ballot Measure 76 Lottery Funds were added to combat the invasive Japanese Beetle, overall lottery funding decreased by around \$500,000 from 2019-21 levels. The Other Funds budget increased by \$2.8 million over 2019-21 mostly due to increased staffing in the Hemp program. Fee increases to statutory caps were included for the Food Safety, Livestock Identification, and Commercial Feeds programs, and fee increases were ratified for the Certifications and Animal Rescue Entity 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 2021-23 biennium totals \$1,384,000 General Fund. The budget is a 19.1% increase from the 2019-21 legislatively approved budget and is 14.9% 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 \$1,354,000 for joint operational expenses and \$30,000 for Oregon commissioner expenses. The budget includes funding for the first phase in replacement of the Commission's antiquated Access database.

Department of Energy

The legislatively adopted budget for the Department of Energy is \$180.2 million total funds and includes \$74.4 million General Fund, \$3 million Lottery Funds for debt service, \$68 million Other Funds, \$3.1 million Federal Funds, \$31.7 million Other Funds Nonlimited, and 93 positions (91.00 FTE). The total funds budget is \$80 million (or 64%) higher than the 2019-21 legislatively approved budget.

The budget includes several one-time General Fund investments, including \$3.5 million to cover a budget shortfall related to debt service payments in the Small-Scale Energy Loan Program (SELP), \$10 million for the solar rebate program that was first approved in HB 2618 (2019), \$10.8 million for a grant program around Energy Efficient Rebuilding in wildfire impacted communities, and \$50 million for the Community Renewable Investment Fund established by HB 2021 (2021).

The Other Funds budget for the agency has more than doubled from 2019-21 with the establishment of the Community Renewable Investment program (HB 2021) that will have the

Department distributing about \$25 million for grants and community renewable energy projects in 2021-23 and the \$10 million of additional funding for the Rooftop Solar Incentive Fund that will provide solar rebates.

Nonlimited Other Funds and Federal Funds limitation is provided for the SELP program; however, no bond authority was approved to finance new loans.

Department of Environmental Quality

The legislatively adopted budget for the Department of Environmental Quality is \$621.8 million total funds, including \$75.4 million General Fund, \$6 million Ballot Measure 76 Lottery Funds, \$266.8 million Other Funds, \$29.6 million Federal Funds, and 817 positions (806.99 FTE). The budget also includes \$244 million of Nonlimited Other Funds for Clean Water State Revolving Fund loan activities and debt service. The total funds budget is \$123 million (or 24.6%) higher than the 2019-21 legislatively approved budget level.

The General Fund budget is \$18.8 million (or 33.2%) higher than 2019-21 due largely to a \$4.4 million state investment in overall water quality improvements. This includes positions to implement clean water plans, continue testing and monitoring of harmful algal bloom, fund initial design of a water infrastructure database, \$2 million for low cost loans to repair or replace failing septic systems, and funding for positions to provide financial assistance for on-site septic systems intended to assist wildfire impacted communities. Additional General Fund investments in the Air Quality Division include funding to continue implementation of the greenhouse gas reduction program and the Clean Diesel program, one-time support for the Lane Regional Air Protection Agency, and \$3.3 million in one-time funding to support wildfire smoke mitigation programs (SB 762). Finally, \$3 million General Fund was provided as cost-share with FEMA for the 2020 wildfire cleanup efforts.

The 2021-23 Other Funds budget is \$37.3 million higher than 2019-21 due to increases for the Vehicle Inspection program (\$1.3 million), modernize the Clean Water State Revolving Loan Fund management software (\$1.5 million), \$4.3 million for Orphan Site solid waste cleanup, 4.7 million for the Environmental Data Management System (EDMS) project and ongoing maintenance funding, and \$3 million and 11 positions for additional administrative support. The budget includes fee increases for the vehicle inspection program, asbestos health protection program, hazardous waste disposal, and establishment of a surcharge on all EDMS-generated invoices in order to fund the ongoing costs of the Environmental Data Management System.

Department of Fish and Wildlife

The Department of Fish and Wildlife 2021-23 budget totals \$435.5 million, which includes \$47 million General Fund, \$6.8 million Ballot Measure 76 Lottery Funds, \$222 million Other Funds, \$159 million Federal Funds, and 1,364 positions (1,169.47 FTE). The Department's total funds budget is 9.6% higher than 2019-21 levels. General Fund support is up 44.8%, including positions and funding for the establishment of a new Habitat Division, \$1.2 million in water-related issues around the Willamette basin and placed based planning efforts, additional positions for the Western Oregon Streams Restoration program, and one-time funding for the Conservation and Recreation Fund, capital renewal bonding debt service, predator control, and ocean acidification (HB 3114). Ballot Measure 76 Lottery Funds are down 15% from 2019-21 and only 5.2% above current service level.

The 2021-23 Other Funds expenditure limitation is \$21.2 million (or 10.2%) higher than 2019-21 due to \$5 million for capital renewal project bond funding, one-time funding of \$5 million for fish screens and passage projects from American Rescue Plan Act funds, \$1 million of one-time funding for the Conservation and Recreation Fund, and \$2.8 million for culvert fish passage in partnership with the Department of Transportation.

Federal Funds expenditure limitation is 7% higher than 2019-21 due to an increase in the Pittman-Robertson apportionment, that comes from the sale of sporting arms and ammunition, that will be used for the acquisition of the Minam Property in Wallowa County, and additional limitation and positions to assist landowners in implementation of conservation projects outlined in the federal Farm Bill.

Oregon Department of Forestry

The Legislature adopted budget for the Oregon Department of Forestry of \$522,185,744 is an 34.3% increase from the legislatively adopted budget for the 2019-21 biennium. The increase in funding is resultant of significant investments in fire protection, prevention, and resiliency including:

- \$5.93 million, total funds, to continue enhancements to the agency's fire organization sustainability and modernization that were initiated by the Emergency Board in January of 2021.
- \$9.13 million, total funds increase in support for the Federal Forests Restoration program to increase the scale and pace of treatments on federal lands to reduce the risk of, or diminish the severity of, wildfire on those and adjoining lands.
- \$1.6 million, total funds, investment in communication systems, equipment an infrastructure was made to support firefighter life safety programs.
- \$21,731,188 total funds, and 15 positions (15.00 FTE) for landscape restoration work, development and maintenance of a statewide map of wildfire risk, clarification of rules for prescribed fire, and rules establishing baseline levels of wildfire protection for non-protected ODF lands
- \$20,827,651, total funds, and 93 positions (65.40 FTE) to perform assessment work and build capacity in the Department.
- \$15,000,000 General Fund for the purpose of providing a subsidy to offset landowner assessment rates attributable to the increased wildfire response capacity required as part of the bill.
- \$4,500,000 General Fund is provided for assistance to non-governmental units for wildfire response capacity issues.
- \$5 million General Fund for grants to nurseries for increasing tree seedling capacity for replanting needs
- \$5 million General Fund to establish a small woodland grant program to provide competitive grants to support small woodland owners in reducing wildfire risk

Additionally, bond proceeds of \$4.8 million were provided to the agency to address deferred maintenance backlogs on agency-owned facilities, and \$1.7 million General Fund was provided to address Sudden Oak Death.

Department of Geology and Mineral Industries

The Department's 2021-23 budget totals \$18.8 million and includes 35 positions (34.67 FTE). Overall, the budget is 6.5% higher than the 2019-21 legislatively approved budget. The General Fund total has increased 16.9%, the Other Funds limitation has increased 4.3%, and the Federal Funds limitation is half a percent less than 2019-21.

The budget includes the elimination of five vacant positions in the Geologic Survey program and utilizes the General Fund from those positions to adjust the budgeted fund-split for existing filled positions within the program. By redistributing the General Fund to existing positions, the science program will have a more stable revenue source and allow for more program flexibility in the pursuit of projects and grants. Additional General Fund was provided to align the budget and actual expenditures with the appropriate source of funding for payment of State Government Service Charges.

Department of Land Conservation and Development

The 2021-23 budget for the Department of Land Conservation and Development totals \$33,719,201 and supports 68 positions (66.35 FTE). The budget amount comprises \$25,446,798 General Fund, \$1,654,793 Other Funds, and \$6,617,610 Federal Funds. The budget is a \$7 million increase from the 2019-21 legislatively approved budget, and includes:

- \$6,106,912 General Fund and six positions (5.50 FTE) to provide grants and technical assistance to local governments for the development and adoption of housing production strategies.
- \$1,306,912 General Fund for the agency to study and make legislative recommendations, in consultation with the Housing and Community Services Department, on the incorporation of a Regional Housing Needs Analysis (RHNA) into state and local planning programs.
- \$1,000,000 General Fund and one position (1.00 FTE) for Equitable Rural Transportation Planning.
- \$1,000,000 General Fund and one position (0.88 FTE) to develop rules relating to land use and transportation program development and implementation to meet Oregon's greenhouse gas reduction goals from the land use and transportation sector.
- \$328,253 General Fund and one position (1.00 FTE) work with the Oregon Department of Forestry and other affected agencies on wildfire mapping and land use recommendations as directed under SB 762 (2021).

Land Use Board of Appeals

The 2021-23 budget for the Land Use Board of Appeals totals \$2,626,826 and 7 positions (7.00 FTE), including \$2,590,340 General Fund and \$36,486 Other Funds. The budget is a 15.04% increase from the legislatively approved budget for the 2019-21 biennium and includes \$201,818 and 1 position (1.00 FTE) to establish a second staff attorney position; and \$50,000 for the agency to develop a business case for an electronic filing and case management system.

Oregon Parks and Recreation Department

The 2021-23 legislatively adopted budget for the Oregon Parks and Recreation Department increases by \$50.1 million (18.6%) from the legislatively approved budget for the 2019-21 biennium. Slight reductions in ongoing operating expenditures that were made to balance the agency's budget to estimated available funding are offset by increases to accommodate bond

proceeds of \$50 million for capital improvement projects and \$10 million for the Oregon Main Street grant program.

Department of State Lands

The legislatively adopted budget for the Department of State Lands decreased by \$11.8 million (-15.9%) from the legislatively approved budget for the 2019-21 biennium, driven almost entirely by the transfer of the Trust Property Programs to the Oregon State Treasury, including fourteen positions associated with the programs.

Expenditure limitation for ongoing legal and cleanup projects costs of \$13.2 million Other Funds for the Portland Harbor Superfund Site were reestablished for the upcoming biennium. Ongoing management and maintenance contracts for the Elliott State Forest were provided \$2 million Other Funds.

Water Resources Department

The 2021-23 legislatively adopted budget for the Water Resources Department of \$190,674,321, all funds, is a 32.2% increase from the legislatively approved budget for the 2019-21 biennium. The Legislature invested \$4.1 million General Fund in planning and stakeholder engagement surrounding water use and equity in Oregon. \$3 million General Fund was allocated to evaluation of groundwater resources, \$1 million General Fund was provided for engineering analyses of dams, and \$1.1 million General Fund was dedicated to domestic water well issues.

The budget includes expenditure limitation increases of over \$68 million for anticipated bond proceeds for water infrastructure, planning, and development projects.

American Rescue Plan Act monies totaling \$19.5 million were allocated to WRD for a number of water resource related investments that supported existing agency operations, funded infrastructure projects, and expanded the agency's technical resources capacity.

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 \$670,000 General Fund, \$9 million in Ballot Measure 76 Lottery Funds, \$18,697 Other Funds, \$3.1 million Federal Funds, and 36 positions (36.00 FTE) to support administration of the grant program during the 2021-23 biennium.

The grant program budget includes \$19.8 million General Fund, \$14.8 million Other Funds, and \$45 million Federal Funds. The grants program budget also includes \$85.5 million Lottery Funds expenditure limitation for new grants awarded during the 2021-23 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.

While this agency has never relied on General Fund support, for the 2021-23 biennium, one-time funding was included in the OWEB budget to support wildfire recovery grants. These additions included:

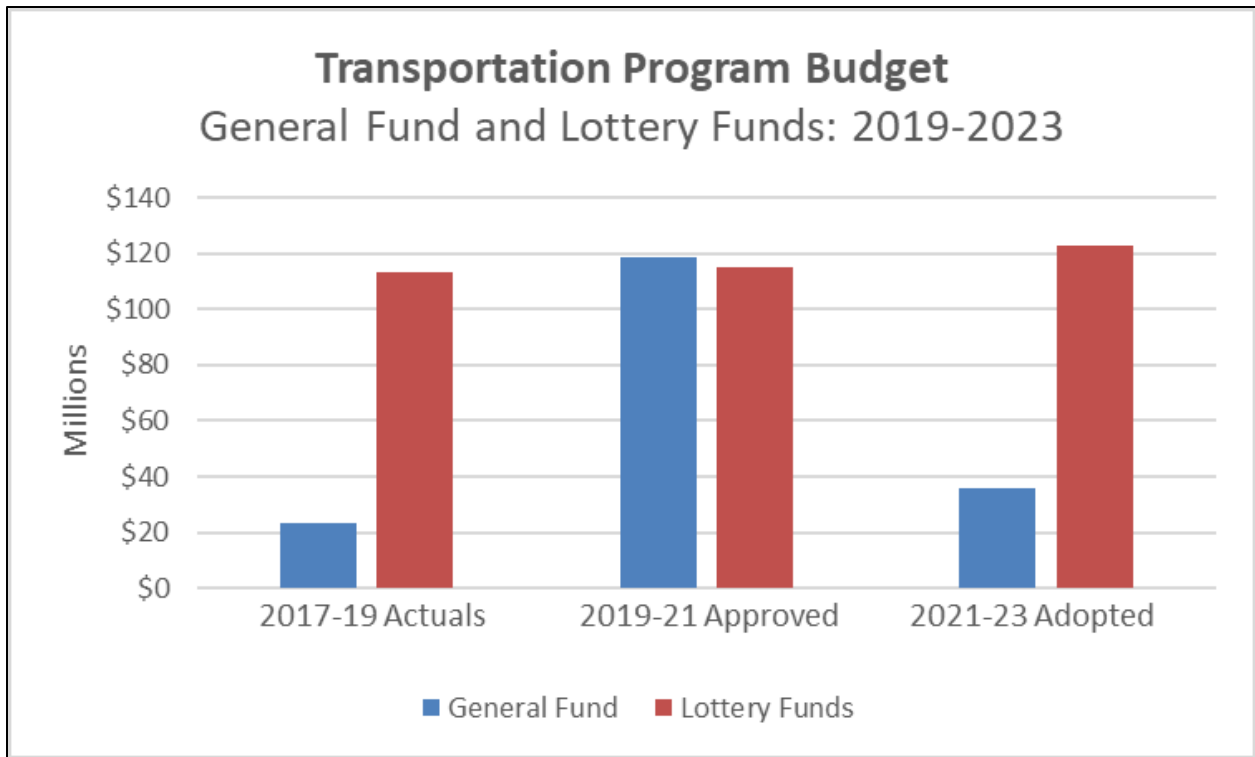
- \$10,750,000 General Fund for wildfire recovery riparian and upland restoration grants,
- \$5,000,000 General Fund for wildfire recovery floodplain restoration/reconnection grants,
- \$5,000,000 for a pass-through grant to the Eugene Water and Electric Board (EWEB) to pay for restoration activities in the McKenzie River basin,
- \$670,000 General Fund to support three positions to support the additional grant activities which are funded in the operations program area.

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 2021-23 legislatively adopted budget for the Transportation program area totals \$5.2 billion, which is comprised of \$36 million General Fund, \$122.9 million Lottery Funds, \$4.8 billion Other Funds, and \$135.4 million Federal Funds. The budget also includes \$18 million in Nonlimited Other Funds for the Infrastructure Bank Loan program activity and \$20.7 million in Nonlimited Federal Funds for debt service supported by Federal Funds.

Excluding Nonlimited Funds, the total program area budget for 2021-23 is \$225.5 million (or 4.2%) below the 2019-21 legislatively approved budget. The decrease in total funds is primarily due to a reduction in General Fund expenditures in ODOT due to phased completion of wildfire debris removal, and fewer Federal Fund expenditures because of declining federal gas tax distributions to the state; so far, Congress has failed to reauthorize long-term funding for state transportation programs.



Department of Aviation

The Department of Aviation is supported entirely by Other Funds and Federal Funds. The agency’s total funds budget is \$31 million, which is \$527k (or 1.7%) lower than the 2019-21 legislatively approved budget. This budget includes reductions of \$4.5 million in capital construction due to funding uncertainty and a \$1.4 million Other Funds reduction including two positions (2.00 FTE) due to lower than normal aviation fuel tax revenue as a result of the COVID-19 pandemic shutdown. A 2-cent increase to Jet Fuel and Aviation Gas Tax passed in the 2015 session was set to sunset in 2022. HB 2434 approved in the 2021 session removes the sunset adding \$4.6 million Other Funds to the department’s budget for the Aviation System Action Program.

Department of Transportation

The ODOT total funds budget for the 2021-23 biennium is \$5.15 billion. When nonlimited funds are excluded, the budget is \$225 million (or 4.2%) less than the 2019-21 legislatively approved budget. General Fund resources for ODOT decreased by \$82.9 million as the majority of cleanup efforts from the 2020 wildfire season are completed. Of the General Fund in ODOT’s 2021-23 legislatively approved budget:

- \$14.4 million is attributable to continuing debris removal activities and required match or expenditures not eligible for highway funds or reimbursable by FEMA;
- \$1.25 million is for cultural resource assessments in advance of wildfire debris removal activities;
- \$2 million General Fund is associated with augmenting contracts for graffiti and litter removal to state-owned property; and
- \$18.4 million of General Fund is associated with debt service, mostly for the State Radio Project that was completed in 2017.

Lottery Funds expenditure limitation increased by \$7.7 million compared to the 2019-21 legislatively adopted budget. Of this amount, \$950,000 is for Rural Veterans' Healthcare Transportation Grants, \$300,000 of which represents carryover from the previous biennium. Debt service associated with lottery bonds accounts for roughly 98% of lottery fund expenditures.

Other Funds expenditure limitation increased by a total of \$34.8 million (less than 1%), compared to the 2019-21 legislative approved budget. A State Board of towing was established by the passage of SB 300, accounting for \$298,451 in Other Funds expenditure limitation. Limitation was added to accommodate lottery bond proceeds which will be issued for two projects: a pedestrian bridge in the City of Sherwood, and improvements to Fanno Creek Trail, managed by Tualatin Hills Parks and Recreation Department. American Rescue Plan Act (ARPA) funds totaling \$12.3 million for local projects were designated, consisting of funding towards the replacement of the Hood River-White Salmon Interstate Bridge, rehabilitation of the Lake County Railroad, and planning costs of the Clackamas County Sunrise Gateway corridor. Another \$112 million in ARPA funding was directed toward Phase II of the Newberg Dundee Bypass (\$32 million), and safety improvements to Oregon 213/82nd Avenue in Portland.

Other Funds for capital projects was increased for heating, ventilation, and air conditioning improvements at a number of ODOT facilities (\$3.8 million); and for improvement and consolidation of the two maintenance stations (\$12 million and \$16.2 million, respectively).

Eighty-four limited duration positions (25.25 FTE) established in 2019-21 were extended to help DMV meet demand for services that were curtailed during the pandemic, including drivers' licenses, Real ID, and driving tests. Other Funds expenditure limitation associated with this initiative totals just under \$4 million and is supported through licensing fees and registrations.

Federal Funds expenditure limitation is decreased by \$184.6 million (or 59.4%) compared to the 2019-21 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.

The 2021-23 legislatively adopted budget for the program area is \$18.5 billion total funds. The adopted budget is \$1.7 billion (or 10.3%) more than the 2019-21 legislatively approved budget and includes 3,495 positions (3,416.23 FTE). This program area funding accounts for 16% of the \$112.8 billion statewide total funds budget.

The program area is supported by \$380.2 million General Fund (2%), \$48.6 million Lottery Funds (0.3%), \$2.4 billion Other Funds (13%), \$13 billion Other Funds Nonlimited (71%), and

\$2.6 billion Federal Funds (14%). 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. The large increase in Federal Funds is due to the inclusion of America Rescue Plan Act funding. Almost all the of the \$13 billion Other Funds Nonlimited funding in this program area is attributable to benefit payments to state and local government retirees.

Department of Administrative Services

The 2021-23 legislatively adopted budget for the Department of Administrative Services (DAS) totals \$4.3 billion, which is \$1.2 billion (or 40%) above the 2019-21 legislatively approved total funds budget, and \$3.2 billion (or 282%) more than 2017-19 actual expenditures. This dramatic increase is attributable to receipt of funding from the federal government to address the COVID-19 pandemic. During the 2019-21 biennium DAS received almost \$1.4 billion from the CARES Act Coronavirus Relief Fund. In April 2021 Congress passed a the latest COVIS-19 relief package, the America Rescue Plan Act (ARPA), which included the State Fiscal Recovery Fund. The State Fiscal Recovery Fund monies are to be used to respond to the COVID-19 public health emergency and its economic impact, including replacing state revenues lost because of the pandemic. The DAS 2021-23 legislatively adopted budget includes \$2.3 billion of federal ARPA Coronavirus State Fiscal Recovery and Capital Projects Fund support. DAS will spend all APRA monies as Federal Funds, however all other state agencies receiving pass-through ARPA funding from the State Fiscal Recovery Fund will spend those monies as Other Funds. Almost all the ARPA State Fiscal Recovery and Capital Projects Fund money will be passed on to other state agencies for expenditure. DAS will retain \$1,843,164 to support five limited duration positions to track ARPA expenditures and eligibility requirements, as well as, comply with federal reporting and audit requirements.

Limited Other Funds are the primary source of DAS operational expenditures and are derived from assessments and fees paid by state entities. The limited Other Funds 2021-23 legislatively adopted budget for DAS totals \$1.4 billion, which is \$155 million (or 12%) above the 2019-21 legislatively approved Other Funds limited budget. Significant increases include \$37 million to pay the consolidated licensing costs of Microsoft Office 365 software for all executive branch agencies, \$14.5 million to replace equipment at the State Data Center that is past its useful life, \$17.4 million to implement a new payroll and time tracking system using the existing Workday platform, \$2.1 million to procure alternative fuel vehicles for the fleet, and \$1.8 million to create the Office of Cultural Change. Other Funds Nonlimited totals \$139 million for 2021-23, which is almost the same as the 2019-21 legislatively adopted level.

The DAS budget also contains \$68.5 million General Fund for 47 specific local projects across Oregon. The budget also includes \$176.4 million Other Funds expenditure limitation supported by revenues from the sale of lottery bonds for 30 projects around the state. The budget report for HB 5006 (2021) contains a list of these General Fund and lottery bond supported project.

Advocacy Commissions Office

The 2021-23 legislatively adopted budget for the Oregon Advocacy Commissions Office totals \$1,238,100 General Fund and \$9,841 Other Funds. The budget is a 73.8% increase from the 2019-21 legislatively approved budget, primarily due to the Advocacy Commissions Office staff

increasing from three positions (2.50 FTE) in 2019-21, to four positions (4.00 FTE) in 2021-23. The budget increases the agency's existing Operations and Policy Analyst 3 position from part-time to full-time; adds a new full-time Public Affairs Specialist 2 position to engage with constituent communities; and includes funding for to pay for the difference between the budgeted and actual costs of the agency's Executive Director position.

Employment Relations Board

The 2021-23 legislatively adopted budget for the Employment Relations Board is \$5,835,237 total funds, including \$3,257,926 General Fund and \$2,577,311 Other Funds and 13 positions (13.00 FTE). The total funds budget is a 4.8% increase from the 2019-21 legislatively approved budget and includes no position or FTE changes.

Government Ethics Commission

The 2021-23 legislatively adopted budget for the Government Ethics Commission totals \$3,231,509 Other funds and 9 positions (9.00 FTE). The budget is a 5.8% increase from the 2019-21 legislatively approved budget and includes no position or FTE changes.

Office of the Governor

The Office of the Governor's total funds budget of \$29.2 million represents a \$2 million, or 7.3%, increase from the 2019-21 legislatively approved budget and a 9% increase over the 2021-23 current service level. The legislatively adopted budget includes \$20.3 million General Fund, \$4.6 million Lottery Funds, \$4.3 million Other Funds, and 69 positions (68.83 FTE).

The budget incorporates funding for two positions to support the work of the Governor's Racial Justice Council, continue mediation between representatives of the forest industry and environmental interests that began in February 2020, and complete the survey work of the Governor's Wildfire Council that was begun in 2020, but not completed. In addition, funding and positions were added to the budget to accommodate work anticipated in approved legislation including \$1.4 million General Fund and 4 positions (3.83 FTE) to staff the Office of Immigrant and Refugee Advancement (SB 778), \$0.5 million General Fund for one position (1.00 FTE) to support the new Wildfire Programs Advisory Council (SB 762), and \$0.2 million for a Homeland Security Council support position (HB 2927).

Oregon Liquor Control Commission (Oregon Liquor and Cannabis Commission)

The 2021-23 legislatively adopted budget for the Oregon Liquor Control Commission totaled \$391,328,393 million Other Funds, a 48.6% increase from the 2019-21 legislatively approved budget. A total of 384 positions (381.25 FTE) are approved for the 2021-23 biennium. The budget is entirely Other Funds, funded from licensing fees and liquor sales. The Legislature approved bonds totaling \$89.5 million for the following projects:

- \$52.5 million to buy land and build a new headquarters and warehouse to accommodate future growth. The new facility is expected to be completed in the 2023-25 biennium;
- \$10 million for a conveyor and order fulfillment system for the new facility;
- \$27 million for new information technology systems, including licensing systems for both alcohol and marijuana licensees, and sales and inventory management systems.

These projects are included in SB 5505, and the limitation for the land and facility, and the conveyor system is included in SB 5506. Combined debt service on the projects is projected

total \$7.5 million in the 2021-23 biennium. The OLCC is directed to report to the Legislature on details of the sale of its existing property and its relocation plan, pursuant to a budget note included in HB 5006.

The legislature approved the adoption of changes to compensation for retail contract liquor agents and distillery agents, reflected in HB 2740 and SB 316, respectively; agents compensation changes result in combined additional Other Funds expenditure limitation totaling \$17 million. SB 96 also passed, requiring OLCC to regulate inhalants and necessitating 2 positions (1.50 FTE) and \$346,147 in additional expenditure limitation.

Other budget adjustments were also approved, and reflected in the agency's budget bill, HB 5018, including:

- Additional alcohol compliance and licensing personnel: \$2,106,497 and 9 positions (8.50 FTE).
- Human resources staffing to allow the agency to fill positions, reduce turnover, and institute training programs: \$1,009,200 and 4 positions (4.00 FTE).
- Information Systems personnel to provide administrative support and manage vendor relations: \$522,397 and 2 positions (2.00 FTE).
- Liquor auditing and payroll services: \$394,185 and 1 position (1.00 FTE).
- Reclassifications of existing personnel to conform to current duties and eliminate work out of class pay exceptions: \$91,248
- Additional marijuana licensing and inspection positions to address a backlog of licensing applications: \$1,840,000 and 8 positions (8.00 FTE).
- Administrative hearings case presenters, the need for which is primarily being driven by marijuana licensee violations: \$1,052,348 Other Funds and 4 positions (4.00 FTE); and
- Licensing and subscription costs to support the agency's beer and wine privilege tax reporting system: \$1,100,000.

The adopted budget includes a marijuana licensing revenue transfer to the Department of Agriculture for the 2021-23 biennium, totaling \$487,897 for cannabis-related pesticide investigation and enforcement actions. A related budget note requires OLCC to inventory existing and anticipated regulatory efforts that are supported by marijuana license fees and are delivered cooperatively through other state agencies, and propose criteria for determining future funding efforts, and a transparent funding mechanism for such efforts.

The passage of HB 2111 during the 2021 legislative session, changes the name of the Oregon Liquor Control Commission to the Oregon Liquor and Cannabis Commission (OLCC), effective August 2, 2021.

Liquor sales are projected to total \$1.6 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 2021-23 biennium are as follows:

- \$346.5 million to the General Fund.
- \$109 million to incorporated cities.
- \$76.3 million for City Revenue Sharing.
- \$54.5 million to counties.

- \$20.3 million for county mental health services.
- \$0.745 million to the Oregon Wine Board.

Public Employees Retirement System

The budget for the Public Employees Retirement System totals \$13.1 billion Other Funds and \$16.8 million Lottery Funds. Of the Other Funds total, \$12.9 billion is for benefit payments to retirees. The budget includes 423 positions (421.92 FTE). The budget is \$270.8 million (or 2.1%) more than the 2019-21 legislatively approved budget. The agency's operating or administrative budget is \$63.2 million (or 30.1%) less than the 2019-21 legislatively approved budget due primarily to the elimination of one-time funding for 25% matching funds for eligible employer contributions.

The single largest increase in the administrative budget totals \$22.8 million and 35 positions for the continued implementation of SB 1049, which was the PERS reform measure from the 2019 session. A budget note directs reporting to the Legislature in 2022 on the continued implementation of SB 1049. For the first time, the budget includes Lottery Funds (sports betting revenue) for the Employer Incentive Fund, which is to be used for a 25% state match program for employer side accounts (\$16.8 million).

The budget also includes continued funding for cybersecurity, disaster recovery, business continuity, and the agency's move to the State Data Center (\$1.9 million and one position/0.88 FTE). A second budget note directs reporting on the agency's efforts to move the State Data Center and the development of a warm-site data backup. There are eight new operational staff added across various divisions (\$1.2 million) as well as funding for deferred maintenance on the agency's headquarters building (\$425,000). The budget also includes funding to begin the planning phase to modernize the agency's core retirement application (\$800,000).

Oregon Racing Commission

The budget for the Racing Commission is \$7.4 million Other Funds, which is a 16.1% increase from the 2019-21 legislatively approved budget. It includes 14 positions (10.39 FTE). Budget increases are due to technical adjustments and a one-time special payment increase for racing development to help mitigate the impacts of the pandemic shutdown.

Department of Revenue

The budget for the Department of Revenue is \$398.1 million total funds, which is a \$46.3 million (or 13.2%) increase from the 2019-21 legislatively approved budget. The budget includes \$242.5 million General Fund, \$155.6 million Other Funds, and includes 1,125 positions (1,060.21 FTE).

Significant General Fund increases include:

- \$23.2 million for the Department to make grants to counties for the reimbursement of lost tax revenue related to the 2020 wildfires.
- \$7.8 million for ongoing contracted maintenance and support of GenTax, the agency's tax administration system. The funding will also build the agency's IT capacity to eventually reduce its dependence on vendors for the system.

- \$575,790 for 10 permanent seasonal positions (4.68 FTE) to address peak workload during tax season within the Personal Tax and Compliance Division.

Other Funds for the Department are \$13.3 million (or 9.3%) more than the 2019-21 legislatively approved budget, which is primarily for the administration of the Corporate Activity Tax program and expenditure of Article XI-Q Bond proceeds on the Electronic Valuation Information System (ELVIS) project. Other changes include \$1.4 million on a one-time basis to administer the statewide transit tax; \$1.2 million for the implementation of SB 587 (2021); \$695,956 for the implementation of Ballot Measure 108 (2020); and \$677,253 to support GenTax.

In alignment with a 2019 Department report and prior legislative direction, \$32.6 million General Fund \$2.5 Other Funds, and 175 positions (174.56 FTE) from the Personal Tax and Compliance Division and Business Division were shifted to the Collections Division to consolidate all collection functions into a single division. Also, included is a budget note directing the Department to report to the Joint Committee on Ways and Means by January 2023 on a plan to modernize and enhance its customer call centers.

Secretary of State

The Secretary of State's total funds budget of \$99.9 million represents a \$10.1 million, or 11.3% increase from the 2019-21 legislatively approved budget and a 7.8% increase over the 2021-23 current service level. The 2021-23 adopted budget includes \$18.2 million General Fund, \$75.8 million Other Funds, \$5.9 million Federal Funds, and 232 positions (231.08 FTE). The number of positions represents an 8 position, or 3.6%, increase over the 2019-21 biennium approved level. General Fund increases include:

- \$2,474,287 which includes \$2 million for grants to counties to refresh elections equipment and meet emerging technology needs. The remain funding supports a position and technology to assist counties with redistricting and grant administration.
- \$879,425 on a one-time basis for continuation of motor voter payments to counties. This is the last agreed upon biennium for these support payments to counties to off-set increased elections costs due to expansion of the number of registered voters.
- A \$650,000 reservation in the general-purpose Emergency Fund was established in the event voters' pamphlet costs exceed the approved budgeted amount.

Significant Other Funds expenditures changes include:

- \$2 million for information technology investments related to security, equipment and license updates, and migration of the agency's on-site data center.
- \$1.4 million in the Administrative Services Division for five new positions to improve support of the agency's programs.
- \$415,000 to fund a new Human Resources position and increased staff training.
- \$347,591 in the Archives Division to increase digital storage and conversion of old legislative hearings audio logs.

State Library

The 2021-23 legislatively adopted budget for the State Library is \$19.6 million total funds, which is a 18.5% increase from the 2019-21 legislatively approved budget. The increase is primarily attributable to an increase of Federal Funds expenditure limitation of \$2.9 million for

the expenditure of American Rescue Plan Act (ARPA) funds for five focal project areas. The budget includes \$4.5 million General Fund, \$7.3 million Other Funds, \$7.9 million Federal Funds, and 41 positions (39.47 FTE).

Oregon State Treasury

The budget for the State Treasurer totals \$118.7 million, including \$115.8 million Other Funds, \$2.9 million Other Funds Nonlimited and 210 positions (200.36 FTE). The adopted budget represents a \$23.3 million (or 24.4%) increase from the 2019-21 legislatively approved budget. Approximately 50% of the increase is attributable to the transition of the Unclaimed Property and Estates and Escheated Property Programs from the Department of State Lands to the State Treasurer. Other Funds expenditure limitation of \$9.2 million, including 31 positions (24.26 FTE), and Other Funds Nonlimited authority of \$2.9 million was added for the transfer of Trust Property programs and associated investments to provide sufficient operations support and improve program performance.

The Legislature approved \$2 million for the new Treasury Resiliency Building lease, moving costs, temporary backup facilities, and an emergency communications tool that support Treasury's operational resilience. Other Funds of \$1.9 million and four positions (3.51 FTE) were approved to support modernization of Treasury's core banking infrastructure and cash management activities, including \$1 million for the Core Banking Business Systems Renewal project planning activities. An additional \$854,682 and three positions (2.63 FTE) were added to support increased legal, compliance, and portfolio risk workloads in Investment Services, which have expanded over the last several biennia. The budget also includes the establishment of a Senior Debt Analyst position (1.00 FTE) within Debt Management Services to accommodate increased housing bond sales (\$281,383); permanently funding a Senior Security Analyst position (0.92 FTE) that was approved as limited duration in the prior biennium to respond to and prepare for information security threats (\$267,323); and reclassifying four positions and establishing a new position (0.92 FTE) in the Treasurer's Office to align budgeted positions with actual duties and provide an effective level of staffing (\$293,121).

LEGISLATIVE BRANCH

The 2021 Legislature adopted a total funds budget of \$203.3 million, including \$188 million General Fund and 588 positions (475.44 FTE) for the seven legislative branch agencies. The General Fund budget is an 15.2% increase over the 2019-21 legislatively approved General Fund budget. The total funds budget is a 23.8% decrease from the 2019-21 total funds budget, primarily due to the phase-out of Other Funds limitation approved in the prior biennium for the second phase of the Capitol Accessibility, Maintenance, and Safety (CAMS) project (\$69 million) and Nonlimited Other Funds provided to refund outstanding general obligation bonds during 2019-21 (\$18.8 million).

The adopted budget includes branch-wide adjustments for the 2021-23 budgetary impact of compensation plan changes related to the implementation of a new compensation and classification structure for legislative employees, including adjustments for pay equity.

Services and supplies budgets available from 2017-19 General Fund reversions were also reduced to finance budget investments in legislative agencies, including:

Legislative Assembly

- One-time General Fund of \$800,000 to replace the voting boards in the Senate and House Chambers.
- \$214,184 General Fund for the establishment of a Legislative Director position (1.00 FTE) to support the BIPOC Caucus.

Legislative Administration Committee

- Other Funds limitation of \$4.3 million for general obligations bond proceeds approved to finance the Document Publishing and Management System (DPMS) project and associated costs of issuance. General Fund of \$663,587 was also provided for debt service on the bonds in the 2021-23 biennium.
- \$2.2 million General Fund for security improvements to the State Capitol Building.
- One-time General Fund of \$1.3 million to replace the Capitol Wi-Fi system; update the Senate and House Chamber cameras; and make accessibility and ADA accommodation technology and service improvements.
- \$372,537 General Fund to establish an Application Developer position (0.75 FTE) in Information Technology and a Labor Relations position (0.75 FTE) in Employee Services.
- \$200,000 General Fund for employment related Department of Justice costs.

Legislative Counsel Committee

- \$379,206 General Fund for the establishment of two new permanent full-time publications positions, including a Deputy Publication Services Manager (1.00 FTE) and Publications Specialist 1 (0.42 FTE).
- \$132,808 General Fund and \$47,109 Other Funds to reclassify an existing part-time Accountant 1 to a full-time Publications Account Specialist that is equally funded with General and Other Funds.

Legislative Policy and Research Office

- \$1.2 million General Fund for contracted services to improve access for the deaf and hard of hearing and establishment of an ADA/ASL Coordinator position (0.92 FTE).
- \$454,530 General Fund to support language access through the establishment of two permanent positions (2.00 FTE), including a Language Access Coordinator to develop and implement a plan to provide language access services and a Spanish Language Interpreter to provide in-house Spanish language interpretation and translation.
- \$407,862 General Fund for the establishment of two permanent Research Analyst positions (1.50 FTE) to provide additional capacity and research-specific expertise.
- \$289,739 General Fund to establish a permanent GIS Analyst position (1.00 FTE) that will support redistricting efforts and ongoing GIS mapping related to policy issues and information requests. One-time General Fund of \$52,290 was also provided for costs related to redistricting.
- \$259,213 General Fund for the addition of two permanent committee positions (1.50 FTE), bringing ongoing committee staff to four Senior Committee Assistants and seven Committee Assistants that will support session and interim work.

Commission on Indian Services

- \$178,445 General Fund for the establishment of a new permanent position (0.75 FTE) to support the work of the Commission, including enhancing Government-To-Government relations; working with state agency and tribal cluster representatives; assisting the Oregon Tribal Cultural Items Task Force; and providing legislative, policy, and research support.

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 General Fund monies appropriated to the Emergency Board for general purposes and special purpose appropriations made to the Emergency Board for specified uses.

The 2021-23 legislatively adopted budget for the Emergency Board includes a \$50 million general purpose appropriation, plus special purpose appropriations totaling \$711.3 million as follows:

- \$198 million for state employee compensation changes
- \$20 million for non-state employee compensation changes
- \$150 million for natural disaster prevention, preparedness, response, and recovery activities
- \$100 million tied to a General Fund holdback in the Public Defense Services Commission's budget
- \$55 million for caseload costs or other budget challenges faced by the Oregon Health Authority or the Department of Human Services
- \$49 million for behavior health system transformation and realignment activities shepherded by the Oregon Health Authority
- \$30 million for the Oregon Health Authority for the Oregon Essential Workforce Health Care Program
- \$20 million for maintaining appropriate staffing levels at the Oregon State Hospital
- \$19 million for dental rates in medical assistance programs through the Oregon Health Authority
- \$15.9 million to assist the Department of Human Services with triuing up funding for positions engaged in child welfare service delivery
- \$14 million for fire costs incurred by the Oregon Department of Forestry
- \$10 million for family treatment court programs
- \$10 million for a Transforming Justice Initiative to help reshape Oregon's public safety system
- \$10 million for the Housing and Community Services Department to for a grant program supporting affordable rental housing projects co-located with child care or early learning centers

- \$5.1 million for helping the Department of Education and the Department of Early Learning and Care stand up the new agency
- \$2.5 million for the Oregon Judicial Department to implement pretrial release modifications
- \$1.8 million for preparing the Office of the State Fire Marshal to operate as a separate state agency
- \$1 million for matching donations made to the Oregon Conservation and Recreation Fund

If the amounts in the special purpose appropriations are not allocated by the Emergency Board by December 1, 2022, the remaining amounts become available to the Board for any legal use.

State Bonding and Capital Construction

In January 2021, the State Debt Policy Advisory Commission (SDPAC) published their recommended capacity limits for General Fund and Lottery Funds supported debt based upon the Office of Economic Analysis December 2020 revenue forecast. After the release of the December 2020 revenue forecast, reinstatement of COVID-19 pandemic-related restrictions resulted in a significant decline in lottery revenues not considered in the forecast. This decline in revenues reduced debt service coverage on outstanding lottery bonds to less than four-times, preventing issuance of new lottery bonds in the spring of 2021. SDPAC updated the 2021 report based on the March 2021 revenue forecast, so that recommended capacity limit calculations included the material change in lottery revenues and cancellation of the planned lottery bond sale.

The Commission recommended that the Legislature and Governor issue no more than \$1,618.6 million in General Fund supported debt for the 2021-23 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 2019 and 2020 second special sessions would be issued before the end of the 2019-21 biennium. However, there was \$108.7 million of General Fund debt that was not issued in 2019-21, which increased the available capacity to \$1,727.2 million.

The Legislature approved \$1,673.2 million in General Fund debt. The amount authorized includes:

- \$413.5 million of Article XI-Q bonds for the Local Innovation and Fast Track (LIFT) Housing and Permanent Supportive Housing programs.
- \$380.9 million of Article XI-Q bonds to finance the capital costs of state property, including buildings, deferred maintenance on state-owned facilities, and information technology projects.
- \$337.1 million of Article XI-G and Article XI-Q bonds to finance eight public university projects.
- \$77.2 million of Article XI-G bonds to finance 11 community college projects.
- \$166.1 million of Article XI-Q bonds for Benton County, Clackamas County, Crook County, and Linn County courthouse replacement projects and to complete renovation of the Supreme Court building.
- \$162.1 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.

General Fund supported debt authorized in the 2021-23 legislatively adopted budget represents a \$533.6 million (or 46.8%) increase from the \$1,139.5 million authorized in the 2019-21 legislatively approved budget. Excluding the \$108.7 million of debt authorized but not issued in 2019-21, debt authorized in 2021-23 is \$642.3 million (or 62.3%) more than debt issued in the 2019-21 biennium. General Fund debt service for approved projects is estimated

to be \$55.5 million in 2021-23, rolling up to \$270.4 million in 2023-25. There is \$54.1 million of remaining General Fund supported debt capacity for the 2021-23 biennium. A complete list of General Fund projects can be found in Appendix B.

Article XI-F(1) general obligation bonds provide financing for the public universities' self-supporting capital construction projects. The Legislature approved \$114.5 million to finance three public university projects supported with university revenues. Dedicated fund general obligation bond authorizations also include \$180 million of Article XI-A bonds to finance farm and home loans to veterans; \$10 million of Article XI-H bonds to generate matching funds for federal Clean Water State Revolving Fund capitalization grants; \$50 million of Article XI-I(2) bonds for elderly and disabled persons multi-family housing; and \$224.6 million of Article XI-Q bonds to finance the capital costs of state property, including buildings and equipment that are supported with agency revenues.

Direct revenue bond authorization for 2021-23 totals \$1,902.4 million and includes \$500 million for housing bonds that finance single-family mortgage loans and multifamily housing projects; \$880 million for Highway User Tax bonds for transportation projects; and \$30 million for economic and community development projects through the Oregon Infrastructure Finance Authority Bond Bank Program. Lottery revenue bond authority of \$492.4 million is also included in this category. Pass-through revenue bonds total \$2,902.5 million and include \$600 million in Industrial Development Bonds, \$1,000 million for the Oregon Facilities Authority, \$1,300 million for housing development projects, and \$2.5 million for the Beginning and Expanding Farmer Loan Program.

Lottery Revenue Bonds

The SDPAC's 2021 report, updated based on the March 2021 revenue forecast, recommended that the Legislature and Governor issue no more than \$515.6 million in Lottery Funds supported debt for the 2021-23 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). Recommended lottery bond capacity also assumed that no bonds would be issued in the 2019-21 biennium due to insufficient debt service coverage as a result of decreased lottery revenues.

The Legislature authorized \$492.4 million of lottery revenue bonds to generate proceeds for project costs, costs of issuance, and debt service reserves. A total of \$445.3 million of net lottery bond proceeds finance 55 approved projects, including:

- \$50 million to recapitalize the Special Public Works Fund for municipal infrastructure projects.
- \$50 million for wildfire recovery housing supply and land acquisition.
- \$40 million for water supply development projects.
- \$28 million for planning and rehabilitation of high-hazard dams.
- \$20 million for the Behavioral Health Housing Incentive Fund.
- \$17.5 million to provide school districts with matching funds for broadband access.
- \$15 million for levee inspection, accreditation, certification, or repair project grants.

- \$10 million to recapitalize the Brownfields Redevelopment Fund for cleanup and redevelopment of brownfields properties.
- \$10 million for the Oregon Main Street Revitalization Grant program.

Lottery bonds authorized in the 2021 session include reauthorizations of bond proceeds for projects originally approved in 2019, but not issued due to the cancellation of the lottery bond sale, as well as new projects. A total of \$124.5 million in net lottery bond proceeds for 12 previously authorized projects was not reauthorized to be issued in the upcoming biennium, of which \$55.3 million for 10 projects was approved to be financed through alternate funding sources.

Lottery Funds supported debt authorized in the 2021-23 legislatively adopted budget represents an \$245.4 million (or 99.3%) increase from the \$247.1 million authorized in the 2019-21 legislatively approved budget. There is \$23.2 million in remaining Lottery Funds supported debt capacity for the 2021-23 biennium.

Lottery revenue bonds included in the 2021-23 legislatively adopted budget are scheduled to be issued in the spring of 2022 and 2023. Lottery Funds debt service is estimated to be \$18.5 million in the 2021-23 biennium and \$78.9 million for the 2023-25 biennium.

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

Capital Construction

The Legislature provides six-year expenditure limitation for 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 expenditure limitation approved for projects in the 2021 session will expire on June 30, 2027.

Capital construction projects in the 2021-23 legislatively adopted budget total \$1,509.8 million. Other Funds capital construction limitation of \$1,474.9 million and Federal Funds capital construction expenditure limitation of \$34.9 million is included in the budget for the approved projects. Significant capital expenditures include:

- \$445.9 million for distribution of general obligation bond proceeds to public universities for 10 new capital projects.
- \$56.5 million for distribution of general obligation bond proceeds to community colleges for six new capital projects and two reauthorized projects for which expenditure limitation from prior biennia was removed and reestablished in 2021-23.
- \$410 million for affordable housing through the LIFT Housing and Permanent Supportive Housing programs.
- \$142.8 million to the Department of Administrative Services for capital projects at state-owned buildings and facilities.
- \$110.2 million for the Oregon State Police to remodel and expand the Central Point Office facility and construct a new forensic lab and medical examiner facility and an area command office in Springfield.

- \$70 million to make improvements in several Department of Corrections facilities to address needs identified in the Facility Condition Assessment.
- \$52.5 million for the Oregon Liquor Control Commission to purchase land and construct a new liquor warehouse and agency headquarters building.
- \$50 million for capital improvements to Oregon State Parks facilities and related infrastructure.
- \$28 million for the Military Department to construct a new National Guard Readiness Center in Washington County through a combination of general obligation bond proceeds and federal grant funds.
- \$21.7 million to continue renovation of the Oregon Supreme Court Building.

In the 2017 session, the Legislature set a target of 2% of the current replacement value (CRV) of state-owned buildings and infrastructure, excluding higher education facilities and transportation infrastructure, be spent on deferred maintenance and capital improvements each biennium through a requirement in SB 1067 that the Governor propose at least this amount in the Governor's recommended budget. Total funding approved in the 2021-23 budget for deferred maintenance and capital improvements on existing state-owned facilities as a percentage of estimated CRV, as of fiscal year 2020, is approximately 6%.

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.⁴ 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 (2021 session)

Total number of budget notes	71
Total number of unique budget notes	71
Total number of duplicate budget notes	0
Total number of joint budget notes or those detailing more than one agency	16
Number of budget reports with a budget note (out of 150 budget reports)	29
Number of agencies with at least one budget note (out of approximately 100)	35
Number of agencies with more than one budget note	19
Greatest number of budget notes for one agency	10

General Purpose of Budget Notes (2021 session)

Number of budget notes dealing with submission of a report	63
Number of budget notes dealing with performance measures	3
Number of budget notes providing instruction on budget execution	25
Number of budget notes dealing with expenditure limitation or scheduling	4
Number of budget notes establishing work groups	3

The budget report for HB 2646 (2021), relating to kratom, contained a budget note for the Department of Agriculture, however the bill was vetoed by the Governor. Since this action also makes the budget note invalid, it is not included in this narrative.

The following budget notes are organized by program area, agency, measure number, and Oregon Chapter law reference.⁵ 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.

⁴ For a more complete discussion of what a budget note is, including its origin, legal standing, and use, please refer to *Budget Information Brief #2007-3, Budget Note*, available via the "Publications" link at <https://www.oregonlegislature.gov/lfo>.

⁵ 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.

ADMINISTRATION

Department of Administrative Services

HB 5002 (Chapter 425, Oregon Laws 2021)

BUDGET NOTE: The Department of Administrative Services shall report to the appropriate subcommittee of the Joint Committee on Ways and Means on the DAS Real Estate Program during the 2022 Regular Legislative Session. The report shall include, but not be limited to, a look back at over the last 3 biennia, including the number of transactions, whether the transactions were purchases, sales, or leases; number of transactions commercial brokers were involved in, what commissions are paid by the state, a description of how commission rates are determined in different transaction types and which party in the transaction pays the commission, a comparison of the DAS Real Estate program's usage of commercial brokers to the same practices of State real estate programs in neighboring states and how much Oregon would have paid in commissions if they had used that state's practices, and how often DAS contracts with real estate brokers are renewed.

Oregon Liquor Control Commission (Oregon Liquor and Cannabis Commission)

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: Prior to disposition of its existing properties adjacent to McLoughlin Boulevard in Milwaukie, the Oregon Liquor Control Commission (OLCC) is directed to report to the Joint Committee on Ways and Means on plans for the sale and disposition of its existing distribution center, office headquarters, and Milport Road warehouse. The report shall include information on the zoning of the properties, submitted offers, real estate fees and commissions paid to contractors and real estate professionals engaged, conditions of sale, and listing price of the properties. In addition, the OLCC shall report on the new warehouse and headquarters location, purchase price, construction and relocation schedule; its interim operations plan including new leases and estimated costs; an overview of measures the agency will take to minimize disruption to licensees, contract liquor agents, and other stakeholders; and a summary of efforts to secure financial systems and data during the transition.

HB 5018 (Chapter 640, Oregon Laws 2021)

BUDGET NOTE: The Oregon Liquor Control Commission is directed to inventory existing and anticipated regulatory efforts and services involving recreational and medical marijuana licensees that are delivered cooperatively through other state agencies, but which receive or request marijuana licensing revenue to fund costs. These efforts may include (but may not necessarily be limited to) agricultural and crop-related policy development, pesticide labeling and investigation, lab testing of licensee products performed by state regulatory entities, enforcement activities, and public health-related issues. As part of its evaluation, OLCC is expected to develop narrow criteria for what activities in other agencies have a direct correlation to cannabis licensees, and for which financial support may be sought. OLCC will report to the Joint Committee on Ways and Means prior to the conclusion of the 2021-23 biennium describing the following:

- All existing cross agency partnerships that are currently supported by OLCC marijuana licensee revenue, including the amount supported by licensees and recipient agency contributions to those efforts;
- Requested but as yet unfunded cross-agency initiatives to date (including contributions to those efforts by affected agency parties);
- The extent to which OLCC believes it would be helpful to designate some amount of licensee fees for such efforts;
- Options for identifying -- with the assistance of licensee stakeholders -- transparent funding mechanisms for existing and potentially future efforts, including suggested amounts; and
- Suggested criteria for inclusion of such activities in future agency budget requests.

The Joint Committee on Ways and Means recommends that the OLCC biennially review intergovernmental agreements with agencies and entities with which it transfers revenue or contracts for services supported by marijuana revenue, evaluate the extent to which those arrangements require ongoing support, and include this information in OLCC's budget request document.

Public Employees Retirement System

SB 5536 (Chapter 145, Oregon Laws 2021)

BUDGET NOTE: The Public Employees Retirement System is to report to the Legislative Fiscal Office with a comprehensive close-out reports on the Production Data Center Project and separately the Warm Site Project by no later than January 2022, including, but not limited to: a complete biennia-by-biennia accounting of the budget, costs, activities, and lessons learned beginning with the 2015-17 biennium when the project was first authorized and funded by the Legislature.

BUDGET NOTE: The Public Employees Retirement System (PERS) is directed to report to the Joint Committee on Information Management and Technology during the legislative session in 2021 on the implementation of SB 1049 (2019). The Department of Administrative Services (DAS) and the DAS Office of the State Chief Information Officer (OSCIO) are to continue to provide oversight of the PERS SB 1049 (2019) implementation project. The project shall continue to adhere to the Stage Gate process. OSCIO and the DAS Chief Financial Officer, in their oversight roles, are to report separately to the Joint Committee on Information Management and Technology prior to the legislative session in 2022 on the implementation of SB 1049 (2019). The agencies' reports to the Legislature shall include:

- Update on project scope, schedule, budget, and total cost of ownership;
- Identification of costs associated with one-time solutions versus permanent solutions;
- Current project risks, likely impacts, and mitigation strategies;
- Explanation of the delay related to implementing member redirect and associated costs and actuarial impact(s);
- 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;

- Whether SB 1049 (2019) is meeting financial objectives; and
- Other information that helps inform the Legislature on the status of the project or issues that have arisen as the result of the project.

Department of Revenue

SB 5537 (Chapter 441, Oregon Laws 2021)

BUDGET NOTE: The Department of Revenue will report to the Joint Committee on Ways and Means by January 2023 on a plan to modernize and enhance its customer call centers. The plan shall identify and evaluate options for meeting projected demand; consider technology options for enhanced service such as artificial intelligence and machine learning; consider options for offering 24-hour service to customers; develop strategies to optimize use of live assistance; and include strategies for meeting the increased demands of a surge event.

Oregon State Treasurer

SB 5544 (Chapter 443, Oregon Laws 2021)

BUDGET NOTE: Oregon State Treasury is directed to report to the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means during the 2022 legislative session on the status of the Core Banking Business Systems Renewal (BSR) project. The report shall include: Detailed business case, project timeline, and cost estimates. Treasury should follow the Stage Gate or a related process for the Core Banking BSR project, including development of key artifacts and independent quality assurance oversight.

CONSUMER AND BUSINESS SERVICES

Construction Contractors Board

SB 5509 (Chapter 347, Oregon Laws 2021)

BUDGET NOTE: Revenue Projections. Due to uncertainty around anticipated revenues in the 2021-23 biennium as a result of the COVID-19 pandemic, the Construction Contractors Board (CCB) did not include a request for additional expenditure limitation for a planned licensing system as part of the agency's 2021-23 budget. The agency's revenue outlook has improved since the onset of the pandemic but is still uncertain with new licenses and license renewals below historical averages. Given this uncertainty, CCB is directed to report to the Joint Committee on Ways and Means during the 2022 Legislative session with an update on actual and projected revenues for the 2021-23 and 2023-25 biennium. In addition to the revenue projections, the Board is directed to provide an updated timeline and a proposal for resourcing a new licensing system, as a result of this revenue outlook.

BUDGET NOTE: Agency Staffing. The ongoing uncertainty around anticipated revenues has hindered the Construction Contractors Board's (CCB) ability to properly evaluate the appropriate staffing levels needed for the agency to function efficiently. As such, the Board is directed to undertake a comprehensive review of its agencywide staffing needs to determine the most cost effective and programmatically efficient method of operation. This review should

include an assessment of the agency's long-term budget and accounting needs, and if the Board should continue to receive support from the Department of Administrative Services - Shared Financial Services or if that work should be done internally. CCB is to provide a report on the comprehensive review, including any potential requests for staffing modifications, to the Joint Committee on Ways and Means during the 2022 Legislative session.

Health-Related Licensing Boards

SB 5521 (Chapter 504, Oregon Laws 2021)

BUDGET NOTE: Over the past several years, there has been a lack of agreement among the Executive Directors of the Health-Related Licensing Boards (HRLB) on its shared organizational structure, resources, information technology, and budget and accounting needs. The Boards, in consultation with the Department of Administrative Services - Chief Financial Office (DAS CFO), are directed to undertake a comprehensive review of their shared needs and the most efficient and cost-effective method to achieving those needs. The review should contemplate which of the following outcomes is the most cost-effective and programmatically efficient: (1) remaining an independent agency utilizing contracted information technology and budget and accounting services through DAS or another third party; or (2) becoming a part of the Oregon Health Authority's Health Licensing Office starting in the 2023-25 biennium. The review should include cost and service comparisons and rationale for any proposed outcome. If the proposal is to remain independent, the plan must include staffing, budgetary, operational, and structural changes that will facilitate efficient administrative functions related to interagency coordination and the sharing of resources among the six boards. HRLB and DAS CFO are to jointly report their findings to the Joint Committee on Ways and Means during the 2022 Legislative session.

Mental Health Regulatory Agency

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Mental Health Regulatory Agency shall engage a third party consultant to study the demographics of those individuals licensed by the boards and devise a plan to increase licensee diversity, including an examination of the boards' application processes, investigation of complaints and allegations related to application disclosures, and the boards' consideration of applicant character and fitness. A written report on the study and plan must be provided to the appropriate legislative policy committee(s) no later than December 31, 2022. The agency must also present this information to a subcommittee of the Joint Committee on Ways and Means during the 2023 legislative session.

EDUCATION

Oregon Department of Education

HB 5042 (Chapter 4, Oregon Laws 2021)

BUDGET NOTE: The Oregon Department of Education will report to the Education Subcommittee of the Joint Committee on Ways and Means by May 15, 2021 on the development of the Summer Learning and Child Care program and the anticipated participation by school districts and other entities in the program. The Department will also report to the appropriate legislative committee by November 1, 2021 on the program and its outcomes.

SB 5513 (Chapter 603, Oregon Laws 2021)

BUDGET NOTE: The Department of Education shall convene a group to study the State Board of Education developed media program standards. The study must evaluate the appropriateness of the standards and whether they adequately address student media needs, and methods to measure and ensure compliance with the standards. The Department should consult with organizations that represent public school educators and those who promote school libraries in selecting members of the group. The Department shall report the study's result and any recommendations by December 30, 2021.

BUDGET NOTE: The Department of Education shall use the following factors in distributing resources among the Juvenile Detention Education Program (JDEP) providers:

- Equity including how diverse the population that is served and the degree that those youth who are served are from historically underserved populations.
- The characteristics of the facility including the number of classrooms that must be funded.
- The number of students served by the provider.
- The percentage of students qualify for special education services.

BUDGET NOTE: The additional General Fund provided in this bill for the Juvenile Detention Education Program (JDEP) is meant to be transitional funding until a new funding model is developed. The Department of Education shall work with JDEP providers, County Juvenile Departments, the Oregon Youth Authority, school districts, education related organizations, and other organizations in developing a long-term plan for paying for JDEP and the distribution of those resources among JDEP providers.

BUDGET NOTE: The Department of Education's Early Learning Division shall report to the Interim Committee on Joint Ways and Means on the ongoing cashflow for the Child Care Development Fund (CCDF). The report must include information regarding the actual and estimated expenditures and what the expenditures are for; a projection of the cashflow of the CCDF for 2021-23 and 2023-25 including ending balances; a plan for how any undesignated expenditures will be used; and if there are potential cashflow issues in the future, alternatives to close any gaps between estimated expenditures and CCDF resources.

Higher Education Coordinating Commission

SB 5528 (Chapter 660, Oregon Laws 2021)

BUDGET NOTE: The Higher Education Coordinating Commission shall report to the Emergency Board by October 1, 2022 on the use of the Statewide Longitudinal Data System (SLDS) and its further development. The report must include an update on its use to date, a sample list of research projects that utilizes the SLDS and its data, a list of new data elements added to the SLDS since the beginning of the 2021-23 biennium, and a description of further development of the SLDS's capabilities and capacity.

PUBLIC SAFETY

Department of Corrections

HB 5004 (Chapter 468, Oregon Laws 2021)

BUDGET NOTE: Overtime Usage: Over the last several biennia, the Department of Corrections has incurred a consistent deficit in its overtime budget of about \$20 million per biennium. Package 805 provides \$21.6 million and 107 positions intended to alleviate the need for overtime usage. To evaluate the effect of this increased staffing on overtime expense, the Department is directed to report its overtime expenditures in the prisons and in Health Services at each meeting of the Interim Joint Committee on Ways and Means and Emergency Board, and once to the Public Safety Subcommittee of the Joint Committee on Ways and means during the 2022 legislative session.

BUDGET NOTE: Parole and Probation Officer Communications System: The Department of Corrections shall work with the Department of Administrative Services, Enterprise Information Services to develop a cost, schedule and budget estimate for the acquisition and deployment of an application that allows Parole Officers to securely communicate with individuals under their supervision. The Department shall report back to the Interim Joint Committee on Ways and Means with those estimates and a plan for deployment prior to the February 2022 Legislative Session.

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Department of Corrections is directed to return to the Public Safety Subcommittee of the Joint Committee on Ways and Means during the 2022 legislative session with a written report on the Office of the Inspector General (OIG). This report is to provide a broad overview of the OIG's role and responsibilities within the Department, and detail the missions, activities, and outcomes achieved in each of the OIG's operating programs: the Special Investigations Unit, the Security Threat Management Unit, the Central Intelligence Unit, the Hearings Unit, the Special Programs Unit, and the Research Unit. Additionally, the Department is directed to revise its Key Performance Measures #4 and #7 to include statistics on the number of complaints brought by adults in custody against DOC staff, the outcomes of those complaints, and any disciplinary actions required. The revised Key Performance Measures

are to be developed and established for consideration by the Public Safety Subcommittee during the 2023 legislative session.

Criminal Justice Commission

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Family Preservation Project strengthens family ties by providing services and supports to incarcerated parents and their minor children. The program operates at the Coffee Creek Correctional Facility in Wilsonville and is provided by the YWCA of Greater Portland. The Criminal Justice Commission (CJC) is directed to work with the Department of Corrections (DOC) and the YWCA of Greater Portland to track the program's outcomes for incarcerated adults and their minor children, its effect on successful parent re-entry into society upon release from prison, its effect on reducing recidivism, and any other pro-social program outcomes as determined by DOC, CJC, and the YWCA of Greater Portland. CJC shall report to the Legislature on Family Preservation Program outcomes at least annually during a legislative session.

Oregon Military Department

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Oregon Military Department is directed to report to the Joint Committee on Ways and Means on its ten-year capital construction plan prior to the February 2022 legislative session. The report shall describe the process by which the annual Installation Status Report required by the U.S. Army is prepared, its relationship to the ten-year capital plan, the permissible uses of Federal Military Construction Funds and the process for securing use of those funds, and the factors that inform the prioritization of recommended armory service life extension projects. This report should also include analysis and recommendations for inclusion of labor standards related to work performed by women, minority individuals, and veterans and apprenticeship utilization in construction contracts.

Oregon Department of Justice

HB 5014 (Chapter 427, Oregon Laws 2021)

BUDGET NOTE: The Department of Justice is directed to report to the Joint Committee on Information Management and Technology during the Legislative Session in 2022 on the status of the Legal Tools Replacement Project. This includes providing comprehensive program-level artifacts for all business functionality, a comprehensive business case, requirements, program cost, schedule, and scope baselines. The report is also to define the Department's governance of the program.

The Department is directed to procure an independent Quality Management Services (iQMS) contractor no later than August 2021 to provide: (a) an initial program risk assessment/analysis by October 2021; (b) a quality management plan for the iQMS engagement, including the anticipated quality checklists and standards to be utilized by December 2021; (c) quality control

reviews for, at minimum, the program's solution requirements and its project management planning artifacts, due by January 2022; and (d) periodic quality assurance and risk assessment reports, beginning in October 2021 and continuing through the completion of the project. The department is to provide monthly program status reports to the Department of Administrative Services, Enterprise Information Services and the Chief Financial Office, and the Legislative Fiscal Office.

BUDGET NOTE: The Department of Justice is directed to report to the Joint Legislative Audit Committee during the Legislative Session in 2022 on the agency's internal audit function, including the reporting structure to the Attorney General, and the hiring of the legislatively-authorized Internal Auditor positions. The report is to include, but is not limited to, the internal audit plans for the 2021-23 biennium and the 2023-25 biennium. The audit plans are to include the auditing of the revenues and expenditures related to the legal service charges under Oregon Revised Statutes Chapter 180.

BUDGET NOTE: The Department of Justice is directed to report to the Joint Committee on Ways and Means during the Legislative Session in 2023 on the activities of the Environmental Crimes and Cultural Resources Enforcement Unit. The report is to include, but is not limited to, the number and types of matters, legal status or outcomes, costs and billings for legal services, and the recovery of cost from litigation settlements and restitution.

BUDGET NOTE: The overall level of state and federal funding for domestic violence and sexual assault increased significantly in recent biennia. The Department of Justice is directed to report to the Joint Committee on Ways and Means during the Legislative Session in 2023 on how services to victims of domestic violence and sexual assault have been funded from the 2013-15 to the 2019-21 biennia. The report should include how funding decisions were determined and distributed, how governance, oversight, compliance, and auditing were conducted, and how performance standards were established, reported and outcomes measured.

BUDGET NOTE: The Department of Justice is to report to the Joint Committee on Ways and Means during interim Legislative Days prior to the Legislative Session in 2022 with a proposed pilot program detailing how the department can more effectively and directly support state agencies that incur high legal costs and that pose heightened litigation risk to the state.

Department of Public Safety Standards and Training

HB 5031 (Chapter 381, Oregon Laws 2021)

BUDGET NOTE: Currently, the Department of Public Safety Standards and Training does not provide ongoing training to its instructor pool beyond the Basic Facilitator Class required for instructor certification. Acknowledging this deficit, the Department proposed a \$1.2 million policy option package in its agency request budget to create and provide an instructor development course for its more than 100 full-time and 300 part-time Academy instructors. Content, the delivery mechanisms, and cost for this new training are yet to be developed.

The Department is directed to return to the Legislature during the 2022 legislative session with a plan for an instructor development course. The plan should detail the ways in which relevant

and up-to-date content will be developed or procured; the means of delivering instructor training throughout the year; the costs associated with the training, including any necessary contract, technology, travel, or consultant costs; a timeframe for implementation; and a request for resources, if necessary, to implement the training plan during the 2021-23 biennium.

Oregon Youth Authority

HB 5039 (Chapter 430, Oregon Laws 2021)

BUDGET NOTE: Small Living Unit Outcomes. The 2021-23 budget for the Oregon Youth Authority fully funds a close custody system, which is forecast to house fewer youth than it has in the past. The improved youth-to-staff ratio in close custody living units is anticipated to increase safety, decrease victimization, and provide more opportunities for staff engagement with youth. The agency is directed to identify three metrics for measuring the benefits that will accrue to youth in close custody from smaller living units, and to report back to the Legislature by February 15, 2022 on the proposed metrics, anticipated outcomes, and a timeline for providing regular progress reports to the Legislature.

BUDGET NOTE: County Funding Outcomes. The Oregon Youth Authority (OYA) funds county juvenile crime prevention and diversion programs that provide juvenile justice services and sanctions at the local level and divert youth from OYA close custody. To provide assurance that this funding supports the state's goals and objectives for the provision of juvenile justice services, the Oregon Youth Authority is directed to report to the Joint Committee on Ways and Means on its juvenile crime prevention and diversion funding programs. This report shall provide a detailed description of local juvenile diversion programs, and shall specifically identify the criteria for funding awards, including expected deliverables and outcomes; a means of assuring equitable service delivery at the local level; and the method used by the agency to ensure funding objectives are met. The report may also include recommendations on ways in which performance metrics and compliance might create contractual incentives, affect future allocations if metrics are not met, or inform a funding allocation formula that includes criteria other than population.

This information shall be reported to the Public Safety Subcommittee of the Joint Committee on Ways and Means no later than February 15, 2022, with an additional report to the subcommittee no later than March 15, 2023 on county juvenile crime prevention and diversion program outcomes during the 2022 fiscal year.

BUDGET NOTE: Community Residential Treatment Program Utilization Review. The Oregon Youth Authority's use of community residential treatment beds for justice-involved youth has consistently declined since 2015, from an average daily population of 420 in July 2015 to a pandemic-related low of 237 in February 2021. The agency is directed to report to the Joint Committee on Ways and Means during the 2022 legislative session on its use of this resource. The report shall include an evaluation of whether and how predictive models successfully place youth in the treatment program most likely to result in successful completion, ways in which runaways and parole revocations might be reduced, and on efforts underway to support a greater diversity of community treatment providers. This information shall be reported to the

Public Safety Subcommittee of the Joint Committee on Ways and Means no later than February 15, 2022.

District Attorneys and Their Deputies

SB 5512 (Chapter 433, Oregon Laws 2021)

BUDGET NOTE: The District Attorneys, in consultation with the Oregon District Attorney Association, the Oregon State Bar Association, the Oregon Criminal Justice Commission, and the Oregon Judicial Department, is directed to undertake a review of the agency's Key Performance Measures. This review shall include formulating a new performance measure that addresses the training of District Attorneys and their deputy district attorneys, with specific emphasis on training focused on implicit bias, successful bias crime prosecution, practical courtroom skills that can eliminate the impacts of bias, and how victims and survivors of crime can be impacted by implicit bias. The agency shall report back to the Legislature in 2022 with any proposed changes and targets generated by the review. Any proposed changes should be based on the best practices of prosecuting attorneys across federal, state, and local government(s).

BUDGET NOTE: The District Attorneys and Their Deputies, in consultation with the Oregon District Attorney Association, the Association of Oregon Counties, and the Oregon Department of Justice, is to submit a report that identifies how each county's District Attorney Office is financially supported for the fiscal years that comprise the 2019-21 (actuals) and the 2021-23 (budgeted) biennia. The report is to be submitted to the Joint Committee on Ways and Means to the Legislative session in 2022. For each district attorney office, the report is to identify sources and amounts of direct state funding; all county funding, but not limited to, funding of salaries; any federal funding particularly those funds that are grants administered by the Oregon Department of Justice; and, if available in county budget materials, any revenues generated by cost recovery fees. For each district attorney office, the report is to categorize expenditures by: personnel services/salaries; materials/services; and if the information is available from county budget materials, victims' assistance; child support; juvenile dependency; and any other materially significant expenditure categories.

JUDICIAL BRANCH

Oregon Judicial Department

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Oregon Judicial Department (OJD), in coordination with Clackamas County, is requested to submit a report to the Joint Committee on Ways and Means, prior to the legislative session in 2022, on the design, build, finance, operation, and maintenance public-private partnership (P3) agreement(s) for the Clackamas County Courthouse, as well as the funding agreement between OJD and Clackamas County, related to constitutional and statutory requirements for state support and local matching funds for the Oregon Courthouse Capital Construction and Improvement Fund (OCCCIF). The report is to include, but not be limited to:

- the legal sufficiency of the Clackamas County public-private partnership agreement(s), from the state’s perspective, pertaining to funding agreement requirements;
- estimated total cost of ownership to construct, occupy, and maintain the Clackamas County Courthouse;
- affirmation of county ownership of the Clackamas County Courthouse building and property;
- a final master funding agreement; and
- a long-term flow-of-funds for state and local matching deposits into, and withdrawals from, the OCCCIF.

The report may also include recommendations for statutory changes related to public-private partnership agreement(s) and the OCCCIF. The submission of this report is a prerequisite for the consideration of supplemental Other Funds expenditure limitation for the Clackamas County Courthouse project.

BUDGET NOTE: On or before February 1, 2022, the Oregon Judicial Department, Public Defense Services Commission, Department of Justice, Department of Human Services, Criminal Justice Commission, and the Housing and Community Services Department are requested to report jointly to the Legislature on the criteria and need for the establishment of a statewide Family Treatment Court program, and possible alternative programs to achieve the objectives of a Family Treatment Court Program. The report is to be submitted to the House and Senate Committees on Judiciary and the Joint Committee on Ways and Means.

The report is to include the following:

- (1) A proposed statewide, integrated structure and organizational principles for a Family Treatment Court program based on national best practices adapted for Oregon, including:
 - a. a delineation of the eligibility and exclusion criteria indicating which families can be served safely and effectively in the Family Treatment Court ensuring equity and inclusion;
 - b. a proposed method to encourage voluntary participation by families balanced with necessary monitoring of participant progress and compliance with the program; and
 - c. the array of services, treatment, programs, and providers necessary to address the complex challenges affecting families. Such services might include but are not limited to interdisciplinary legal representation teams, and behavioral and mental health, substance abuse, domestic violence, housing, parenting, educational, and medical services.
- (2) A least-cost implementation model based on existing legislative funding for:
 - a. Family Treatment programs in circuit courts;
 - b. Child advocacy legal representation provided by the Department of Justice to the Department of Human Services;
 - c. Public defense for both juvenile representation as well as the Parent Child Representation Program;
 - d. The provision of services to families in child welfare cases by the Department of Human Services;
 - e. Behavioral, mental health, and substance use disorder treatment; and
 - f. Transitional and permanent housing services.

- (3) Identification of three least-cost implementation counties that could serve as pilot locations for a Family Treatment Court Program, including a cost estimate for the aforementioned types of services in the pilot counties.
- (4) An evidence-based method for monitoring progress and outcomes, and an evaluation of the program

Receipt of the report is a precondition for the release of the special purpose appropriation established by HB 5006 for the expansion of Family Treatment Courts.

HB 5012 (Chapter 557, Oregon Laws 2021)

BUDGET NOTE: The Oregon Judicial Department is requested to convene state and local government public safety and human services agencies and stakeholders for a statewide summit to discuss the intersection of behavioral health and the state court system. The objective of the summit is to identify recommendations, for consideration by the Legislature, for the continued improvement in the outcomes of individuals with behavioral health and substance abuse disorders participating in the criminal adjudicatory process. The Department is requested to report to the Emergency Board in September of 2022 with a report on the findings and recommendations arising from the summit.

SB 48 (Chapter 643, Oregon Laws 2021)

BUDGET NOTE: The Judicial Department is requested to submit a report on the Chief Justice release guidelines established for pretrial release orders under SB 48 (2021). The report is to be submitted to the Legislature in 2022, by no later than February 1, 2022, and to the House and Senate Committees on Judiciary and the Joint Committee on Ways and Means. The report is to address how the guidelines accomplish the intended objectives in SB 48, which are as follows: (a) provide consistent release decision-making structure across the state; (b) reduce reliance on the use of security; (c) include provisions for victim notification and input; and (d) balance the rights of the defendant and presumption of pretrial release against community and victim safety and the risk of failure to appear. In addition, the report is to provide a fiscal estimate related to the Chief Justice release guidelines and for a continued Legislative investment in the state's pretrial release programs and activities.

Public Defense Services Commission

HB 5030 (Chapter 444, Oregon Laws 2021)

BUDGET NOTE: The Public Defense Services Commission is directed to report to the Joint Committee on Ways and Means during the Legislative Session in 2022, and quarterly thereafter to the Legislative Emergency Board, on the Commission's restructuring and modernization efforts. The release of special purpose appropriation to the Commission is contingent upon the Commission's satisfactory progress, as determined by the Legislature and/or the Legislative Emergency Board, in executing the Legislative direction in HB 5030 budget report, and as related to Legislative expectations regarding the restructuring, modernization, financial controls, quality management, performance metrics, and governance of the agency. Reporting

is to also include, but is not limited to, updated caseload and financial forecasts; procurement activities, including contract amendments and the alignment of contracting with the biennial budget process as well as the separation of adult criminal and juvenile trial-level contracts; and human resources activities, including the hiring of positions, staff turnover, unbudgeted position actions, compensation plan changes, and staff morale.

BUDGET NOTE: The Public Defense Services Commission is directed to develop a comprehensive program plan for the Compliance, Audit, and Performance Division, which is to include, but is not limited to: (a) the administration of the Criminal Trial, Non-Routine Expenses, Court-Mandated Expenses, and Juvenile Divisions; (b) quality assurance/control plans for Criminal Trial, Non-Routine Expenses, Court-Mandated Expenses and Juvenile Divisions, including the PRCRP, and the Appellate Division; and (c) the development of Key Performance Indicators and Key Performance Measures for the agency. The Commission is directed to submit the plan to the Legislative Emergency Board in September of 2022 and then Key Performance Indicators and Key Performance Measurements to the Legislature prior to the Legislative Session in 2023.

BUDGET NOTE: The Public Defense Services Commission, under the direction and guidance of the Secretary of State Audits Division and based upon the direction and guidance of the Joint Committee on Legislative Audits, is to contract for a comprehensive external financial and performance audit of the agency. The Commission is to submit the audits, and the agency's responses to the audits, to the Interim Joint Committee on Legislative Audits no later than September 2022.

BUDGET NOTE: The Public Defense Services Commission is directed to report to the Joint Committee on Legislative Audits during the Legislative Session in 2022 on the establishment of the Commission's internal audit function. The report is to include the internal audit staff reporting structure to the Commission as well as internal audit plans for the 2021-23 biennium and the 2023-25 biennium. The Commission may consider the establishment of an Audit Committee comprised of a subset of Commission members with quarterly reporting to the full Commission.

ECONOMIC DEVELOPMENT

Housing and Community Services Department

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Housing and Community Services Department is directed to work with the Department of Land Conservation and Development to provide an initial legislative report no later than February 1, 2022 and a final legislative report no later than December 31, 2022 on efforts to develop a legislative proposal for incorporation of a regional housing needs analysis into future state and local planning processes.

HB 5011 (Chapter 556, Oregon Laws 2021)

BUDGET NOTE: Affordable Housing and Child Care Center Development Proposal: The Housing and Community Services Department is directed to develop a proposal, in cooperation with the Department of Education, Early Learning Division, for a grant program that supports gap financing for affordable rental housing projects that are co-located with child care or early learning centers. The Housing and Community Services Department will work with the Department of Education to identify opportunities, considerations, partnerships, financing options, and funding sources that should be incorporated into such a development, and shall report to the Interim Joint Committee on Ways and Means or appropriate legislative committee by February 2022 on the potential for offering a competitive funding opportunity for rental housing developments that include child care or early learning centers. The report shall include information on the following:

- Assessment of need for developments of this sort;
- Sources and anticipated amounts of funding that may be leveraged to finance these developments;
- Amenities, security or safety considerations that should be incorporated into such a development;
- Location considerations;
- Criteria for project selection;
- Estimated award size;
- Characteristics of populations likely to be served by the development; and
- Potential development timelines.

Employment Department

HB 5007 (Chapter 426, Oregon Laws 2021)

BUDGET NOTE: The Employment Department is directed to work with the Legislative Fiscal Office to report to an appropriate legislative committee on progress toward collecting Paid Family and Medical Leave Insurance Program contributions and repayment of General Fund-supported startup costs related to the program. The report or reports shall include information related to rates, collection amounts, repayment schedules, program implementation schedules, and associated factors which may influence forecasts and outcomes.

Oregon Business Development Department

HB 5023 (Chapter 560, Oregon Laws 2021)

BUDGET NOTE: The Oregon Business Development Department is directed to report to the Joint Committee on Ways and Means on the Rural Opportunity Initiative grant program by December 31, 2022. The report shall provide a comprehensive overview of the program's operations in during the 2021-23 biennium to date as well as a review of past biennia funding. The report shall include metrics and additional information on the grants applied for and the grants awarded during the biennium. A narrative shall be provided that details how the program has achieved its stated goals, impacted local entrepreneurial ecosystem capacity, and increased

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.

HUMAN SERVICES

Oregon Health Authority

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Oregon Health Authority (OHA) shall study the behavioral health structures for services provided through state agencies and whether the structure adequately meets the current needs of the state as identified by the Alcohol and Drug Policy Commission strategic plan and the State Health Improvement Plan. OHA shall analyze the cost required to meet projected unmet needs, current revenue sources, and additional revenue options, including, but not limited to, taxes related to alcohol, income, and telecommunications. OHA shall report its findings to an interim committee of the Legislative Assembly related to behavioral health no later than February 1, 2022.

HB 5024 (Chapter 668, Oregon Laws 2021)

BUDGET NOTE: The Oregon Health Authority shall report to the Legislature on its plans for the next round of coordinated care organization contracting. The report shall include: 1) anticipated milestones and deadline dates; 2) an outline of how the process will provide public transparency and communication; and 3) the anticipated resources the agency will need to perform the next round of CCO contracting. The report shall be delivered to the Joint Committee on Ways and Means by January 1, 2023.

BUDGET NOTE: The Oregon Health Authority (OHA) shall award up to \$5 million to community mental health programs, tribes, Regional Health Equity Coalitions, and other community grantees by September 1, 2021 for identifying community needs, assessing the feasibility and sustainability of potential projects, and other planning activities necessary to increase residential facility and housing capacity with a focus on reducing health inequities. OHA, in consultation with Oregon Housing and Community Services and OHA's advisory councils, including, but not limited to, the Oversight and Accountability Council, the Oregon Consumer Advisory Council and the System of Care Advisory Council, shall issue a Request for Proposals by December 31, 2021 and a recommendation for how to invest available funds for increasing culturally and linguistically appropriate residential treatment and housing capacity to the legislature by March 1, 2022.

BUDGET NOTE: The Oregon Health Authority (OHA) shall contract with a third-party evaluator to evaluate current behavioral health programs with respect to budget, staffing, data and metrics analysis and tracking, and contracts. The evaluator shall submit a roadmap to increasing financial transparency, accountability and ongoing reporting on Oregon's behavioral health needs and outcomes. As part of this work, County Financial Assistance Agreements should align with coordinated care organization contracts by addressing roles and responsibilities, and ensuring Oregon is maximizing federal funding. The contract shall also recommend risk

alignment addressing liability concerns, administrative support, and oversight required of community mental health programs in monitoring treatment services, safety and compliance, and abuse and neglect investigations, as well as overseeing corrective plans, site reviews, crisis services, civil commitment process, and discharge transitions. OHA may request funding to operationalize these recommendations.

BUDGET NOTE: The Oregon Health Authority (OHA) shall administer the certified community behavioral health clinic (CCBHC) demonstration program and evaluate whether CCBHCs: 1) increase access to behavioral health treatment for residents of this state; 2) provide integrated physical and behavioral health care; 3) offer services that result in improved health outcomes, lower overall health care costs and improved overall community health; and 4) reduce the cost of care for coordinated care organization members. No later than February 1, 2023, OHA shall report its findings to the interim committees and subcommittees of the Legislative Assembly related to health and mental health and to the interim subcommittee of the Joint Committee on Ways and Means with authority over human services agencies' budgets.

BUDGET NOTE: The Oregon Health Authority shall report to the Department of Administrative Services Chief Financial Office and the Legislative Fiscal Office on February 1, 2022 and February 1, 2023 on the number of aid and assist clients served at the Oregon State Hospital and through community restoration, the amount of funding awarded to communities and providers, and the actual expenditures by community mental health programs or direct contracts from the funding available in the agency's budget for community restoration services, case rate payments, and housing and wraparound services. The reported dollar amounts shall be detailed according to specific service. For amounts expended or obligated on housing and rental assistance, the report shall identify the number of individuals placed in housing as a result of the investments.

BUDGET NOTE: The Oregon Health Authority (OHA) shall consult with relevant stakeholders to resolve staffing shortfalls at the Oregon State Hospital. The relevant stakeholders that OHA shall consult with include, but are not limited to, managerial and direct care staff employed by the Oregon State Hospital; community mental health programs; and hospital and other health care providers. No later than November 1, 2021, OHA shall submit a financially and programmatically sustainable plan to the Emergency Board or the Interim Joint Committee on Ways and Means that provides solutions for maintaining appropriate daily staffing levels to ensure the safety of both patients and staff.

BUDGET NOTE: The Oregon Health Authority shall work with the Department of Administrative Services Chief Financial Office and the Legislative Fiscal Office to establish a more detailed agency appropriation structure for its primary biennial budget bill. At a minimum, this structure shall detail the amount of funding budgeted for Medicaid, non-Medicaid behavioral health, the Public Health Division, Health Policy and Analytics Division, Oregon State Hospital, the Public Employees' Benefit Board, Oregon Educators Benefit Board, and central administrative functions. This new budget structure shall be recommended and prepared prior to the 2023 legislative session.

Department of Human Services

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Department of Human Services' Office of Developmental Disabilities Services (ODDS) is directed to fully fund the new rate models that go into effect on July 1, 2022. As this action is intended to strengthen and enhance Home and Community Based Services, the ODDS shall use funds made available through the temporary 10% FMAP increase to cover the 2021-23 costs required for implementation, unless the U.S. Centers for Medicare and Medicaid Services determines this to be an ineligible use of those funds, in which case the Department is directed to submit a request to the Emergency Board for the required funding. It is the Legislature's intent to fully fund provider rates for adult and children's group home services, day support services, employment services, attendant care, supported living, and non-medical transportation.

SB 5529 (Chapter 606, Oregon Laws 2021)

BUDGET NOTE: The Oregon Department of Human Services is directed to use the \$4.3 million General Fund appropriated in SB 5529 for refugee extended case management, employment support services, and for the provision of services listed in ORS 411.139 (2), to individuals granted an immigration status that has been approved for services by the federal Office of Refugee Resettlement. Services are to be provided through grant awards to entities defined in ORS 411.139, agencies that receive funding through a cooperative agreement with the United States Department of State, Bureau of Population, Refugees and Migration to provide reception and placement case management support to refugees in remote places and to an employment service provider that is an established culturally responsive organization and provides employment and workforce development services.

BUDGET NOTE: The Oregon Department of Human Services shall submit a report to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2022 Session on the status of implementation of foster care respite services, including the number and type of certified and trained respite providers, and the number of families and children who have received and will receive respite services during the 2021-23 biennium. The report should also discuss the metrics the agency will be using to evaluate the program's effectiveness with regard to family stability, reduced risk or neglect, and improved provider recruitment and retention.

BUDGET NOTE: To access the special purpose appropriation established in SB 5529 to address double-fill positions in the Child Welfare program, the Oregon Department of Human Services must present information to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2022 legislative session that demonstrates the agency's progress in filling child welfare vacancies, reducing turnover, implementing strategies to improve recruitment and retention, and curbing the establishment of double-fill positions.

BUDGET NOTE: The Oregon Department of Human Services is directed to adopt rules for the administration of the Long-Term Care Capital Improvement and Emergency Preparedness Program, including requirements and criteria for the application, approval, distribution, and oversight of the program. In making grant award decisions, the department is directed to consider and prioritize high Medicaid-census buildings, aging buildings, and upgrades; and, to ensure equitable access across the State. Eligible expenditures include emergency power sources, air quality and HVAC improvements, infectious disease prevention strategies and equipment, technology to facilitate virtual visits and telehealth for residents, and room reconfigurations that reduce the risk of transmitting infectious diseases. The Department is directed to present information to the Human Services Subcommittee of the Joint Committee on Ways and Means during the 2022 legislative session on the status of program implementation, the number of applications received, and total awards made by type of facility.

BUDGET NOTE: The Oregon Department of Human Services is directed to work with appropriate stakeholder groups to develop or expand programs that will improve the skill level and training of workers in the long-term care sector as well as create better pathways to continued education and professional advancement for workers. The department may contract with external vendors to develop or expand these programs. Programs may include, but are not be limited to, loan forgiveness, tuition reimbursement, apprenticeship programs, and other professional development, education, or training opportunities and incentives for long term care workers. The department shall report to the 2022 Interim Joint Subcommittee on Human Services on the implementation of these programs.

BUDGET NOTE: The Oregon Department of Human Services and Oregon Health Authority shall provide interim reports to the appropriate interim budget committee (either the Joint Committee on Ways and Means or Emergency Board) throughout the 2021-23 interim on the status of implementation of the Home and Community-Based Services (HCBS) and Long-Term Services and Supports (LTSS) investment plan related to Section 9817 of the federal American Rescue Plan Act. The interim reports shall include, but not be limited to, (1) information on the status of federal review of the state's investment plan and any changes to the scope of the activities in the plan; (2) updated estimates of the total amount of funds attributable to the increase in FMAP that Oregon anticipates claiming; and, (3) actual and projected expenditures for activities in the investment plan between April 1, 2021, and March 31, 2024. The Department shall provide the Legislative Fiscal Office a copy of the quarterly spending plans and narrative submissions provided to the U.S. Centers for Medicare and Medicaid Services.

BUDGET NOTE: The Oregon Department of Human Services and the Oregon Health Authority shall: (1) Identify barriers that individuals served by Aging and People with Disabilities and the Office of Developmental Disabilities experience accessing and receiving mental health treatment services through Medicaid, and develop strategies to address these barriers; and (2) Assess and develop strategies to remove barriers that prevent individuals with mental illness from accessing long term services and supports. The Departments shall report the results of this work to the human services committees of the Legislative Assembly no later than February 28, 2022.

NATURAL RESOURCES

Oregon Department of Forestry

SB 5518 (Chapter 605, Oregon Laws 2021)

BUDGET NOTE: An appropriation to the Emergency Board of \$14 million is included in SB 5518 for allocation to the Department of Forestry, for a portion of the net cost associated with severity resources incurred during the 2021-23 biennium. The net cost is the residual cost of severity resources after accounting for reimbursements or payments from any other source, including, but not limited to, reimbursement from any federal, state, or local government entity, insurance policy claims, and responsible party recoveries. It is the intent of the Legislature that the Department of Forestry contract for, and utilize, any available aviation, initial attack, and other resources commonly referred to as severity resources that the agency deems appropriate for the agency's fire suppression and prevention activities within the context of the fire conditions upon the landscape. The specific amount of funding provided in this appropriation is based on estimates of costs provided by the agency and is not intended to limit the ability of the agency in its prudent, professional use of severity resources.

BUDGET NOTE: Macias, Gini, and O'Connell. The Department of Forestry is directed to use funding provided for the continuance of contracted services from Macias, Gini, and O'Connell (MGO) to enter into a contract for the provision of direct technical assistance and oversight of the implementation of recommendations made by MGO and for interim and final reports by MGO to the Board of Forestry and the Joint Committee on Ways and means on the agency's implementation of the MGO recommendations. Specific implementation timelines must be developed with a goal of full implementation of the recommendations by the end of the biennium. The first interim report is to be provided no later than January 31, 2022.

BUDGET NOTE: Sudden Oak Death. In conjunction with the \$1.7 million General Fund appropriation included in the agency's budget, the department is directed to produce a detailed report of all department activities related to the containment and eradication of Sudden Oak Death in Oregon. The report must contain, at a minimum, a comprehensive review of expenditures made by the department and its federal and state partners on containment and eradication activities, detailed discussion of each of the activities, strategies, or actions that includes the amount spent on these items and the efficacy of these items. The report should also identify any impediments that have been encountered by the agency, its federal and state partners, or contractors in achieving the purposes of the activities, strategies, or actions taken to slow or stop the spread of Sudden Oak Death. The report must also include a strategic plan and a detailed implementation plan for the containment and eradication of Sudden Oak Death by the department for the next two biennia that is based on quantifiable, successful strategies that have been implemented to date. The report must be provided to the Joint Committee on Ways and Means by January 30, 2023.

Land Use Board of Appeals

SB 5531 (Chapter 439, Oregon Laws 2021)

BUDGET NOTE: The Land Use Board of Appeals (LUBA) is directed to work with the Department of Administrative Services Enterprise Information Services (DAS EIS) to begin the foundational work on an electronic filing and case management system. That work must comply with State Information Technology Policy requirements and at minimum include business systems analysis, requirements gathering, business case development, and the project management services necessary to complete this work in a timely manner. LUBA and DAS EIS are to jointly report on the progress of this work including funding requirements to the Joint Committee on Ways and Means during the 2022 Legislative session.

Department of Land Conservation and Development

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: The Department of Land Conservation and Development, in consultation with Oregon Housing and Community Services, shall provide an initial legislative report no later than February 1, 2022 and a final legislative report no later than December 31, 2022 on efforts to develop a legislative proposal for incorporation of a regional housing needs analysis into future state and local planning processes.

Water Resources Department

HB 5006 (Chapter 669, Oregon Laws 2021)

BUDGET NOTE: Oregon Water Resources Department is directed to use provided funding to contract with Oregon Consensus to convene a workgroup comprised of a balanced membership including, but not limited to, conservation groups, agricultural water users, municipal water users, environmental justice organizations, tribal interests, and state agencies, including Water Resources Department and the Oregon Department of Fish and Wildlife, to consider regional water management opportunities that build on the 100 Year Water Vision and further the goals of the Integrated Water Resources Strategy.

Department of Fish and Wildlife

HB 5009 (Chapter 679, Oregon Laws 2021)

BUDGET NOTE: Hatchery Analysis - The Leaburg Hatchery is currently owned by the US Army Corps of Engineers (USACE) and operated under lease by the Department of Fish and Wildlife (ODFW). Within the 2021-23 biennium, it is anticipated that the USACE will offer to convey ownership of the property to ODFW when the current lease expires. The Department is directed to report to the Legislature the method and conclusions around due diligence conducted by ODFW prior to taking ownership of the hatchery. Additionally, the Department is anticipating funding from both State insurance and Federal Emergency Management Agency around the fire damage sustained at Rock Creek Hatchery. The Department is directed to report

to the Legislature on any analysis done around the rebuilding of Rock Creek Hatchery, including an analysis of statewide hatchery needs and best practices. The Department is directed to provide both reports to the Joint Committee on Ways and Means during the 2022 Legislative session.

Department of Geology and Mineral Industries

HB 5010 (Chapter 5, Oregon Laws 2021)

BUDGET NOTE: The Department of Geology and Mineral Industries and its stakeholders have expressed interest in the development of an online permitting platform to improve efficiencies in the Mined Land Regulation and Reclamation program. Prior to the Department pursuing an independent IT project, the Department is directed to explore options to potentially utilize the Department of Environmental Quality's Environmental Data Management System for the purposes of providing online permitting. The two agencies should provide a report to the Legislative Fiscal Office and the Department of Administrative Services Chief Financial Office by October 2021 on the feasibility and potential costs around this proposal.

Department of Environmental Quality

SB 5516 (Chapter 673, Oregon Laws 2021)

BUDGET NOTE: Environmental Data Management System Project – The Department of Environmental Quality (DEQ) is in the process of implementing an Environmental Data Management System (EDMS) Project. The project involves the consolidation or replacement of aging, disparate agency systems within a single off-the-shelf solution designed to standardize and automate key business processes across DEQ's Air, Water and Land programs. DEQ is directed to provide a comprehensive report on the status of the EDMS project to the Joint Legislative Committee on Information Management and Technology (JLCIMT) during the 2022 Legislative Session. The report shall, at minimum, include updated status information on:

- Project governance, management, and staffing
- Project scope, schedule, and budget
- Current or planned procurements/contracts (at the time of the report)
- Legacy system & data conversion planning/activities
- Risks and challenges
- Independent quality assurance findings
- Any other information that would inform the JLCIMT or other Legislative Committees about the status of this project/initiative.

LEGISLATIVE BRANCH

Legislative Assembly

HB 5016 (Chapter 559, Oregon Laws 2021)

BUDGET NOTE: The Chief Clerk of the House and Secretary of the Senate shall work in coordination with Visitor Services in Legislative Administration to explore creating a civics education unit, in compliance with Oregon Department of Education curriculum standards for primary and secondary grades. A report on options for a civics education program that may be integrated into classroom settings and guided tours of the State Capitol shall be submitted to the Joint Committee on Ways and Means in the February 2022 session.

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 2021 legislative session, the Joint Legislative Committee on Information Management and Technology and the Joint Committee on Ways and Means did the following:

- Reviewed proposed IT-related law and policy changes.
- Evaluated business cases, value/benefit/risk propositions, 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 (but are not limited to):

- Statewide IT Overviews – executive, legislative, and judicial branches
- Office of the State Chief Information Officer (CIO)– Organizational/Program Area Overviews and 2020-23 Strategic Framework (Plans)
- Enterprise IT Governance and Stage Gate Review Process for Major IT Projects
- Assistant State CIO - Program area IT modernization planning
- Secretary of State Data Security and Privacy Risk Audit Findings
- Unification of Information Security Resources within Office of the State CIO per SB 90 (2017)
- Information Security Reports required by ORS 276A.306– Office of the State CIO, Secretary of State, State Treasurer, Department of Justice, Legislative Administration Committee, Judicial Department
- Status update on Oregon Broadband Office activities
- Oregon Broadband Advisory Council Report: Broadband in Oregon – ORS 285A.160
- State Interoperability Executive Council – State Communications Interoperability Plan and FirstNet in Oregon - ORS 403.455
- Enterprise IT Systems and budget note reports for: Public Employees Retirement System SB1049 IT related projects; Oregon Employment Department Modernization Program; Department of Human Services and Oregon Health Authority Integrated Eligibility System Project; Department of Justice Child Support System Project; Department of Administrative Services OregonBuys Enterprise Project; and, Office of the State CIO Enterprise Microsoft 365, Network Modernization, OR-Alert System, and LinkOregon (State Fiber Network) Projects

Significant Information Technology Related Law and Policy Changes

- HB 2119 - Transfers responsibility for 2-1-1 system from Office of Emergency Management to Department of Human Services. Modifies terminology related to 2-1-1 system. Repeals law relating to duty to contract for creation of 2-1-1 system. Modifies laws relating to financial contributions for 2-1-1 system.
- HB 2128 - Requires tax professional to report breach of security associated with tax return preparation to Department of Revenue. Applies to breaches of security occurring on or after January 1, 2022.
- HB 2411 - Requires notifications and process for allowing interested telecommunications providers to coordinate with Department of Transportation to include installation of underground infrastructure for provision of broadband as part of certain projects included in Statewide Transportation Improvement Program.
- HB 2415 - Requires Department of Consumer and Business Services to adopt rules to establish minimum standards and statewide consistency in electronic processes for reviewing plans, issuing permits and performing field inspections. Requires municipalities that administer and enforce building inspection programs to use department's electronic system for access to building codes information or to use system that is equivalent to department's system. Requires municipalities that administer and enforce building inspection programs to meet minimum standards department adopts regardless of whether municipality uses equivalent system.
- HB 2459 - Includes in definition of "conversation" communication occurring through video conferencing program for purposes of statutes regulating recording of communications. Prohibits recording of communication occurring through video conferencing program if participants are not informed of recording. Punishes by maximum of 364 days' imprisonment, \$6,250 fine, or both. Specifies exceptions.
- HB 2549 - Requires agencies to send copies of reports on public access sites to State Marine Board and for board to make reports public, including by hosting map of reported sites on website.
- HB 2560 - Requires governing body of public body, to extent reasonably possible, to make all meetings accessible remotely through technological means and provide opportunity for members of general public to remotely submit oral and written testimony. Imposes same requirements on hearings under ORS chapters 197 and 215.
- HB 2927 - Renames Office of Emergency Management as Oregon Department of Emergency Management. Establishes department as independent state agency. Directs department to carry out certain functions related to regional and statewide emergency response and preparedness. Transfers Oregon Emergency Response System from Department of State Police to Oregon Department of Emergency Management, operative July 1, 2025. Establishes Local Government Emergency Management Advisory Council to provide advice and recommendations to Oregon Department of Emergency Management regarding department's emergency preparedness and response functions. Sunsets council on January 2, 2030.
- HB 3035 - Establishes Task Force on Corrections Medical Care. Directs task force to conduct review of Department of Corrections medical care grievance process, medical care standards of care and adoption of electronic health records system. Directs task force to submit report and recommendation for prioritized list of medical care to Legislative Assembly no later than September 15, 2022. Directs Department of Corrections to regularly

report to Legislative Assembly concerning medical care and health outcomes of persons in custody. Sunsets task force and reporting requirement on June 30, 2023.

- HB 3047 - Establishes civil cause of action for improper disclosure of personal information.
- HB 3145 - Requires law enforcement unit that imposes discipline including economic sanction on police officer to report to Department of Public Safety Standards and Training. Requires department to include discipline of police officers involving economic sanctions in statewide online database of information about police officers.
- HB 3159 - Requires coordinated care organization, health care provider or health insurer to collect from patient, client or member data on race, ethnicity, preferred spoken and written languages, disability status, sexual orientation and gender identity. Establishes civil penalty for violation. Requires Oregon Health Authority to establish data system for receipt and storage of specified data. Requires authority to report every two years, beginning on June 1, 2022, on collection of data to appropriate interim committees of Legislative Assembly. Directs authority to administer grant program to provide funding to support safe data collection by specified organizations.
- SB 31 - Changes name of office of State Chief Information Officer to office of Enterprise Information Services.
- SB 293 - Directs office of State Chief Information Officer to develop recommendations related to elevating consideration of privacy, confidentiality and data security measures in state government enterprise and shared information technology services, and to submit recommendations in report to certain interim committees of Legislative Assembly by September 15, 2022.
- SB 762 - Directs State Board of Forestry to establish criteria for developing statewide map of wildfire risk, establish Certified Burn Manager program and report to Legislative Assembly on or before December 1, 2021. Directs Office of Emergency Management to update statewide emergency plan to prepare for or respond to wildfire emergencies.

Budget Notes and Reports

Of the major IT projects and initiatives considered during the 2021 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. The sponsoring agency was or will likely be requested to return to the Legislature during the 2021-23 interim, the 2022 regular session, and/or the 2023 regular session to report on project status and/or progress toward satisfying legislative direction or budget note requirements. By program area, these major IT projects and initiatives included the following:

Administration

- Department of Administrative Services – Workday Payroll / Time and Attendance Project
- Department of Administrative Services – OregonBuys: E-Procurement System
- Office of the State Chief Information Officer – Enterprise Microsoft Office 365 Project
- Office of the State Chief Information Officer – Open Data Initiative and Geospatial Data Sharing
- Legislative Branch – Document Publishing and Management System Project
- Oregon Liquor Control Commission – Enterprise IT Modernization Program
- Public Employees Retirement System – Information Technology Projects (SB 1049)

- Public Employees Retirement System - Production Data Center Migration to State Data Center and Warm Site Project
- Public Employees Retirement System - Oregon Retirement Online Network (ORION) Modernization
- Oregon State Treasury - Core Banking Systems Renewal (BSR) Project
- Department of Revenue - ELVIS (Electronic Property Valuation Information System)

Economic and Community Development

- Employment Department – Employment Modernization Program (currently focused on Unemployment Insurance Modernization Project)
- Employment Department – Paid Family Medical Leave Insurance Program
- Oregon Business Development Department - Broadband Program

Education

- Oregon Department of Education - Projects financed through Broadband Connecting Oregon Schools Fund
- Higher Education Coordinating Commission - Financial Assistance Management Information System

Human Services

- Department of Human Services/Oregon Health Authority - Provider Time Capture
- Department of Human Services/Oregon Health Authority – Integrated Eligibility System
- Oregon Health Authority - Oregon Educators Benefits Board/Public Employees Benefits Board - Benefits Management System replacement

Natural Resources

- Department of Environmental Quality – Environmental Data Management System Project (includes Green House Gas Management System)
- Department of State Lands – Land Administration System Replacement Project

Public Safety and Judicial Branch

- Oregon Youth Authority – Juvenile Justice Information System (JJIS) Modernization Project
- Department of Corrections – Electronic Health Record (EHR) Project
- Department of Justice - Legal Tools Replacement 2.0 program
- Oregon State Police - LEDS 20/20 Inclusion of Sex Offender Registry (SOR)-Phase 6

Additional IT Projects and Initiatives of Interest to be Initiated/Implemented in 2021-23

Administration

- Dept. of Administrative Services Public Records Request Management - Enterprise System
- Office of the State CIO - Statewide Mass Emergency Notifications System
- Office of the State CIO - Expansion of Co-location Services
- Office of the State CIO – Resilient Site (Backup Data Center)
- Office of the State CIO – State Data Center Lifecycle Replacement Project
- Office of the State CIO - Enterprise IT Services Management/IT Asset Management Project
- Office of the State Chief Information Officer - Unify Cyber Security Services
- Oregon Liquor Control Commission – Privilege Tax Online System Project
- Dept. of Revenue - Customer Call Center Modernization
- Secretary of State - ISD Data Center upgrade/replacement project

- Secretary of State - ISD Managed Defense and Prevention
- Columbia River Gorge Commission (CRGC) - Access Database Replacement – Phase 1

Consumer and Business Services

- Dept. of Consumer and Business Services - Workers' Compensation Modernization Program
- Oregon Medical Board - Core Business Suite Software Replacement Project
- Public Utilities Commission - Dockets and Discovery (e-Filing/e-Discovery) System Project

Economic and Community Development

- Oregon Business Development Dept. - IT Modernization Program
- Oregon Housing & Community Services - Homeless Management Information System Project
- Oregon Dept. of Veterans Affairs - Conservatorship System Replacement
- Oregon Dept. of Veterans Affairs - Home Loan Servicing Application Replacement

Education

- Teacher's Standards and Practices Commission - Educator Licensing System (e-Licensure Portal)
- Higher Education Coordinating Commission - State Longitudinal Data System
- Higher Education Coordinating Commission - Transfer Portal
- Dept. of Early Learning and Care - Establishment of IT operations and systems

Human Services

- Commission for the Blind – Vocational Rehabilitation Case Management Modernization Project
- Oregon Health Authority - Behavioral Health Information System

Natural Resources

- Dept. of Environmental Quality – Clean Water State Revolving Fund Information System Project
- Land Use Board of Appeals - Electronic filing and case management system
- Dept. of Geology and Mineral Industries - LIDAR Acquisition Program
- Dept. of Geology and Mineral Industries - Mined Land Regulation and Reclamation Program

Public Safety and Judicial Branch

- Dept. of Corrections - Parole and Probation Officer Communications System
- Dept. of Corrections - TruNarc Field Testing Tool/Body Scanners (Opioid Detection)
- Dept. of Corrections - Off-net telephone infrastructure replacement
- Dept. of Corrections - Modernizing the adult in custody computing platform
- Dept. of Emergency Management - Establishment of IT Operations and Systems
- Dept. of the State Fire Marshal - Establishment of IT Operations and Systems
- Public Defense Services Commission - Establishment of IT Operations and Systems

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, non-tax revenues, or positions and full-time equivalent (FTE) compared to the current biennium's approved budget. There are four general types of fiscal impact statements:⁶

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

2021 Process

Oregon Revised Statute Chapter 173 states that fiscal impact statements are required on measures that are reported out of committee. During the 2021 session, House and Senate substantive committees, by model committee rule, were required to receive and review a fiscal impact statement prior to a measure being reported out of committee. This rule applied to most substantive measures, including those with subsequent referrals to the Committees on Finance and Revenue and the Joint Committee on Ways and Means.⁷ 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 several factors including: the volume of measures introduced, the number of substantive committees, committee model rules, committee scheduling of a measure, whether the measure is amended, the number of amendments, the fiscal nature and complexity of the measure or amendment, the duration of the session, and Legislative Fiscal Office (LFO) and state and local government staffing and their experience with the legislative and fiscal impact processes.

⁶ 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 new position or full-time equivalent authority.

⁷ A complete fiscal impact statement is not required for measures with a subsequent referral to another substantive committee. A "Fiscal Lite" statement, indicating the bill's fiscal impact will be reviewed in another committee, may be issued instead. In the 2021 session, 133 "Fiscal Lites" were issued, which was 238 fewer (64%) from the 371 issued during 2019.

There were 2,519 measures introduced during the session, which is 249 less than the 2019 session and 199 fewer than the average of the last five biennia. There were 2,980 amendments drafted for those bills, which is 18% less than the average of the last five biennia. Of the 2,519 measures introduced, 717 (29%) survived to become law. While not every measure introduced or amendment drafted advanced legislatively and had a fiscal impact prepared, LFO produced 2,302 fiscal impact statements during the 2021 session, which is 469, or 17%, less than the 2019 session and 562, or 20%, less than the average for the last five biennia.

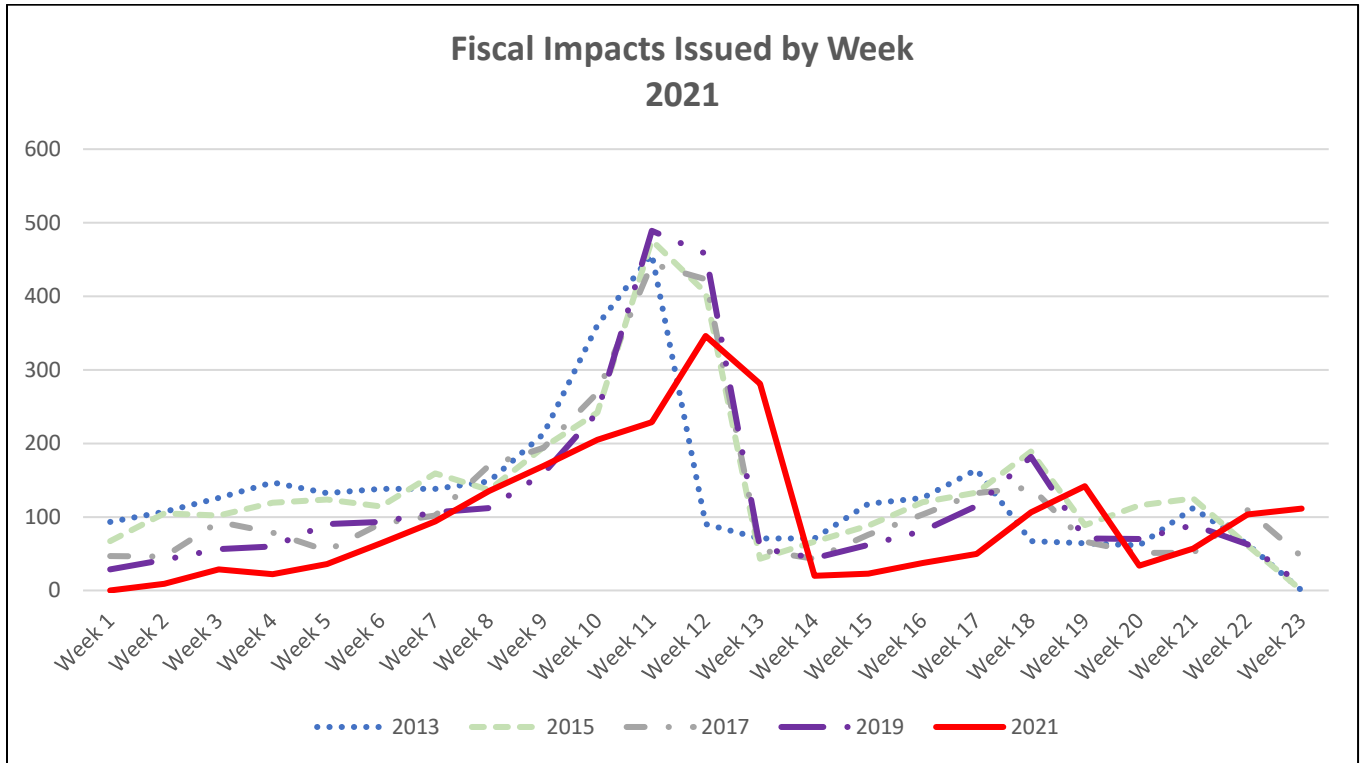
Of the 2,302 fiscal impacts issued, 1,143 (49%) were written Fiscal Impact Statements; 683 (30%) were Minimal Fiscals; and 476 (21%) were No Fiscals. The number of written Fiscal Impact Statements is 147 less than the average of the past five biennia. The table below provides historical comparisons of fiscal impact-related information as well as an average for the last five regular legislative sessions.

Regular Legislative Session	2013	2015	2017	2019	2021	Five Biennia Average
Biennium/Statistic						
Length of Regular Session	155	155	157	160	159	157
# of Measures and Amendments						
Measures Introduced	2,679	2,799	2,829	2,768	2,519	2,719
Amendments Drafted	3,941	4,106	3,781	3,425	2,980	3,647
Total	6,620	6,905	6,610	6,193	5,499	6,365
Measures Enrolled	854	921	811	760	717	813
% of Measures Introduced Enrolled	32%	33%	29%	27%	28%	30%
Fiscal Impact Statements (FIS)						
Written Fiscal Analysis	1,275	1,475	1,234	1,325	1,143	1,290
Minimal Fiscal	1,198	1,007	992	858	683	948
No Fiscal	613	793	658	588	476	626
Total	3,086	3,275	2,884	2,771	2,302	2,864
% Written Analysis	41%	45%	43%	48%	50%	45%
% Minimal Fiscal	39%	31%	34%	31%	30%	33%
% No Fiscal Impact	20%	24%	23%	21%	21%	22%

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 shows the number of fiscal impacts issued each week in the 2013, 2015, 2017, 2019, and 2021 regular sessions. The volume of fiscals issued in 2021 peaked during the weeks of April 5 and April 12, which corresponds to the deadline for bills to be reported out of the committee of origin. This resulted in a substantially increased workload, over triple the average, but also drove an increase in the number of bills subsequently referred to the Rules Committees, Revenue Committees, and the Joint Committee on Ways and Means. During this two-week period, there were 627 fiscal impacts issued (29% of all fiscals issued), which is comparable to 2019 for the same period. There was a total of 437 bills referred to the Joint Committee on Ways and Means (combined budget and policy bills) and, of this number, 226 (52%) received a hearing and 220 (50%) were ultimately passed out to the chambers.



Substantive Bills Enacted into Law with a Budget Effect

In addition to appropriation bills, the Legislature approves substantive bills that have a budgetary or fiscal impact. The following is a summary, by program area, detailing the most noteworthy⁸ substantive bills reported out of the Joint Committee on Ways and Means, which either became law or were referred to voters.⁹

Referrals to the Joint Committee on Ways and Means

Of the 2,519 measures introduced during the 2021 session, 437 (17%) were referred to Ways and Means.¹⁰ Of the referred bills, 104 (24%) were budget bills referred directly to Ways and Means. The remaining 333 (76%) bills were substantive or non-budget bills. Of the substantive bills in Ways and Means, 135 (40%) received a public hearing and 133 (40%) were reported out.

EDUCATION PROGRAM AREA

HB 2055 (Chapter 510, Oregon Laws 2021) establishes the Tribal Early Learning Hub for the purpose of delivering early learning services to tribal communities in Oregon. The Hub is in addition to existing Hubs which are geographically based. One position will advise a tribal advisory committee and the agency in planning the implementation of policies and programs that will support the partnership with the federally recognized tribes located in Oregon, with additional costs related to special payments to tribal nations and potential contractors to assist tribes. A total of \$851,263 General Fund is included in ODE's budget bill, SB 5513 (2021), to carry out this measure.

HB 2166 (Chapter 518, Oregon Laws 2021) includes four major initiatives:

- Establishes an Early Childhood Suspension and Expulsion Prevention program providing resources to assist families and providers to prevent children from being taken out of early learning programs because of behavior or other issues. The Early Learning Division (ELD) will develop and implement this program. This measure establishes three positions and appropriates a total of \$5.8 million General Fund for this program, with all but \$636,609 unscheduled till the agency returns with a defined plan for the funding.
- The Oregon Department of Education (ODE) is to propose social and emotional learning standards and framework for adoption by the State Board of Education. The position authority and funding is included in the agency budget.
- The Teachers Standards and Practices Commission (TSPC) is to establish standards for nontraditional pathways to licensure for educators. A \$527,792 General Fund appropriation

⁸ Several bills which would otherwise be included in this section are included elsewhere in the document. For example, HB 2927, which establishes the Oregon Department of Emergency Management, SB 500, which establishes the Office of the Public Records Advocate, and HB 3073, which creates the new Department of Early Learning and Care, are discussed in the Agency Organizational Changes section of this document.

⁹ Additional information can be found in a measure's budget report, an agency budget report, the budget reconciliation bill (i.e., HB 5006), or a fiscal impact statement. This information is available on the Oregon Legislative Information System (OLIS). Other information posted to the Legislature's website includes summaries of major legislation produced by the Legislative Revenue Office and Legislative Committee Services.

¹⁰ The average number of measures referred to Ways and Means during odd-numbered years since the 2003 biennium is 15% of introduced measures.

and two positions to begin the development of the pathways are provided in the bill. The agency may return for funding in February 2022.

- A new grant program is established for eligible public charter school based on based on eligibility criteria including share of students who have historically experienced academic disparities. Funding is provided from a \$2 million expenditure limitation for resources from the Statewide Education Initiative Account of the Fund for Student Success.

HB 2835 (Chapter 621, Oregon Laws 2021) defines benefits navigator as a person trained to assist students with applying for and receiving need-based financial benefits provided by federal, state and local programs; and requires each public university and community college to train and employ benefits navigators. The measure also requires each public university and community college to participate in a statewide consortium for benefits navigators to develop best practices and facilitate communication. The measure appropriates \$4,999,150 General Fund to the Higher Education Coordinating Commission for the purposes of the bill.

HB 3294 (Chapter 635, Oregon Laws 2021) requires school districts, charter schools, Education Service Districts, community colleges, and public universities to stock feminine hygiene products in two student bathrooms in each facility for the first year of the 2021-23 biennium, and in every bathroom starting in the second year. The bill transfers \$5,595,000 Other Funds from the State School Fund for grants to school districts and appropriates \$137,483 General Fund to the Oregon Department of Education to administer the program.

HB 3354 (Chapter 637, Oregon Laws 2021) requires the Teacher Standards and Practices Commission (TSPC) to create a performance-based measure to determine if a licensing candidate's knowledge, skills and competencies qualify the candidate for a license. The measure would replace the current measures used by Education Preparation Programs. In addition, the bill requires TSPC to lower artificial barriers presented by standardized tests and evaluate locally determined and adopted assessment measures. The bill appropriates \$470,288 General Fund to TSPC for two positions for the Commission's responsibilities under this measure.

SB 52 (Chapter 644, Oregon Laws 2021) directs the Oregon Department of Education (ODE) to develop and implement a statewide education plan for students who identify as lesbian, gay, bisexual, transgender, queer/questioning, two-spirit, intersex, asexual, non-binary, or another minority gender identity or gender orientation (LGBTQ2SIA+). A total of \$2.3 million in Student Success Act funding for grants and a position is in ODE's budget bill to implement the LGBTQ2SIA+ Student Success Plan.

SB 222 (Chapter 648, Oregon Laws 2021) clarifies who may conduct vision screenings and appropriates \$1.5 million General Fund for deposit in the Vision Health Account to make reimbursements for vision screenings provided by community providers or other vision screening services. Currently, vision screenings are reimbursed through education providers instead of direct reimbursement through the Oregon Department of Education.

SB 233 (Chapter 575, Oregon Laws 2021) requires the Higher Education Coordinating Commission (HECC) to establish a common course numbering system for all introductory and lower-level courses offered at public post-secondary institutions of education. The bill requires

HECC to provide staff and logistical support for a 15-member Transfer Council, which will advise HECC on the common course numbering system and serve as the primary venue for community colleges and public universities to collaborate to develop foundational curricula and unified statewide transfer agreements, among other duties. A General Fund appropriation of \$831,429 for consulting resources and three positions (1.75 FTE) was included in the HECC budget bill to implement this measure.

SB 551 (Chapter 583, Oregon Laws 2021) provides for health insurance coverage for part-time faculty at public universities and community colleges. To be eligible, a faculty member must be working at a level equal to at least half of a full-time equivalent employee. The measure appropriates \$12.9 million General Fund for the part-time Faculty Insurance Fund, which will provide the Higher Education Coordinating Commission with funding to reimburse public universities and community colleges for the provision of health insurance benefits to part-time faculty.

SB 553 (Chapter 652, Oregon Laws 2021) exempts students who are Compact of Free Association (COFA) islanders and students with refugee or special immigrant visas from paying nonresident tuition and fees at public universities in Oregon, if they have not previously established a residence in any other U.S. state or territory. The bill also extends eligibility for scholarships and other aid offered by public universities and state-funded grants to these students. The number of students eligible for state-funded grants is expected to minimally increase, though this would increase the demand for programs that are currently at or above capacity. The measure also directs the Higher Education Coordinating Commission (HECC) to allocate funding equal to the difference in resident and nonresident tuition and fees for each qualified COFA islander enrolled at Eastern Oregon University. This measure appropriates \$1,071,544 General Fund to HECC for the purposes of the bill.

HUMAN SERVICES PROGRAM AREA

HB 2086 (Chapter 667, Oregon Laws 2021) appropriates \$10.6 million General Fund to the Oregon Health Authority (OHA) for various behavioral health services. This includes \$10.2 million for increased reimbursement rates for treating persons with co-occurring behavioral health disorders, and start-up funding for treatment programs that provide integrated co-occurring disorder treatment. An additional \$400,000 General Fund is provided for OHA to collect data from providers who offer intensive behavioral health treatment services. The bill also requires OHA to establish programs that ensure access to culturally specific and responsive services; continually evaluate opportunities to reduce the burden of documentation requirements for providers seeking certificates of approval; study and report on Medicaid rates paid for behavioral health services; adopt rules requiring coordinated care organizations to provide housing navigation services and address social determinates of health; report on the demand and capacity of intensive behavioral health treatment for children; and support a new Behavioral Health Committee established by the Oregon Health Policy Board.

HB 2316 (Chapter 521, Oregon Laws 2021) establishes the Behavioral Health Housing Incentive Fund and continuously appropriates moneys in the Fund to the Oregon Health Authority (OHA) to support the development of community-based housing, including licensed residential treatment facilities, for individuals with mental illness and individuals with substance use disorders; and crisis intervention services, rental subsidies and other housing-related services to

help keep individuals with mental illness and individuals with substance use disorders safe and healthy in their communities. SB 5534 (2021) authorizes the issuance of \$20 million in lottery bonds for the Fund. In addition to this amount, HB 2316 transfers to the Fund any unobligated balance remaining in the Housing for Mental Health Fund on June 30, 2022, which is estimated to be \$400,000. The Housing for Mental Health Fund was established in 2015 to support similar work administered by the Housing and Community Services Department and is eliminated upon transfer of its remaining balance.

HB 2359 (Chapter 453, Oregon Laws 2021) requires health care providers to work with health care interpreters (HCIs) from the HCI registry administered by the Oregon Health Authority (OHA) to ensure patients are served in languages other than English. OHA must adopt rules to ensure coordinated care organizations and other health care providers work with certified or qualified HCIs when interpretation is needed for patients covered under the state's medical assistance programs, and reimbursement for these services occurs. The measure requires a study on the best model for an online platform for patients and health care providers to contract with HCIs and how to finance the platform, no later than July 1, 2022. OHA must provide affordable (or no cost) HCI training and continuing education in accordance with standards adopted by the Oregon Council on Health Care Interpreters. OHA must maintain a record of all HCIs who have completed an approved training program and establish and maintain a registry for all qualified or certified HCIs with a process for interpreters to update their information each biennium. The measure provides \$670,664 General Fund, \$66,812 Other Funds expenditure limitation, and \$118,194 Federal Funds expenditure limitation, and establishes two positions in OHA's Office of Equity and Inclusion, to carry out the provisions of the bill.

HB 2362 (Chapter 615, Oregon Laws 2021) authorizes the Oregon Health Authority (OHA) to review "material change transactions" initiated by health care providers and insurers. These transactions include mergers, acquisitions, or affiliations among health care entities where at least one party had average revenue of \$25 million or more in the preceding three fiscal years, and another party had an average revenue of at least \$10 million in the preceding three fiscal years. The bill establishes rulemaking criteria OHA must follow for initial and comprehensive reviews of such transactions and allows the agency to convene a stakeholder review board to conduct comprehensive reviews. OHA is authorized to prescribe a fee by rule to be paid by the entities requesting approval for a material change transaction. The agency can also impose civil penalties for certain violations defined in the bill. Every four years, OHA is required to commission a study of the impact of health care consolidation in the state. A General Fund appropriation of \$780,457 and four new positions are included in HB 5006 (2021) to implement this measure.

HB 2417 (Chapter 617, Oregon Laws 2021) supports the framework of the National Suicide Hotline Act of 2020, which establishes 9-8-8 as the National Suicide Prevention Hotline. The key provisions of the bill require the Oregon Health Authority (OHA) to adopt administrative rules for the design of crisis stabilization centers and information sharing across crisis service providers; establish a crisis hotline center to receive calls, texts, and chats from the 9-8-8 line and provide 24/7 crisis intervention services and crisis care coordination statewide; require community mental health programs to provide crisis stabilization services for individuals contacting the 9-8-8 line, contingent on available funding; and report to the Legislature by January 1, 2022 on recommended policies to implement the National Suicide Hotline Act. The

bill appropriates \$15 million General Fund, which includes \$5 million for establishing the crisis hotline center and \$10 million for distribution to counties to establish mobile crisis teams.

HB 2544 (Chapter 531, Oregon Laws 2021) provides a one-time investment of \$3.6 million General Fund and one limited duration position to the Department of Human Services to fund an unaccompanied homeless youth services enhancement grant program and a host homes projects grant program. The unaccompanied homeless youth services enhancement grant program provides grants to organizations that increase the accessibility of programs and services, such as shelter facilities, outreach, culturally specific services, and mental health or substance abuse services; and to create or strengthen partnerships with transitional housing options. The host homes projects grant program provides grants to organizations that operated a host home project on January 1, 2021, and provide services to unaccompanied homeless youth by facilitating an arrangement where eligible youth reside in the home of a private individual. Grant recipients are directed to work with unaccompanied homeless youth to improve school attendance, participate in formal or informal mentoring, and increase access to nutrition, health care, mental trauma-informed support, and transportation services.

HB 3046 (Chapter 629, Oregon Laws 2021) requires behavioral health benefit carriers to conduct an annual analysis of nonquantitative treatment limitations for behavioral health benefits. Carriers must report to the Department of Consumer and Business Services (DCBS) each year on nonquantitative treatment limitations for mental health and substance use disorder, and applicable medical or surgical benefits. The bill also requires Coordinated Care Organizations (CCOs) to report to the Oregon Health Authority (OHA) each year on their compliance with mental health parity requirements. CCOs must demonstrate that the factors used to apply nonquantitative treatment limitations to mental health or substance use disorder treatment are comparable with factors used to apply nonquantitative treatment limitations to medical or surgical treatments in the same classification. This measure appropriates \$708,708 Other Funds and three positions (3.00 FTE) to DCBS for implementation of the bill.

HB 3159 (Chapter 549, Oregon Laws 2021) requires coordinated care organizations, health care providers, and health insurers, to collect data on race, ethnicity, preferred spoken and written languages, disability status, sexual orientation, and gender identity from the organization's patients, clients, or members. These organizations must provide this data to the Oregon Health Authority (OHA) annually. OHA may provide incentives to entities impacted by this measure to assist with the costs of making changes to electronic health records systems to ensure this data is collected. OHA is directed to establish a system to collect the data required. OHA is also directed to develop and administer a grant program to provide funding to support data collection by community health organizations and community-based groups. The bill includes a \$9.8 million General Fund appropriation, \$5.6 million Other Funds expenditure limitation, and \$2.8 million Federal Funds expenditure limitation, as well as 43 positions to implement this measure.

HB 2591 (Chapter 619, Oregon Laws 2021) directs the Oregon Health Authority (OHA) to create three grant programs related to health care in schools, appropriates \$2.56 million General Fund, and authorizes the establishment of one permanent, full-time position and one permanent part-time position for the agency to carry out this work. The bill directs OHA to spend the appropriation as follows:

- School-based Health Center Planning: \$995,000 General Fund for planning grants to 10 school districts or education service districts to evaluate the need for school-based health centers (SBHCs) in their communities, and to develop a plan to address this need. After the planning process is complete each grantee is to receive funding to operate a SBHC or school nurse model.
- Telehealth: \$975,000 General Fund for grants to three SBHCs to operate pilot projects to expand student access to health care services through telehealth.
- Mobile SBHCs: \$285,000 General Fund for grants for up to three school districts or education service districts to implement a mobile school-linked health center through a mobile medical van where children can receive primary care services near school grounds from licensed or certified health care providers.

The remaining \$300,000 General Fund is set aside for OHA's costs to administer the grant programs.

HB 2842 (Chapter 622, Oregon Laws 2021) establishes the Healthy Homes Program within the Oregon Health Authority (OHA) for the purpose of awarding grants to eligible entities that provide financial assistance to low-income households and communities disproportionately affected by environmental pollution or other hazards, and to landlords for the repair and rehabilitation of residential dwelling units. The measure establishes the Interagency Task Force on Health Homes and requires it to report on the program to the interim committees of the Legislative Assembly related to housing, to the Governor, and to the Environmental Justice Task Force no later than September 15, 2022. OHA is to provide staff support for the Task Force. The Task Force sunsets January 2, 2023. This measure also creates the Healthy Homes Repair Fund, separate and distinct from the General Fund, to implement its provisions. The measure appropriates \$10 million General Fund to the new Health Homes Repair Fund and establishes the expenditure limitation to spend from the Fund; and establishes four new positions for program administration.

HB 2910 (Chapter 623, Oregon Laws 2021) authorizes the Oregon Health Authority (OHA) to request approval from the Centers for Medicare and Medicaid Services (CMS) to administer an assessment and reimbursement program for nonfederal or nonpublic emergency medical service (EMS) providers. Upon CMS approval, OHA is directed to assess a quality assurance fee related to each provider's emergency and transportation services, or "EMS transport." The fee must be equal to five percent of the projected total gross receipts for an EMS provider for the following 12-month period, divided by the projected number of EMS transports in that period. OHA is required to establish the reimbursement paid to an EMS provider for an EMS transport. The bill establishes the Emergency Medical Services Fund, separate and distinct from the General Fund. The quality assurance fee revenue will be deposited into the new fund for grants to innovative ambulance programs; reimbursing medical assistance program expenses, including increasing EMS transport rates; and program administration. The measure also modifies ambulance license fees that support the regulatory responsibilities of OHA's Public Health Division. The measure includes \$30.4 million Other Funds and \$43.4 million Federal Funds expenditure limitation, and three positions, to support the new assessment and reimbursement program.

HB 2949 (Chapter 677, Oregon Laws 2021) establishes incentive programs to increase the capacity and diversity of Oregon's behavioral health workforce. The measure provides OHA with \$60 million Other Funds expenditure limitation to provide incentives intended to increase the recruitment and retention of providers in the behavioral health care workforce. This includes providers with specified degrees or other credentials who are people of color, tribal members, or residents of rural areas who can provide culturally responsive behavioral health services. Additionally, \$20 million Other Funds expenditure limitation is provided to establish a grant program providing specified behavioral health professionals awards to provide supervised clinical experience to individuals who have the necessary education but need supervised clinical experience to obtain a license. OHA is directed to distribute \$7 million to county mental health programs, \$7 million to private practitioners, and \$6 million as necessary to carry out the purposes of the bill including administrative and operational costs. From the \$80 million Other Funds expenditure limitation included in this bill, OHA estimates the operational costs to be \$3,314,025, supporting 14 permanent positions (14.00 FTE).

HB 2980 (Chapter 626, Oregon Laws 2021) directs the Oregon Health Authority (OHA) to provide funding to one or more peer-run organizations to operate four peer respite centers in the Portland metro area, southern Oregon, the Oregon coast, and central/eastern Oregon. Peer respite services are voluntary, nonclinical, short-term residential peer support provided in a homelike setting to individuals with mental illness or trauma response symptoms who are experiencing symptoms that may lead to the need for higher-level care, such as at a psychiatric inpatient hospital. Each peer respite center is to provide up to two weeks of continuous peer respite services to six or fewer individuals. This measure appropriates \$6 million General Fund to OHA, with \$750,000 to be distributed from these funds each year to each peer respite center.

HB 3352 (Chapter 554, Oregon Laws 2021) extends Oregon Health Plan (OHP) coverage to all adults who would be eligible for Medicaid except for their immigration status, beginning July 1, 2022. The bill appropriates \$100 million General Fund to OHA to implement this program, including for outreach and education. The bill authorizes OHA to restrict eligibility to certain categories or groups of adults eligible for the program, to remain within the capped funding amount if necessary. If the agency needs to restrict eligibility, decisions on which groups of adults to cover must be informed by a workgroup convened by OHA to ensure community feedback is included from a health equity perspective.

SB 710 (Chapter 672, Oregon Laws 2021) prohibits child-caring agencies, proctor foster homes, certified foster homes, or developmental disabilities residential facilities from placing a child in care in restraint or involuntary seclusion as a form of discipline, punishment, or retaliation. Restraint or involuntary seclusion may be used in cases when a child's behavior poses a risk of bodily harm to the child or others; and if specific circumstances are met, as outlined in this measure. Programs must report quarterly to the Department of Human Services (DHS) on their use of restraint and involuntary seclusion. DHS is to adopt by rule training standards and certification requirements regarding placement of a child in care in a restraint or involuntary seclusion. The measure includes \$4.4 million total funds, including \$1.5 million General Fund, and four new positions, for implementation of this measure. The trainings, mandatory meetings, and reporting requirements under this measure are anticipated to increase the cost

per case for the Intellectual and Developmental Disabilities Children's Residential Services program.

SB 714 (Chapter 588, Oregon Laws 2021) appropriates \$824,797 General Fund and increases Federal Funds expenditure limitation by \$824,797, for a total funds cost of \$1,649,594, to allow the Department of Human Services (DHS) to adopt rules to establish and regularly assess an acuity-based staffing tool used by residential care facilities. The bill directs DHS to adopt rules establishing minimum requirements for an acuity-based staffing tool used by residential care facilities, as well as how often facilities must reassess their staffing levels. The staffing tool will be designed to ensure appropriate staffing capacity at residential care facilities and will provide guidance on the recommended number and expertise levels of staff to meet the level of care needs of residents. By January 1, 2022, DHS is required to ensure a pilot of the acuity-based staffing tool is operational for use by residential facilities. And by February 1, 2022, those facilities carrying a memory care endorsement must adopt an acuity-based staffing tool. DHS will report to the Legislative Assembly on the progress and implementation of the pilot acuity-based staffing tool by October 1, 2021 and December 15, 2021.

SB 749 (Chapter 590, Oregon Laws 2021) requires the Department of Human Services (DHS) to register referral agents. The measure sets the registration fee at \$325 with renewal required every two years. The measure requires DHS to perform background checks on referral agents who have direct contact with clients. DHS is also required to verify the applicant meets all the requirements for referral agents specified by the measure. An appropriation of \$467,993 General Fund, along with \$253,709 Federal Funds expenditure limitation and \$10,660 in Other Funds expenditure limitation will be used to implement the provisions of the bill including the costs associated with additional positions to start a new program to register referral agents and conduct background checks. The bill authorizes the establishment of two permanent positions, and one limited duration position, to develop the rules and structure for the registration system.

SB 755 (Chapter 591, Oregon Laws 2021) amends the Drug Addiction Treatment and Recovery Act (Chapter 2, Oregon Laws 2021), which was enacted through the approval of Ballot Measure 110 during the November 2020 general election. This voter-approved initiative changed the way the state deals with the possession and use of controlled substances in two ways: 1) penalties for the possession of small quantities of controlled substances are reduced; and 2) new addiction treatment and recovery programs are established and funded by redirecting marijuana tax revenue from its previous statutory allocations. SB 755 makes policy and technical adjustments to address criminal and court procedures and to add oversight and transparency to the allocation of funding. The marijuana tax revenue available to support all aspects of the ballot measure is budgeted in the Oregon Health Authority's primary budget bill, HB 5024 (2021).

SB 800 (Chapter 595, Oregon Laws 2021) establishes the Oregon Essential Workforce Health Care Program in the Oregon Health Authority (OHA) to provide supplemental health care benefits to employees of eligible licensed long-term care facilities, residential facilities, and in-home care agencies. Eligible employers must be participating providers in the state's medical assistance program and meet other requirements prescribed by OHA in rule. The supplemental payments are subject to federal approval from the Centers for Medicare and Medicaid Services

(CMS). A \$30 million General Fund Special Purpose Appropriation is included in HB 5006 (2021) to cover program and administrative costs. At this time, the number of participating employers and employees, the level of health care coverage the program is expected to provide, and level of cost-sharing expected of employers is unknown. It is also not clear if federal funding will be available. OHA will need to submit a state plan amendment to CMS in order to receive federal match.

PUBLIC SAFETY AND JUDICIAL BRANCH PROGRAM AREAS

HB 2049 (Chapter 609, Oregon Laws 2021) establishes the Innovative Grant Fund, separate from the General Fund. The Innovative Grant Fund continuously appropriates moneys to the Criminal Justice Commission (CJC) for the purpose of making grants as part of the Innovative Grant Program. The Innovative Grant Fund is capitalized by an appropriation of \$1 million General Fund. Grants made from the Innovative Grant Fund will be made to programs that demonstrate strong potential to have positive impact on public safety; produce measurable outcomes; benefit the entire state; and demonstrate coordination with local public safety coordinating councils. The CJC is responsible for developing a methodology for reviewing and approving grant applications, distributing grant funds, and evaluating the efficacy of programs receiving grant funds.

HB 2162 (Chapter 611, Oregon Laws 2021) directs the Department of Public Safety Standards and Training (DPSST) to designate one or more accrediting bodies for law enforcement agencies with 35 or more sworn officers. This bill provides a \$409,468 Other Funds expenditure limitation to DPSST for the two positions necessary to implement the measure. The measure also directs DPSST to establish a statewide equity training program for police officers as part of the training required to obtain and maintain their certification, and directs DPSST to revoke or suspend an officer's certification upon discovering that an officer engaged in policing indicative of bias or discrimination against a protected group, use of unjustified force, or abuse of lawful authority.

HB 2527 (Chapter 618, Oregon Laws 2021) directs the Department of Public Safety Standards and Training (DPSST) to license businesses employing certain private security providers. The measure provides Other Funds expenditure limitation of \$665,972 and three positions (3.00 FTE) to assist with the investigations, enforcement and administrative processes associated with the requirements in this measure. This expenditure increase will be supported after, but not during, the 2021-23 biennium by fee revenue from the newly established fees for issuing licenses to private security entities.

HB 2575 (Chapter 532, Oregon Laws 2021) directs the Department of Justice (DOJ) to establish a program for awarding grants to law enforcement agencies and local governments to fund training for groups and agencies that interact with persons who have experienced trauma. The Department of Public Safety, Standards and Training is to regularly review and update training consistent with DOJ's model training program. The measure includes a \$960,000 General Fund appropriation to DOJ and authorizes the establishment of two positions (0.73 FTE).

HB 2746 (Chapter 460, Oregon Laws 2021) directs the Department of Justice (DOJ) to develop, implement, and administer a statewide Hope Card Program for the issuance of information cards regarding eligible civil protection orders. The measure has an operative date of July 1,

2022 and includes a \$120,711 General Fund appropriation to DOJ, and authorizes establishment of one position (0.25 FTE).

HB 2928 (Chapter 540, Oregon Laws 2021) regulates the use of chemical incapacitants, kinetic impact projectiles, strobe lights, and sound devices by law enforcement for crowd control purposes. It further requires that certain accommodations and instructions be made by law enforcement in crowd control settings and when deploying specified crowd-control devices. Additionally, the measure prohibits law enforcement from coordinating with other agencies or proxy law enforcement to engage in conduct barred by statute or court order. Violating this provision constitutes official misconduct in the second degree. The measure appropriates \$605,781 General Fund to the Oregon State Police to hire one permanent full-time Sergeant position (1.00 FTE) responsible for implementing training on the new crowd control guidelines laid out in this measure.

HB 2930 (Chapter 541, Oregon Laws 2021) removes the discipline matrix as a mandatory subject of collective bargaining for law enforcement, establishes the Commission on Statewide Law Enforcement Standards of Conduct and Discipline, and creates conditions for arbitrations. To provide training to sworn law enforcement officers on the new standards to be developed by the Commission, this bill appropriates \$255,773 General Fund to the Oregon State Police.

HB 2932 (Chapter 625, Oregon Laws 2021) directs all law enforcement units to participate in the National Use of Force Data Collection operated by the Federal Bureau of Investigation (FBI). The Criminal Justice Commission (CJC) is directed to analyze data from the National Use of Force database and make an annual report to the Legislature. The measure appropriates \$198,996 General Fund to CJC and establishes one permanent full-time Research Analyst 3 (1.00 FTE) to monitor, gather, and analyze FBI data as well as prepare the report for the Legislative Assembly. Additionally, the measure appropriates \$260,574 General Fund to the Department of Corrections and establishes one permanent full-time Correctional Captain position (1.00 FTE) to gather data and report on the Department's use of force.

HB 3265 (Chapter 550, Oregon Laws 2021) limits law enforcement authority to inquire into an individual's immigration or citizenship status without connection to a criminal investigation or from providing information about an individual in custody to federal immigration authority, and other specified circumstances and prohibits the use of public resources to assist in federal immigration enforcement. Further, the bill requires a public body to decline any request or communication for assistance from a federal immigration authority and to report any such request or communication to the Criminal Justice Commission (CJC). CJC is required to issue an annual report summarizing the information reported and collected by the Department of Justice (DOJ) and CJC will work with DOJ to create a website to publish the reported data. The measure appropriates \$905,071 General Fund to the DOJ and authorizes the establishment of four permanent positions (3.50 FTE).

SB 48 (Chapter 643, Oregon Laws 2021) modifies the current criminal pretrial release process, including removal of minimum bail amounts, and requires Oregon's Chief Justice of the Supreme Court to establish pretrial release guidelines with input from a criminal justice advisory committee. The guidelines that the Oregon Judicial Department (OJD) establishes will be applied across the state through release orders issued by the presiding judge. The measure

also places new victim notification requirements on District Attorney's offices and allows presiding judges to appoint release assistance officers to interview each person detained, except when impracticable. Release assistance officers will make reasonable attempts to contact victims before notifying the court of a release decision. The bill permits OJD to take action to comply with the requirements in this measure prior to the operative date of July 1, 2022. The measure appropriates \$2.2 million General Fund for OJD to support 13 permanent positions (9.71 FTE) for the 2021-23 biennium. A budget note directs reporting to the Legislature in 2022 on the measure's implementation and as a prerequisite for supplemental funding.

SB 497 (Chapter 581, Oregon Laws 2021) requires Community Corrections programs to assume responsibility for community-based supervision of those convicted of designated person misdemeanors including domestic violence. The Criminal Justice Commission (CJC) estimates this change will lead to an additional 1,196 convictions per year requiring community corrections supervision and services. This equates to an expenditure impact of \$7.1 million General Fund in 2021-23 and \$21.8 million General Fund in 2023-25. To fund the increased caseloads related to community-based supervision, this bill appropriates \$7,060,171 General Fund to the Department of Corrections to pass through to counties for the costs associated with the supervision of those convicted of designated person misdemeanors.

SB 817 (Chapter 597, Oregon Laws 2021) eliminates fees, fines, and court costs associated with juvenile delinquency matters, both retroactively and proactively. It provides for court-appointed counsel at state expense for all juvenile delinquency matters. The measure expands no-cost access to transcripts and recordings of proceedings. It states that if a young person is committed to the Oregon State Hospital, the person's ability to pay and cost of care will be determined under the ability to pay rules, and that services and treatment may be paid for by the youth and family through private insurance or other private means. Finally, it makes related judgments entered prior to January 1, 2022, for fines, fees, costs or other monetary obligations null and void and considered satisfied. The cost to the Oregon Youth Authority of lost revenue from the elimination of fees and fines is included in HB 5006 (2021).

ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA

HB 2163 (Chapter 517, Oregon Laws 2021) appropriates \$4.5 million General Fund to the Housing and Community Services Department (HCSD) to deposit into the Long-Term Rent Assistance Fund. The purpose of the Fund is to provide resources necessary for HCSD to implement a long-term rental assistance program for certain youths who are at risk of homelessness. HCSD expects to serve at least 215 youth by providing housing vouchers through contracted social service providers to subsidize rental costs. HCSD will identify three or four regions to operate the program, which should include at least one urban area, one rural area, and one coastal area. HCSD will collect demographic, subsidy, housing placement, and other social service program utilization data and report findings to the Housing Stability Council on or before September 15, 2022 and September 15, 2023.

HB 2266 (Chapter 676, Oregon Laws 2021) makes a one-time appropriation of \$20 million General Fund to the Oregon Business Development Department (OBDD) to create two programs: (1) a program to make awards, based on a competitive proposal process, to fund loan-loss reserves of qualified lenders for the purpose of increasing lending to business owners

who currently lack access to capital to start or grow their business; and, (2) a direct loan program for the purpose of making loans to certain eligible businesses that have been certified by the Certification Office for Business Inclusion and Diversity and have been referred to OBDD by a technical assistance provider.

HB 2345 (Chapter 614, Oregon Laws 2021) makes a one-time General Fund appropriation of \$500,000 to the Oregon Business Development Department (OBDD) to establish the Oregon Rural Capacity Fund. This will provide resources to Oregon's Economic Development Districts to assist rural jurisdictions to learn about, apply for, and administer grants from public and private sources. The bill requires rural jurisdictions to use resources solely for staffing and building capacity necessary for workforce, infrastructure, economic, and community development. The bill also requires districts to file quarterly reports with OBDD about assistance given to rural jurisdictions. OBDD must make the program operational by January 1, 2022. By September 15 of each year, OBDD is required to submit an annual report about the assistance program, to an interim committee of the legislative assembly related to economic development.

HB 2518 (Chapter 529, Oregon Laws 2021) makes a one-time appropriation of \$5 million General Fund and establishes two limited duration positions (0.92 FTE) for the Oregon Business Development Department (OBDD) to establish and administer the Oregon Brownfield Properties Revitalization Fund. The Oregon Brownfield Properties Revitalization Fund provides forgivable loans to private owners or operators for the reimbursement of eligible costs incurred for the completion of removal or remedial actions at brownfields. Moneys repaid to OBDD from loans is to be deposited in the Fund. OBDD is required to submit, by January 1, 2023, a report to an interim committee with details regarding the recipients of forgivable loans under this program, and any third parties with which loan recipients contracted to complete any removal and remedial actions.

HB 2739 (Chapter 536, Oregon Laws 2021) provides \$15 million Other Funds expenditure limitation and one limited-duration position (0.88 FTE) to HCSD for the administration of the Oregon Energy Assistance Program, as well as for utility assistance payments to households. Funding for the HCSD program expansion is from a charge assessed on electric utility customers. The measure instructs the Public Utility Commission to increase the charge rate for the low-income assistance fund any time the projected or actual charge rates do not achieve a \$20 million calendar year threshold.

HB 3141 (Chapter 547, Oregon Laws 2021) reduces the public purpose charge for electricity consumers from 3 percent to 1.5 percent. Electric companies or Oregon Community Power must collect a public purpose charge equal to 1.5 percent of total revenues collected from retail electricity consumers for electricity services for low-income electric bill payment and crisis assistance to be paid into the Low-Income Electric Bill Payment Assistance Fund. The measure extends the collection of the charge through January 1, 2036 and adds eligible uses of funds allocated to new low-income weatherization. The measure also changes how the public purpose charge is allocated, which is expected to increase revenues to the Housing and Community Services Department's (HCSD) Energy Conservation Helping Oregonians weatherization program and the Housing Development Grant Program. HCSD received an increase in expenditure limitation of \$9,751,584 Other Funds and three positions (2.64 FTE) to expand the Energy Conservation Helping Oregonians weatherization program by allowing

funding for manufactured housing replacement and changing energy sources from bulk fuels to electricity sources.

HB 3389 (Chapter 638, Oregon Laws 2021) extends the look-back period used to determine the Unemployment Compensation Trust Fund solvency level from 10 years to 20 years. The bill specifies that employer experience ratings used for determination of 2020 Unemployment Insurance (UI) tax amounts can be used to determine rates for tax years 2022-2024. Finally, the bill provides for deferral of UI taxes in certain circumstances for qualifying employers. The bill includes an increase of \$500,845 Other Funds expenditure limitation for 17 limited duration positions (2.75 FTE) associated with documenting changes to business processes for incorporation into its UI modernization IT project; programming changes for the Department's existing technology system; setting up, monitoring, and processing refunds for accounts eligible for deferral; and determining continued eligibility.

CONSUMER AND BUSINESS SERVICES PROGRAM AREA

SB 485 (Chapter 651, Oregon Laws 2021) creates a new licensing and regulatory program for student loan servicers within the Department of Consumer and Business Services (DCBS). Student loan servicers will need to obtain a license and meet minimum net worth and liquidity requirements. DCBS is to set the application form and content requirements by rule, including the license and renewal fee, and surety bond requirements. DCBS has authority to take control of a failing licensee's property, business, and assets, or petition the court for a receiver. The measure also requires DCBS to designate a student loan ombudsman to review and attempt to resolve complaints from borrowers, compile and analyze data on consumer complaints, analyze the student loan market and state and federal regulatory frameworks and make recommendations to state agencies and the legislature, and establish a borrower education program. To implement the measure, DCBS received increased expenditure limitation of \$362,436 Other Funds and two positions (1.34 FTE).

SB 567 (Chapter 584, Oregon Laws 2021) prohibits licensed or certified health care providers or individuals acting on behalf of a provider from denying, limiting, or restricting a medical service based on a patient's race, color, national origin, sex, sexual orientation, gender identity, age, or disability. The Bureau of Labor and Industries (BOLI) Civil Rights Division investigates and enforces complaints related to unlawful practices and discrimination in place of public accommodations. BOLI anticipates that the agency will need to contract with outside medical experts to review medical evidence, serve as witnesses at trial, and assist with rulemaking. At this time, the agency cannot predict the number of complaints it will receive as a result of this legislation, and will need to return to the Legislative Emergency Board or a subsequent legislative session to request funds depending on actual costs incurred as a result of this measure.

SB 763 (Chapter 593, Oregon Laws 2021) establishes a licensing and regulatory program for pharmaceutical representatives within the Department of Consumer and Business Services (DCBS). Pharmaceutical representatives will need to obtain a license if they engage in marketing or sales presentations, negotiate pricing and terms and conditions for the sale of pharmaceutical products, and sell or offer pharmaceutical products for sale, among other activities. Licensees must submit annual reports to DCBS and take continuing education to maintain their licenses. The measure requires DCBS to submit an annual report to the

Legislature based on the information provided by licensees each year. DCBS received increased expenditure limitation of \$698,944 Other Funds to hire two positions (2.00 FTE) and pay for information technology costs related to administration of the licensing program.

SB 844 (Chapter 598, Oregon Laws 2021) establishes a five-member Prescription Drug Affordability Board within the Department of Consumer and Business Services (DCBS) to review the affordability of prescription drugs sold in Oregon. The Board will meet publicly to review drugs meeting certain cost or price increase thresholds. In an affordability review, the Board will determine whether a drug presents affordability challenges to Oregon patients or health systems, or health inequities for communities of color in Oregon, considering the price of the drug, drug rebates or discounts, the cost of the drug to health plans, patient access, alternatives to the drug, the average insurance co-payment for the drug, and any additional information provided by the drug's manufacturer. DCBS will provide staff support and may employ consultants, investigators or other staff necessary for the Board to carry out its duties. To implement the measure, DCBS received an appropriation of \$1,786,192 General Fund and eight positions (5.26 FTE).

NATURAL RESOURCES PROGRAM AREA

HB 2018 (Chapter 608, Oregon Laws 2021) directs the Water Resources Department (WRD) to enter into a cost-matching agreement with the United States Geological Survey (USGS) to develop and publish ground water budgets for all major hydrologic basins in Oregon. WRD is also directed to expand the ground water level monitoring network; to produce reports that quantify ground water recharge for all major hydrologic basins; produce maps and datasets that quantify open water evaporation from all major reservoirs; collect and process data regarding baseline ground water levels and use; and assess the time and cost to conduct ground water basin studies. This bill includes a General Fund appropriation of \$2,386,808 and establishment of nine new positions to enable the agency to complete this work.

HB 2021 (Chapter 508, Oregon Laws 2021) establishes a clean energy standard for Oregon and implements a broad range of programs, studies, and statutory changes related to clean energy. The measure requires certain retail electricity providers to reduce greenhouse gas emissions associated with electricity sold to Oregon consumers to certain levels within a specified timeframe. As part of this requirement, each company needs to develop a plan to meet their targets and submit to the Public Utility Commission (PUC). Additionally, the measure appropriates \$50 million General Fund to the Community Renewable Investment Fund for the Oregon Department of Energy (ODOE) to provide grants for eligible community renewable energy projects; ODOE anticipates distributing half of these funds in the 2021-23 biennium, and half in the 2023-25 biennium. The measure includes \$1,867,217 Other Funds expenditure limitation and establishment of 10 positions for PUC; and \$26,960,291 Other Funds expenditure limitation for ODOE to establish eight positions to administer the program and fund grants.

HB 2145 (Chapter 610, Oregon Laws 2021) establishes the Water Well Abandonment, Repair and Replacement Fund to provide financial assistance to permanently abandon water wells, or to repair and replace water wells used for household purposes. This measure also outlines various requirements related to oversight and permitting of wells; and increases the fee for report forms submitted to the Water Resources Department (WRD) when a well is constructed

or modified from \$225 to \$350. This measure provides a \$100,000 General Fund appropriation and establishes three positions to implement the provisions of the bill.

HB 2171 (Chapter 613, Oregon Laws 2021) appropriates \$1 million General Fund to the Emergency Board for allocation to the Oregon Department of Fish and Wildlife (ODFW) to match donations made to the Oregon Conservation and Recreation fund in fiscal years 2020 through 2023. The bill also repeals statutory provisions abolishing the fund and sunsetting the Oregon Conservation and Recreation Advisory Committee, along with designating the Associate Director of Outdoor Recreation as an ex officio member of the Committee. The measure requires the Oregon Parks and Recreation Department (OPRD) to establish statewide standards for recreation projects design and requires all future OPRD recreation projects to adhere to those standards. The bill requires the Office of Outdoor Recreation to make recommendations for legislation to create a single point of sale for recreation passes, to produce a quinquennial gap analysis report on outdoor recreation infrastructure, to make recommendations on possible legislation to increase public access to outdoor recreation, and to propose legislation for implementing a grant program to support outdoor recreation products organizations and accelerators.

HB 2603 (Chapter 534, Oregon Laws 2021) requires owners or operators of undersea cables to obtain financial assurances for installation and removal of cable and create a plan for removal of cable. To ensure the requirements of the bill are implemented, the Department of State Lands (DSL) will be responsible for providing oversight on financial assurances, and the Department of Land Conservation and Development (DLCD) will provide support to update the Territorial Sea Plan addressing placement and removal of cables. The bill appropriates \$497,081 General Fund to DLCD and increases Other Funds limitation for DSL by \$196,176 to carry out the work required by the measure.

HB 2785 (Chapter 537, Oregon Laws 2021) directs the Oregon Department of Agriculture (ODA) to establish a grant program to fund construction and upgrades to establishments that will operate under the State Meat Inspection Program authorized by HB 4206 (2020 1st Special Session); and expansion of establishments that operate under the federal inspection program and will increase processing of meat from animals raised in Oregon. The measure appropriates \$2 million General Fund to ODA for grant program funding in 2021-23. These funds are to be available continuously until expended as part of the grant program, or until this measure sunsets on January 2, 2027. The measure also appropriates \$300,000 General Fund to the Higher Education Coordinating Commission to distribute to Oregon State University to fund upgrades to the facilities and equipment at the Clark Meat Science Center, consistent with inspection requirements.

HB 2918 (Chapter 624, Oregon Laws 2021) requires the Department of Land Conservation and Development (DLCD) to develop and implement a web-based online electronic system enabling local government entities to upload inventories of surplus real property, owned by the local government, located inside an urban growth boundary or located in an area zoned for rural residential use. The measure also authorizes mass transit and transportation districts to submit inventories of surplus real property owned by the district to this online system. DLCD is required to present information submitted to this system to an interim committee of the Legislative Assembly no later than February 1 of each even-numbered year. To develop the

web-based online system, DLCD plans to contract with Oregon State University's Institute for Natural Resources. The measure appropriates \$68,000 General Fund to DLCD for this purpose.

HB 3114 (Chapter 545, Oregon Laws 2021) appropriates \$1.9 million General Fund for purposes relating to ocean chemistry, including ocean acidification and hypoxia. The funding will be provided to the following agencies:

- \$1,060,000 to the Department of State Lands to distribute to the Oregon Ocean Science Trust to fund competitive grants;
- \$470,000 to the Oregon Department of Fish and Wildlife to perform a shellfish and estuarine assessment of coastal Oregon and to conduct estuary mapping for long-term documentation of ocean acidification and hypoxia impacts.; and,
- \$370,000 to the Higher Education Coordinating Commission to distribute to Oregon State University to support the Molluscan Broodstock program at the Hatfield Marine Science Center, the Cooperative Institute for Marine Resources Studies in augmentation of sampling along the Newport Hydrographic Line, and the work of the College of Earth, Ocean, and Atmospheric sciences in monitoring ocean acidification.

SB 582 (Chapter 681, Oregon Laws 2021) modernizes Oregon's recycling systems. The measure directs the Department of Environmental Quality (DEQ) to take various actions, including approval and oversight of producer responsibility organizations. The measure allows DEQ to set a one-time producer responsibility program plan review fee and an annual producer responsibility organization fee. These fees are intended to support the ongoing costs of administering the program. The measure requires DEQ to conduct several studies, establishes the Oregon Recycling System Advisory Council, and the Truth in Labeling Task Force. All program costs associated are assumed to be fee supported, however because fee revenue will not be collected until March 2024, DEQ will utilize available Solid Waste permitting fees to fund initial program activities. These funds will be loaned from the Materials Management program and will be paid back to the program once fee revenue is established. DEQ estimates the cost of startup and implementation of the program, and the measure's various requirements will be approximately \$2,066,088 Other Funds and seven positions during the 2021-23 biennium.

SB 762 (Chapter 592, Oregon Laws 2021) provides \$220,148,317 total funds to nine agencies for the purposes of implementing a statewide comprehensive strategy to promote wildfire risk reduction, response and recovery. The bill provides the following funding for the 2021-23 biennium:

- Appropriates \$3,322,828 General Fund to Department of Environmental Quality for the purpose of developing and implementing programs related to wildfire smoke.
- Appropriates \$54,076,832 General Fund and \$12,982,007 Other Funds expenditure limitation to the Oregon Department of Forestry (ODF) to develop a statewide map of wildfire risk, design and implement a program to reduce wildfire risk, establish a small woodland grant program, adopt rules related to prescribed fire, determine baseline levels of fire protection for areas outside forest protection districts, establish an expanded system of automated smoke detection cameras, and provide staffing support to the Wildfire Programs Advisory Council.
- Appropriates \$5,187,411 General Fund to the Department of Human Services to act as the lead agency for clean air shelter operations.

- Appropriates \$11,643,668 General Fund to the Higher Education Coordinating Commission (HECC) for establishment of the Oregon Wildfire Workforce Advisory Committee to manage the Oregon Wildfire Workforce Corps Program and associated grant program. The bill also appropriates \$1,138,040 General Fund to HECC to distribute to Oregon State University for collaboration efforts with ODF on the wildfire risk map.
- Appropriates \$497,541 General Fund to the Office of the Governor for a State Wildfire Program Director and to provide support to the Wildfire Programs Advisory Council.
- Appropriates \$4,768,812 General Fund to the Oregon Health Authority to implement a grant program allowing local governments to establish clean air shelters and equip public buildings with smoke filtration systems.
- Appropriates \$100,506,889 General Fund to the Oregon State Police and Oregon State Fire Marshal (OSFM) to increase wildfire readiness capacity. The bill also establishes the Community Risk Reduction Fund separate from the General Fund to carry out community risk reduction and local government financial assistance, with \$25 million of the appropriated funds for deposit in the fund. The bill also increases Other Funds expenditure limitation by \$25 million for OSFM for the purpose of implementing Community Risk Reduction Grants using monies from the fund.
- Appropriates \$700,003 General Fund to the Oregon Military Department for the Office of Emergency Management to update its statewide emergency plan to prepare and respond to wildfire emergencies.
- Increases Other Funds expenditure limitation by \$324,286 for the Public Utility Commission (PUC) to convene workshops to assist public utilities develop, and operate in compliance with, a risk-based wildfire protection plan. PUC is required to establish an automatic adjustment clause or another method to allow timely recovery of the costs associated with this work.

TRANSPORTATION PROGRAM AREA

No policy bills with substantive budget impact were identified in this program area.

ADMINISTRATION PROGRAM AREA

HB 2158 (Chapter 424, Oregon Laws 2021) creates the Unclaimed Property School Fund within the Common School Fund, the Legacy Unclaimed Property School Fund within the Common School Fund, and the Unclaimed Property and Estates Fund to implement the transfer of the Unclaimed Property Program and the Estates and Escheated Property Program from the Department of State Lands (DSL) to the Oregon State Treasurer (OST), per SB 454 (Oregon Laws 2019, chapter 678), which transferred administration of these programs from DSL to OST. Transfer of duties and responsibilities for the Unclaimed Property and Estates and Escheated Property Programs is effective July 1, 2021. While the bill itself does not have a fiscal impact, it adjust statutes to clarify the role of OST in overseeing the Uniform Disposition of Trust Property Act, unclaimed estates, and escheated funds, specifically in creating a fund structure distinct from the General Fund and clarifying requirements for fund transfers.

HB 2167 (Chapter 612, Oregon Laws 2021) creates the Racial Justice Council to provide advice and recommendations to the Governor on strategies to institutionalize racial justice in the conduct of state government. The measure requires each agency budget to include a racial impact statement, developed in consultation with the council, describing the impact of

programs, policies, and budget modifications on Oregonians who are Black, Indigenous, or other people of color. To implement the bill, the Office of the Governor received an appropriation of \$514,309 General Fund to hire two positions (1.50 FTE). Funding for these positions is included in the budget bill for the Office of the Governor, SB 5520 (2021).

HB 2738 (Chapter 459, Oregon Laws 2021) requires the Department of Administrative Services (DAS) to contract with a nongovernmental statewide coordinating entity to oversee the Court Appointed Special Advocate (CASA) Volunteer Program and services. DAS must disburse and expend moneys in the CASA Fund to this entity; however, no moneys may be distributed to a CASA Volunteer Program unless the program has submitted to the statewide coordinating entity the program's annual diversity, equity, inclusion and accountability plan. DAS must ensure that CASA Volunteer Programs comply with the state's standards and practices and with the National CASA Association's standards and practices and perform the duties and functions under the Oregon Juvenile Code. A total of \$5.92 million General Fund was appropriated in the end-of-session bill, HB 5006 (2021) and the DAS budget bill, HB 5002 (2021).

HB 2740 (Chapter 620, Oregon Laws 2021) creates a new compensation schedule for retail sales agents licensed by the Oregon Liquor Control Commission (OLCC). Beginning July 1, 2021, the new formula establishes 10 classes of stores based on sales, increases base compensation over what was paid in the 2019-21 biennium, and factors in store location and escalators tied to the Consumer Price Index and minimum wage. The formula is estimated to increase the compensation paid to liquor retail agents by \$13.5 million Other Funds in Store Operating Expenses above the 2021-23 current service level, which is reflected in the OLCC budget bill, HB 5018 (2021). The Legislative Revenue Office anticipates that the new compensation formula will reduce General Fund revenues and distributions to cities and counties by approximately \$13.5 million in the 2021-23 biennium.

HB 2875 (Chapter 461, Oregon Laws 2021) makes three discrete changes to the Public Employees Retirement System (PERS) statutes. The measure extends Police and Fire eligibility to select State Fire Marshal employees; modifies the current annual process for tax remedy eligibility; and directs PERS to restore membership and retirement credit to employees impacted by the COVID-19 pandemic. The impact of the changes to the Police and Fire eligibility criteria are indeterminate to PERS and the State Fire Marshal (Oregon State Police). The impact of restoring membership and retirement credit are indeterminate to PERS and participating public employers statewide.

HB 2992 (Chapter 627, Oregon Laws 2021) increases the amount of compensation paid to members of state boards and commissions for time spent in performance of official duties, unless otherwise limited or prohibited, to equal the per diem paid to members of the Legislative Assembly, which is currently \$151. State boards and commissions must pay compensation and reimbursement of actual and necessary travel or other expenses to a qualified member who is not in full-time public service and has an adjusted gross income for the previous tax year of less than \$50,000, or less than \$100,000 reported on a joint income tax return. However, a board or commission member may decline compensation or reimbursement if they so choose. For most agencies with boards and commissions, the fiscal impact is indeterminate but anticipated to be absorbable within existing budgetary resources, depending on the number of members who meet the income thresholds specified by the measure, the

number of meetings they attend, and whether they opt to decline compensation. Small boards and commissions may not be able to absorb all the increased costs and may require a budget adjustment.

HB 2993 (Chapter 463, Oregon Laws 2021) requires that if an agency convenes a rulemaking or fiscal impact advisory committee, the membership of the committee must represent the interests of person and communities affected by the rule. The measure specifies that an agency may not appoint an officer, employee, or other agent of the agency to serve as a member of the rulemaking or fiscal impact advisory committee. It is anticipated that most agencies will use existing staff and resources to handle the increase in rulemaking workload as well as potential costs related to Department of Justice rule writing assistance. If any agencies do have an increase in workload as a result of this measure, they will appear before an interim committee or Emergency Board with a request for funding.

HB 3000 (Chapter 542, Oregon Laws 2021) authorizes the Oregon Liquor Control Commission (OLCC) to regulate the processing, transport, sale, and purchase of artificially derived cannabinoids. The measure directs OLCC to consult with the Oregon Health Authority (OHA) and the Oregon Department of Agriculture to adopt rules establishing a maximum concentration for artificially derived cannabinoids allowed in a cannabinoid product and the maximum concentration of tetrahydrocannabinol, or artificially derived cannabinoid, permitted in an industrial hemp product. OHA received \$730,917 General Fund to implement the provisions relating to testing cannabinoid products and methods and procedures for determining whether a cannabis plant is marijuana or hemp, which will require three positions (3.00 FTE). OLCC received an increase in expenditure limitation of \$399,007 Other Funds and one position (0.75 FTE) to develop new rules around artificially derived cannabinoids, as well as labeling and testing requirements. The Criminal Justice Commission received an increase in expenditure limitation of \$3 million Other Funds to increase funding for the Illegal Marijuana Market Enforcement Grant, which has been used to fund staff time for local law enforcement, as well as office and administrative equipment.

HB 3021 (Chapter 464, Oregon Laws 2021) directs the Secretary of State (SOS) to create and make publicly available a list of the five most common languages spoken, other than English, by residents of the state and each county. As of June 30, 2022, all voters' pamphlets must include, in each listed language, the website address for the translated voters' pamphlet, candidate statements, and arguments for and against ballot measures. The measure also establishes the Translation Advisory Council, which will consist of five at-large members and at least one translator member for each listed language. SOS received \$683,603 General Fund to translate state and county voters' pamphlets and make them available on the Secretary of State and county websites, as well as two positions (1.83 FTE) to assist with promulgating new administrative rules and to support the work of the Translation Advisory Council.

HB 3373 (Chapter 555, Oregon Laws 2021) establishes the Taxpayer Advocate Office within the Department of Revenue (DOR). The Taxpayer Advocate, which is subject to all confidentiality and disclosure provisions applicable to the department, must help taxpayers understand the policies and procedures available to them when resolving problems related to tax programs or debt collection programs administered by DOR. DOR received \$571,682 total funds, including \$371,593 General Fund, and 3 positions (2.33 FTE) to stand up the Taxpayer Advocate Office.

SB 316 (Chapter 649, Oregon Laws 2021) establishes rates of compensation to be paid by the Oregon Liquor Control Commission (OLCC) to a distillery retail outlet agent for retail sales of distilled liquor. The formula results in these distillery retail agents earning a rate of 45% of the first \$250,000 sold from tasting rooms annually, and 17% on annual sales above \$250,000 if sold out of a tasting room. The measure results in a fiscal impact of \$3.5 million to the statutory liquor distribution formula. Additional expenditure limitation needed to pay distillery agents is included in HB 5018 (2021), the OLCC budget bill. Distillers remit their net profits to OLCC, which OLCC in turn distributes (minus cost of operation), according to a statutory distribution formula, to the General Fund, cities, and counties. According to the Legislative Revenue Office, the measure is anticipated to reduce General Fund revenues by \$1.5 million in the 2021-23 biennium.

SB 587 (Chapter 586, Oregon Laws 2021) prohibits the retail sale of tobacco products or inhalant delivery systems in Oregon unless the retailer is licensed by the Department of Revenue (DOR), with limited exceptions. The measure requires DOR to issue and annually renew licenses for the retail sale of these products and systems and authorizes DOR to establish fees and impose civil penalties. The measure directs the Oregon Health Authority (OHA) to establish fees and impose civil penalties to enforce the regulation of tobacco products and inhalant delivery systems. OHA is required to ensure that a retailer is inspected at least once a year. The measure requires OHA to establish a database to collect information from local public health authorities (LPHAs) and the public regarding the regulation of the retail sale of tobacco products and inhalant delivery systems. Finally, the measure authorizes LPHAs to enforce local standards for regulating the retail sale of these products and systems or enforce state standards. DOR received an increase in expenditure limitation of \$1,174,046 Other Funds and 5 positions (4.50 FTE) to carry out the licensing and compliance responsibilities required in the measure. OHA received an increase in expenditure limitation of \$2,061,726 Other Funds and 12 positions (7.74 FTE) to support retail compliance inspections, provide technical assistance to LPHAs, assess program effectiveness, and conduct program outreach and policy work.

SB 778 (Chapter 594, Oregon Laws 2021) establishes the Office of Immigrant and Refugee Advancement (Office) within the Office of the Governor. The purpose of the Office is to develop, implement, maintain, and oversee statewide immigration and refugee programs and services that coordinate with long-term support services to meet the needs of immigrant and refugee populations in Oregon. The Office will also be responsible for collecting data on immigration and refugee populations in Oregon to determine needs to track progress in reducing social, economic, and health disparities for refugees and immigrant populations. The bill appropriates \$1,376,037 General Fund and establishes four positions (3.83 FTE) to support the work of the Office.

LEGISLATIVE BRANCH AREA

No policy bills with substantive budget impact were identified in this program area.

OTHER - Bills Establishing Task Forces, Work Groups, Advisory Councils

Of the 2,519 measures introduced during the 2021 session, 43 (2%) established, or extended the sunset on, a task force or advisory work group. Of the 333 referred substantive or non-budget bills, 14 (4%) established a task force or advisory work group. Of these 14 bills, 5 (36%)

received a public hearing and 5 (36%) were reported out by the Joint Committee on Ways and Means.

HB 2007 (Chapter 506, Oregon Laws 2021) establishes the 16-member Joint Task Force on Addressing Racial Disparities in Home Ownership charged with reviewing the reports and continuing the work of the Task Force on Addressing Racial Disparities in Home Ownership and recommending legislative solutions to eliminating barriers for homeownership for people of color in Oregon. Members of the Joint Task Force are entitled to compensation through the Legislative Policy and Research Office. The Joint Task Force is required to report to an interim committee of the Legislative Assembly by September 15, 2022. The Joint Task Force sunsets on December 31, 2022.

HB 2100 (Chapter 448, Oregon Laws 2021) establishes the 19-member Task Force on Homelessness and Racial Disparities charged with identifying and investigating potential changes in Oregon's funding structure to address racial disparities among people experiencing homelessness and housing insecurity. The measure authorizes the Task Force to consult experts, form subcommittees or advisory committees, conduct field investigations, hearings and other meetings, receive testimony in any form or format, request or require production of documents and other evidence. The Task Force is required to meet no less than monthly until January 31, 2022. HCSD is required to provide staff support to the Task Force. The measure specifies that HCSD must provide a third-party facilitator to assist the chairperson or cochairs with the facilitation of meetings and the operations of the Task Force. A member of the Task Force is not entitled to compensation, but in the discretion of HCSD may be reimbursed for travel and other expenses or provided a stipend. The measure requires the Task Force to submit a report to a committee of the Legislature by January 15, 2022. The Task Force sunsets on July 1, 2022.

HB 2590 (Chapter 533, Oregon Laws 2021) establishes an eight-member Task Force on Student Success for Underrepresented Students in Higher Education charged with visiting public post-secondary institutions of education in Oregon to meet with prospective, current, and former students from underrepresented populations, as well as faculty who support these students. Based on these meetings, the Task Force is directed to develop student success policy and funding proposals for the 2023 legislative session. The measure authorizes the Task Force to create one or more subcommittees to advise the Task Force. The measure requires the Task Force to report its findings and proposals to the Legislative Assembly by December 15, 2022. The Task Force sunsets on December 31, 2023.

HB 3035 (Chapter 543, Oregon Laws 2021) establishes the 11-member Task Force on Corrections Medical Care charged with conducting a review of medical standards of care in the Department of Corrections (DOC) and the process by which adults in custody of DOC file grievances concerning access to and the provision of medical care. The bill requires DOC to report on the specified information every six months. In addition, the measure directs DOC, in consultation with the Oregon Health Authority, to report to the interim committees of the Legislative Assembly related to the judiciary and health care by December 31, 2022 on the health outcomes concerning all adults in DOC custody.

SB 428 (Chapter 579, Oregon Laws 2021) extends the sunset on the 20-member Task Force on Universal Health Care from January 2, 2022 to January 2, 2023 and extends the due date of a statutorily required report from the 2021 legislative session to September 30, 2022. The Task Force is charged with designing the Health Care for All Oregon Plan, which is a universal health care system to be administered by the Health Care for All Oregon Board, which will be equitable, affordable, and comprehensive, and will provide high quality health care, be publicly funded, and be available to every individual residing in Oregon. The bill appropriates \$516,768 General Fund and authorizes the establishment of two limited-duration positions (1.26 FTE) to continue the work of the task force into the 2021-23 biennium.

OTHER - Bills with budgetary impact not referred to Joint Committee on Ways and Means
HB 2433 (Chapter 525, Oregon Laws 2021) is an omnibus tax bill that extends various tax credit sunset dates and makes minor clarifying changes and substantive policy changes to existing tax laws and credits. The measure applies to tax years 2021 and beyond. To address the cost of implementing the measure, the Department of Revenue received an appropriation of \$397,011 General Fund for five positions (2.50 FTE).

SB 139 (Chapter 570, Oregon Laws 2021) reduces the marginal tax rates to which non-passive, pass-through income is subject. The measure reduces the tax rate from 7.2 percent to 7.0 percent for pass-through income exceeding \$250,000, but not exceeding \$500,000; and reduces the tax rate from 7.6 percent to 7.5 percent for pass-through income exceeding \$500,000, but not exceeding \$1 million. The measure limits reduced rate pass-through income qualification to S corporations and partnerships with ordinary business income not in excess of \$5 million. To qualify for pass-through income reduced rates, S corporations and partnerships must satisfy either an employee-to-employer ratio or a three-year average limitation on distributions of income as a percentage of ordinary business income. The measure sets the employee-to-employer ratio based on the amount of ordinary business income of the S corporation or partnership. It applies the new pass-through income qualification requirements only to S corporations and partnerships with ordinary business income exceeding \$250,000 in a tax year. To implement the measure, the Department of Revenue received an appropriation of \$161,387 General Fund for one position (0.50 FTE).

SB 172 (Chapter 388, Oregon Laws 2021) limits the window in which non-fraudulent overpayments of unemployment benefits can be recovered from a claimant to five years. This measure also creates the ability for certain overpayments to be waived. HB 5006 (2021) provides 10 limited duration Revenue Agent 1 positions (5.00 FTE) to analyze and notify accounts eligible for a waiver; and increases Other Funds expenditure limitation by \$872,278 to accommodate administrative expenses of the Oregon Employment Department under this measure.

SB 278 (Chapter 420, Oregon Laws 2021) provides that if a tenant provides a landlord with documentation that the tenant has applied for rental assistance, then the landlord may not deliver a termination notice for nonpayment. The measure also provides that a landlord is eligible for 100%, and not 80%, of funds from the Landlord Compensation Fund. The Housing and Community Services Department (HCSD) is directed to provide a grant to a third-party to make distributions to compensate landlords who have delayed termination notices or evictions under this measure. HB 5006 (2021) includes a \$30 million General Fund appropriation for

HCSO to compensate landlords for 100% of missed rental payments for applications submitted to the Landlord Compensation Fund for rent owed between April 1, 2020 and the date of the landlord's application through June 30, 2021, subject to availability of funds. An additional \$5 million General Fund is appropriated to HCSO for a grant to Home Forward to make distributions to landlords who delayed termination notices or eviction proceedings pursuant to this measure. Landlords can apply for this compensation if they can demonstrate that they waited at least 60 days to receive rent payments from a tenant who was denied rental assistance.

SB 578 (Chapter 400, Oregon Laws 2021) establishes a pilot program in three counties to provide counsel for persons in protective proceedings provided certain conditions. The measure specifies the payment of attorney fees should come from the protected person, if that person's estate is sufficient to cover that expense, or provides for the appointment of counsel at state expense for qualifying individuals. The measure requires the Oregon Judicial Department (OJD) to report on the program before September 15, 2024 and annually thereafter to the Legislative Assembly. The pilot program takes effect on January 2, 2022 in Multnomah County and Lane County, and January 2, 2023 in Columbia County. The measure takes effect in all other counties on or after January 2, 2024. The measure has an indeterminate fiscal impact on the Public Defense Services Commission, a minimal fiscal impact for OJD, and no fiscal impact for the Criminal Justice Commission.

SB 620 (Chapter 653, Oregon Laws 2021) eliminates the automatic imposition of supervision fees as a condition of probationary sentence or supervision. The bill repeals the authority of community corrections, Board of Parole and Post-Prison Supervision (BPPPS), or other local supervisory authority, to impose or collect a monthly fee to offset the costs of supervising an individual's probation, parole, post-prison supervision or other supervised release. The bill also removes court authority to impose or collect fees for court-ordered supervision. The bill prohibits BPPPS from requiring that a supervised person pay a fee to the victim impact program to offset the cost of that person's participation in the program. Funding to replace the approximately \$10,000 of lost fee revenue is included in HB 5006 (2021).

SB 727 (Chapter 589, Oregon Laws 2021) creates a new entity-level income tax on qualified pass-through entities, known as the Business Alternative Income Tax . Qualifying entities are those that have individual owners who are subject to the personal income tax or other pass-through entities whose owners are subject to the personal income tax. The tax is elective and, if paid, the business owners will be allowed an offsetting income tax credit claimed on their Oregon personal income tax returns. Each owner would be allowed a tax credit for their pro rata share of the entity tax. The new tax and credit are effective for tax years 2022 and 2023. However, if the federal limitation on the state and local tax deduction is repealed, then the new tax will be repealed. To implement the measure, the Department of Revenue received an appropriation of \$438,569 General Fund for three positions (2.00 FTE).

Appendix A

2021-23 Capital Construction Projects

Higher Education Coordinating Commission – Community Colleges

The Legislature approved six new capital projects and reauthorized five capital projects approved in prior biennia for community colleges to finance total project costs of \$75,946,994. Other Funds Capital Construction six-year expenditure limitation of \$56,496,994 was added to the budget of the Higher Education Coordinating Commission (HECC) for the six new community college projects and two reauthorized projects for which expenditure limitation from prior biennia was removed and reestablished in 2021-23. Projects are funded with proceeds from the issuance of Article XI-G general obligation bonds and will be disbursed as grants pursuant to grant agreements between HECC and each community college. The approved projects are described below.

Blue Mountain Community College – Facility for Agricultural Resource Management (FARM) Phase 2: \$6,500,000 (Article XI-G bonds) was reapproved 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 various sources, which may include grants, donations, or a local bond levy.

Central Oregon Community College – Classroom Building Redmond Campus: \$8,000,000 (Article XI-G bonds) was reapproved to construct a new classroom building on the campus in Redmond. 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.

Chemeketa Community College – Building 7 Remodel: \$8,000,000 (Article XI-G bonds) was approved to remodel the Physical Education facility (Building 7), including the redesign and remodel of learning spaces, upgrades of interior and exterior building components, and possibly targeted seismic reinforcements. The community college will provide the constitutionally required match for the Article XI-G bonds through college capital funds.

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, labs, 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 – Childcare Resource Learning Center: \$1,500,000 (Article XI-G bonds) was approved to construct a new Childcare Learning Complex for education program students to complete course lab practicums and gain workforce experience through internships. The facility will include space for meetings, offices, and classrooms as well as common areas for student access to campus resources.

The community college will provide the constitutionally required match for the Article XI-G bonds through grants and/or donations.

Linn-Benton Community College – Agricultural Center: \$8,000,000 (Article XI-G bonds) was approved to construct a new Agricultural Center for animal sciences instruction that will include a horse barn, arena, livestock barn, classroom building with laboratories, and related outbuildings. The facility is expected to provide fenced and managed acreage for livestock as well as covered pens and barns for animals and feed. The project also includes parking areas for instruction and college-sponsored events. The community college will provide the constitutionally required match for the Article XI-G bonds by issuing debt through a private bank placement.

Mt. Hood Community College – Accessibility Upgrades, Dental Hygiene Lab, and Deferred Maintenance: \$8,000,000 (Article XI-G bonds) was approved to improve accessibility, update classrooms and labs, and modernize elevators. In addition, the project includes replacing sidewalks and parking as well as improvements to address deferred maintenance such as replacement of roofs and building envelopes. The community college will provide the constitutionally required match for the Article XI-G bonds through various possible 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 building to provide space for workforce development academic programs, student study areas, along with 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.

Rouge Community College – Transportation Technology Center: \$7,000,000 (Article XI-G bonds) was approved to build a new facility on the Redwood Campus for instruction and training in the field of transportation technology. The facility will include inventory management, project storage, vehicle and equipment bays, lab preparation areas, faculty offices, student study areas, support staff offices and work areas. The project will also support instructional technology and technology infrastructure to enable connectivity to the existing technology network and expand capability for technology-based instruction. The community college will provide the constitutionally required match for the Article XI-G bonds through a combination of funding from a capital campaign and a bond levy.

Tillamook Bay Community College – Classroom/Office Building and Renovations: \$8,000,000 (Article XI-G bonds) was approved to construct a new facility that will include classrooms, offices, support space and community event space. An existing building will also be renovated to provide additional classrooms, study areas, and student support offices. The community college will provide the constitutionally required match for the Article XI-G bonds with a combination of donations, grants and a bond levy.

Treasure Valley Community College – Nursing-Allied Health Professions Center: \$4,950,000 (Article XI-G bonds) was reapproved to construct a Nursing-Allied Health Professions Center building that will provide classrooms and lab 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.

Higher Education Coordinating Commission – Public Universities

The Subcommittee approved \$445,905,100 Other Funds Capital Construction six-year expenditure limitation in the HECC budget for 10 new public university projects. Projects are funded with proceeds from the issuance of Article XI-Q bonds, Article XI-G bonds, and Article XI-F(1) bonds and will be disbursed as grants or loans, as applicable, pursuant to grant contracts and loan agreements between HECC and each university. The approved projects are listed below.

All Public Universities

Capital Improvement and Renewal: \$80,000,000 (Article XI-Q bonds) was approved for capital improvement projects addressing 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 lab modernization; or improvements to auxiliary facilities, which are typically self-supporting.

Eastern Oregon University

Inlow Hall Renovation, Phase II: \$17,700,200 (Article XI-Q bonds) and \$564,900 (Article XI-G bonds) was approved to renovate Inlow Hall including improvements to the roofing system, building envelope, HVAC systems, and seismic updates. The project also includes the remodel of offices, attic, basement, and student support areas to optimize the use of space.

Oregon Institute of Technology

Residence Hall: \$55,000,000 (Article XI-F(1) bonds) was approved to construct a new facility for student housing with approximately 900 beds and study space on the Klamath Falls campus.

OMIC R&D Center for Additive Manufacturing Innovation Phase II: \$5,000,000 (Article XI-Q bonds) was approved to construct two new research labs within the Research and Development (R&D) facility, including a powdered metal handling vault and airlock to support the addition of laser powder bed fusion and binder jetting methods of additive manufacturing to the facility. The project also includes completion of office space, including conference rooms and collaborative space for manufacturers to work on site with OMIC R&D and partner university researchers to develop and evaluate projects.

Oregon State University

Cascades Student Success Center: \$8,800,000 (Article XI-Q bonds) and \$5,000,000 (Article XI-G bonds) was approved to construct a new Student Success Center on the Cascades Campus which will be used to provide academic and career advising, tutoring, mental health counseling, study spaces and a health wellness center.

Cordley Hall Renovation, Phase II: \$61,000,000 (Article XI-Q bonds) and \$25,000,000 (Article XI-G bonds) was approved to renovate Cordley Hall, including improvements related to accessibility, safety, seismic upgrades and mechanical and electrical system efficiency. Interior spaces will also be renovated, such as laboratories, classrooms and offices. In addition, the project includes construction of a new cooling plant building adjacent to Cordley Hall.

Reser Stadium West Grandstands: \$40,000,000 (Article XI-F(1) bonds) was approved to replace the west grandstands of the football stadium, including replacement of the grandstands and enclosed fan seating areas, restrooms, concessions, press boxes, and athletic support spaces. In addition, the project includes

replacement or improvements to adjacent parking, pedestrian paths, and fire and travel lanes. This project may also include interior space for academics or a health care partner.

Portland State University

Gateway Center Reuse and Extension: \$45,000,000 (Article XI-Q bonds), \$5,000,000 (Article XI-G bonds), and \$18,000,000 (Article XI-F(1) bonds) was approved to renovate the existing Art Building and construct an addition on an adjacent lot to expand space available for the School of Art and Design, the Center for Student Health and Counseling, and the Speech and Hearing Sciences program. The project includes adding laboratory spaces, as well as improving and expanding spaces for classrooms, student study and collaboration, student mentoring and advising, and exhibition spaces. In addition, the facility will be designed to include private sector commercial space.

University of Oregon

Heritage Building Renovation: \$52,650,000 (Article XI-Q bonds) and \$5,850,000 (Article XI-G bonds) was approved to renovate the Heritage Building, including classrooms, faculty offices, and the theatrical performance hall. The renovation will update and modernize classrooms and workstations, along with addressing deferred maintenance, safety issues, and building and site code violations.

Western Oregon University

Student Success Center: \$20,680,000 (Article XI-Q bonds) and \$660,000 (Article XI-G bonds) was approved to construct a new Student Success Center building that will house student services such as advising, tutoring, student support groups, computer labs, and smart classrooms. The new facility will be located on the site of the existing Old Education Building, which will be demolished.

Department of Administrative Services

Deferred Maintenance: \$15,500,000 Other Funds (Capital Projects Fund) was approved for various capital and tenant improvements in multiple buildings owned by the Department of Administrative Services (DAS). These improvements include: roof replacements for the Commerce Building, Salem Motor Pool, and the Agricultural Building; replacement of lighting packages and supporting electrical infrastructure for energy efficiency in multiple buildings; replacement and upgrade of elevator controls in various facilities; and multiple HVAC system upgrades.

Gender Neutral Facilities and Mothers' Rooms: \$10,000,000 Other Funds (Capital Projects Fund) was approved to design and construct mothers' lactation rooms, wellness rooms, and gender neutral bathrooms in multiple DAS-owned buildings.

Capitol Mall Parking Structure Improvements: \$2,750,000 Other Funds (Capital Projects Fund) was approved to make structural and seismic safety repairs and storm water handling system repairs to the Capitol Mall parking structure as well as irrigation system repairs in the Capitol Park above the structure.

Dome Building and Yaquina Hall Improvements: \$1,500,000 Other Funds (Capital Projects Fund) was approved for parking lot and street improvement projects at the Dome Building and Yaquina Hall.

Climate Adaptation and Net Zero Solutions: \$2,000,000 Other Funds (rent revenue) was approved to design innovative solutions to implement during capital construction projects such as heat recovery, lighting and building controls, insulation, or daylighting technologies and evaluate the return on investment for traditional solutions versus high efficiency modern technologies.

Parking Lot Improvements and EV Charging Station Expansions: \$2,000,000 Other Funds (Capital Projects Fund) was approved to install electric vehicle (EV) charging stations and perform surface replacement and upgrades in multiple state-owned parking lots.

Executive Building Interior and Seismic Renovation: \$45,000,000 Other Funds (Article XI-Q bonds) was approved to renovate the Executive Building, including seismic updates and upgrades of the exterior envelope and the building systems including electrical, mechanical, plumbing, and fire sprinkler systems.

North Valley Complex Infrastructure Upgrades/Tenant Improvements: \$60,000,000 Other Funds (Article XI-Q bonds) was approved to renovate the North Valley Complex in Wilsonville and make tenant improvements and related site improvements to ready the building for use by multiple agencies.

Yellow Parking Lot Paving: \$4,000,000 Other Funds (Article XI-Q bonds) was approved to pave the existing gravel Yellow Parking Lot in the Capitol Mall area and make necessary site improvements related to storm water, landscaping and other site improvements. The project also includes a public electric vehicle charging component.

Department of Aviation

Siletz Bay State Airport Runway and Electrical Rehabilitation: \$320,000 Other Funds (aircraft registration fees) and \$3,069,187 Federal Funds (Federal Aviation Administration) was approved to conduct renovations at the Siletz Bay State Airport. This project includes rehabilitation of the runway and electrical system, which is needed to meet federal standards for safe operating conditions.

Department of Corrections

Capital Improvement and Renewal: \$70,000,000 Other Funds (Article XI-Q bonds) was approved for capital improvements at facilities, including roof replacement or improvement of roofs, HVAC, hardscaping, plumbing, electrical systems, communication and security systems, and other elements.

Off-Net Telephone Infrastructure: \$3,508,206 Other Funds (Article XI-Q bonds) was approved to design, purchase, and implement a centralized Voice over Internet Protocol (VoIP) communications system for use in multiple institutions to replace outdated legacy telephone systems.

Department of Education

Oregon School for the Deaf ADA Restrooms: \$1,024,625 Other Funds (Article XI-Q bonds) was approved to improve Americans with Disabilities Act (ADA) accessibility in restrooms throughout the Oregon School for the Deaf campus.

Oregon School for the Deaf Fire Alarm System Replacement: \$3,091,923 Other Funds (Article XI-Q bonds) was approved to replace the fire alarm system on the Oregon School for the Deaf campus.

Oregon School for the Deaf Windows Upgrade: \$1,383,452 Other Funds (Article XI-Q bonds) was approved to install energy efficient windows in facilities at the Oregon School for the Deaf.

Department of Fish and Wildfire

Capital Improvement and Renewal: \$5,000,000 Other Funds (Article XI-Q bonds) was approved for capital improvements to replace buildings and address deferred maintenance at various facilities.

Department of Forestry

Santiam District Office Replacement: \$2,500,000 Other Funds (insurance proceeds) was approved to design and construct a new Santiam District Office to replace the facility destroyed by wildfire in 2020.

Toledo Facility Replacement Phase II: \$1,632,842 Other Funds (Article XI-Q bonds) was approved to replace the Unit Office Facilities Compound located in Toledo and relocate it to a more centrally located area that will be outside of the mapped tsunami inundation zone.

Department of Transportation

Meacham Maintenance Station: \$12,000,000 Other Funds (fee revenue) was approved to construct a new Meacham Maintenance Station that will include heated and cold storage bays, a wash bay, and office space. The project also includes constructing a salt storage shed and an additional wash station, as well as drilling a new well.

South Coast Maintenance Station: \$16,200,000 Other Funds (fee revenue) was approved to design and begin site development for a new South Coast Maintenance Station to accommodate the consolidation of three obsolete maintenance stations into one location in Coos County. The sites being consolidated include two owned facilities, the Coos Bay and Davis Slough maintenance stations, and one leased facility, the Coquille construction office.

Region 3-5 Headquarters HVAC Upgrades: \$3,800,000 Other Funds (fee revenue) was approved to replace the HVAC systems and make other energy efficiency improvements in the region 3, region 4 and region 5 headquarters buildings and the region 4 Department of Motor Vehicles building.

Housing and Community Services Department

Local Innovation and Fast Track (LIFT) Housing and Permanent Supportive Housing: \$410,000,000 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 for Oregonians with low income and citizens in historically underserved communities and communities of color, as well as 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.

Judicial Department

Supreme Court Building Renovation: \$21,700,000 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 upgrades.

Military Department

Ashland Armory Service Life Extension: \$5,373,235 Other Funds (Article XI-Q bonds) was approved for design and construction of additions and alterations to the Ashland Armory, including seismic upgrades. The improvements will bring the facility 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 emergency enhancements and replacement of failed paving areas and replacement of existing site lighting, landscaping and fencing.

Corvallis Armory Service Life Extension: \$4,317,605 Other Funds (Article XI-Q bonds) was approved for design and construction of additions and alterations to the Corvallis Armory, including seismic upgrades. The improvements will bring the facility 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 emergency enhancements and replacement of failed paving areas and replacement of existing site lighting, landscaping and fencing.

Camp Umatilla Barracks Facilities: \$8,000,000 Federal Funds (National Guard Bureau) was approved to design and construct a National Guard transient training barracks for advanced skills trainees conducting training at Camp Umatilla's Regional Training Institute. The project includes construction of a barracks and associated utility services, information systems, fire detection and alarm systems, fixtures, furnishings and equipment, hazardous waste remediation and disposal, roads, walks, curbs, gutters, storm drainage, parking areas, and site improvements. The new transient training open bay enlisted barracks will provide billeting space for soldiers and will include building systems both within and outside of the primary facility's perimeter including latrine, showers, and laundry with minimal site development, parking, and landscaping.

Camp Umatilla Guard Shack: \$1,100,000 Federal Funds (National Guard Bureau) was approved to construct a new controlled entry point, gate, and guardhouse at Camp Umatilla to improve operational readiness and comply with antiterrorism force protection requirements. This permanent construction project includes an improved entry point for commercial activities, a new gate, identification check station building (guard house), roadway improvements, truck inspection lane and barricade system.

Washington County Readiness Center: \$5,300,000 Other Funds (Article XI-Q bonds) and \$22,700,000 Federal Funds (National Guard Bureau) was approved to build a new National Guard Readiness Center in Washington County for the training, administrative and logistical needs of the Oregon Army National Guard as a replacement for the Hillsboro Armory. The project includes construction as well as providing utility services, information systems, fire detection and alarm systems, hazardous materials abatement and disposal, roads, walks, curbs, gutters, storm drainage, parking areas, and site improvements.

Oregon Health Authority

Oregon State Hospital, Salem Well Water Treatment Facility: \$4,492,750 Other Funds (Article XI-Q bonds) was approved to construct a well water treatment facility and potable water storage tank to provide a backup water supply for the Oregon State Hospital in Salem to be used in the event of disruption or contamination of the city water supply.

Oregon State Hospital, Salem/Junction City Automated Dispensing Cabinets: \$3,500,000 Other Funds (Article XI-Q bonds) was approved to replace approximately 40 automated medication dispensing cabinets deployed throughout patient care areas on the Salem and Junction City campuses of the Oregon State Hospital. The project includes replacement of the computers in each cabinet.

Oregon Liquor Control Commission

Liquor Warehouse Conveyor System: \$10,000,000 Other Funds (Article XI-Q bonds) was approved to acquire and install a new conveyor system for use in the agency's new warehouse.

Liquor Warehouse Land and Building: \$52,537,265 Other Funds (Article XI-Q bonds) was approved for the purchase of land and the design and construction of a new warehouse and headquarters for agency operations.

Oregon State Police

Central Point Office Expansion: \$33,961,269 Other Funds (Article XI-Q bonds) was approved to remodel and expand the Central Point Office facility to add space for the forensic lab, evidence, medical examiner and patrol functions. The project includes modernizing existing space and adding two auxiliary buildings.

Springfield Forensic Lab and Medical Examiner's Office: \$61,982,733 Other Funds (Article XI-Q bonds) was approved to design and build a new forensic lab and medical examiner facility in Springfield.

Springfield Patrol Area Command Office: \$14,261,687 Other Funds (Article XI-Q bonds) was approved to design and build a new command office facility in Springfield, including a warehouse for storage.

Oregon Youth Authority

Camp Riverbend Dorm Renovation: \$6,867,101 Other Funds (Article XI-Q bonds) was approved for capital improvements to renovate and expand two living units and supporting spaces at the Camp Riverbend Youth Transitional Facility, including the Riverbend building and the Hilgard building.

Capital Improvements: \$6,742,239 Other Funds (Article XI-Q bonds) was approved for capital improvements to permanent structures and fixtures to address needs identified by the Facility Condition Assessment completed on Oregon Youth Authority facilities.

MacLaren West Cottages Renovations: \$8,000,000 Other Funds (Article XI-Q bonds) was approved for capital improvements to renovate and remodel two living units on the west side of the campus at MacLaren Youth Correctional Facility.

Tillamook Dorm Renovation: \$10,279,899 Other Funds (Article XI-Q bonds) was approved for capital improvements to renovate and remodel two living units and supporting spaces at the Tillamook Youth Correctional Facility.

Parks and Recreation Department

Capital Improvement and Renewal: \$50,000,000 Other Funds (Article XI-Q bonds) was approved to finance the capital costs of making improvements to facilities in multiple Oregon state parks. The project includes improvements or replacements to facilities and related infrastructure such as buildings, water systems, septic and sewer systems, electrical systems, restroom and shower facilities, as well as modernizing and expanding campgrounds.

Appendix B

2021-23 State Paid Bonds

GENERAL FUND

Agency	Type	Amount
<u>Higher Education Coordinating Commission - Community Colleges</u>		
Blue Mountain CC - Facility for Agricultural Resource Management (reauthorization)	XI-G	6,615,000
Central Oregon CC - Classroom Building Redmond Campus (reauthorization)	XI-G	8,125,000
Chemeketa CC - Building 7 Remodel	XI-G	8,125,000
Clatsop CC - Maritime Science Building (reauthorization)	XI-G	8,120,000
Klamath CC - Childcare Resource Learning Center	XI-G	1,540,000
Linn-Benton CC - Agricultural Center	XI-G	8,125,000
Mt. Hood CC - Accessibility Upgrades, Dental Hygiene Lab, and Deferred Maintenance	XI-G	8,125,000
Oregon Coast CC - Workforce Education and Resiliency Center (reauthorizati	XI-G	8,125,000
Rogue CC - Transportation Technology Center	XI-G	7,120,000
Tillamook Bay CC - Classroom/Office Building and Renovations	XI-G	8,125,000
Treasure Valley CC - Nursing-Allied Health Professions Center (reauthorizati	XI-G	5,015,000
<u>Higher Education Coordinating Commission - Public Universities</u>		
Public Universities Capital Improvement and Renewal	XI-Q	80,810,000
Eastern Oregon University - Inlow Hall Renovation Phase II	XI-G	600,000
Eastern Oregon University - Inlow Hall Renovation Phase II	XI-Q	17,920,000
Oregon Institute of Technology - OMIC R&D Center for Additive Manufacturing Innovation Phase II	XI-Q	5,105,000
Oregon State University - Cordley Hall Renovation Phase II	XI-G	25,375,000
Oregon State University - Cordley Hall Renovation Phase II	XI-Q	61,690,000
Oregon State University - Cascades Student Success Center	XI-G	5,105,000
Oregon State University - Cascades Student Success Center	XI-Q	8,930,000
Portland State University - Gateway Center Reuse and Extension	XI-G	5,105,000
Portland State University - Gateway Center Reuse and Extension	XI-Q	45,585,000
University of Oregon - Heritage Building Renovation	XI-G	5,960,000
University of Oregon - Heritage Building Renovation	XI-Q	53,285,000
Western Oregon University - Student Success Center	XI-G	695,000
Western Oregon University - Student Success Center	XI-Q	20,920,000
<u>Department of Environmental Quality</u>		
Orphan Sites Clean-Up	XI-H	10,300,000

Agency	Type	Amount
<u>Oregon Business Development Department</u>		
Seismic Rehabilitation Grant Program - Schools	XI-M	111,300,000
Seismic Rehabilitation Grant Program - Emergency Services Buildings	XI-N	50,750,000
<u>Department of Education</u>		
Oregon School Capital Improvement Matching Program	XI-P	126,090,000
<u>Department of Corrections</u>		
Capital Improvement and Renewal	XI-Q	70,745,000
Electronic Health Records	XI-Q	13,635,000
Off-Net Telephone Infrastructure	XI-Q	3,825,000
<u>Department of Education</u>		
Oregon School for the Deaf - ADA Restrooms	XI-Q	1,065,000
Oregon School for the Deaf - Fire Alarm System Replacement	XI-Q	3,145,000
Oregon School for the Deaf - Windows Upgrade	XI-Q	1,425,000
<u>Department of Fish and Wildlife</u>		
Capital Improvement and Renewal	XI-Q	5,105,000
<u>Department of Forestry</u>		
Capital Improvements - All Facilities	XI-Q	2,464,209
Toledo Facility Replacement - Phase II	XI-Q	1,136,227
<u>Department of Revenue</u>		
Electronic Valuation Information System (ELVIS)	XI-Q	4,245,000
<u>Higher Education Coordinating Commission</u>		
FAMIS System Replacement	XI-Q	5,105,000
<u>Housing and Community Services Department</u>		
Local Innovation and Fast Track (LIFT) Housing / Permanent Supportive Housing Programs	XI-Q	413,490,000
<u>Judicial Department</u>		
Benton County Courthouse	XI-Q	20,730,000
Clackamas County Courthouse	XI-Q	95,400,000
Crook County Courthouse	XI-Q	11,885,000
Linn County Courthouse	XI-Q	16,110,000
Supreme Court Building Renovation	XI-Q	21,950,000

Agency	Type	Amount
<u>Legislative Administration Committee</u>		
Document Publishing and Management System	XI-Q	4,310,000
<u>Military Department</u>		
Ashland Armory Service Life Extension	XI-Q	5,480,000
Corvallis Armory Service Life Extension	XI-Q	4,375,000
Resiliency Grant Fund (OEM State Preparedness and Incident Response Equipment Grants)	XI-Q	10,210,000
Washington County Readiness Center	XI-Q	5,410,000
<u>Oregon Health Authority</u>		
OSH Salem - Well Water Treatment Facility	XI-Q	4,555,000
OSH Salem/Junction City - Automated Dispensing Cabinets	XI-Q	3,555,000
<u>Oregon State Police</u>		
Central Point Office Expansion	XI-Q	34,435,000
Springfield Forensic Lab and Medical Examiner's Office	XI-Q	62,710,000
Springfield Patrol Area Command Office	XI-Q	14,490,000
<u>Oregon Youth Authority</u>		
Camp Riverbend Dorm Renovation	XI-Q	6,975,000
Capital Improvements - All Facilities (new and reauthorization)	XI-Q	11,060,000
Control Room Renovations (reauthorization)	XI-Q	1,300,000
JJIS IT System Modernization	XI-Q	7,870,000
MaClaren Infirmary and Pharmacy Renovation (reauthorization)	XI-Q	1,720,000
MaClaren West Cottages Renovations (new and reauthorization)	XI-Q	20,795,000
Oak Creek Medical and Dental Clinic Renovations (reauthorization)	XI-Q	710,000
Rogue Valley Facility Improvements (reauthorization)	XI-Q	7,110,000
Tillamook Dorm Renovation	XI-Q	10,495,000
Tillamook Medical and Dental Renovations (reauthorization)	XI-Q	690,000
<u>Parks and Recreation Department</u>		
State Parks Capital Improvement and Renewal	XI-Q	50,750,000
General Fund Total		1,673,150,436

LOTTERY FUNDS

Agency	Type	Amount
<u>Department of Administrative Services</u>		
Center for Hope and Safety - Hope Plaza	Lottery	8,250,000
City of Eugene - Downtown Riverfront Park Development	Lottery	5,530,000
City of Gresham - Gradin Community Sports Park	Lottery	2,215,000
City of John Day - Central Grant County Aquatics Center	Lottery	2,215,000
City of Lincoln City - D River Welcome Center	Lottery	2,760,000
City of North Plains - Public Works/Emergency Operations Center	Lottery	5,530,000
City of Phoenix - Public Safety Building	Lottery	14,930,000
City of Redmond - Public Safety/Mental Health Triage Center	Lottery	3,305,000
Corvallis Homeless Shelter Coalition - Project Turnkey Corvallis (PSH Housing Project)	Lottery	5,530,000
East Lincoln County Fire and Rescue - Eddyville Fire Hall	Lottery	4,395,000
Eugene Family YMCA Facility	Lottery	16,450,000
Family Justice Center of Washington County - Family Peace Center	Lottery	6,895,000
Greater Toledo Aquatic and Community Center	Lottery	3,305,000
Jefferson County - Jefferson County Health and Wellness Center	Lottery	6,030,000
Klamath County - Klamath Crimson Rose	Lottery	13,195,000
Latino Network - La Plaza Esperanza	Lottery	4,395,000
Mid-Willamette Family YMCA - Multi-Purpose Sports Field Complex	Lottery	5,025,000
Multnomah County - Behavioral Health Resource Center	Lottery	11,015,000
OMSI District New Water Avenue	Lottery	5,530,000
Oregon Coast Aquarium	Lottery	5,525,000
Parrott Creek Child & Family Services - Building Renovation	Lottery	3,850,000
Port of Cascade Locks - Business Park Expansion	Lottery	2,680,000
Port of Morrow - Workforce Center	Lottery	4,725,000
Port of Portland - PDX Seismically Resilient Runway Engineering Design	Lottery	4,395,000
Rogue River School District - Rogue River Wimer Wellness Center	Lottery	3,305,000
Serendipity Center - Believe In Me Campus Expansion	Lottery	3,085,000
Wasco County - Columbia Gorge Resolution Center	Lottery	4,940,000
Willamette ESD - Willamette Career Academy	Lottery	7,620,000
Willamette Falls Locks and Canal	Lottery	7,985,000
Woodburn Community Center	Lottery	16,460,000
<u>Department of Education</u>		
Broadband Connecting Oregon Schools Grants	Lottery	19,545,000
<u>Department of Transportation</u>		
City of Sherwood - Pedestrian-Bike Bridge	Lottery	4,390,000
Tualatin Hills Parks & Recreation District - Fanno Creek Regional Trail Improvements	Lottery	2,325,000

Agency	Type	Amount
<u>Department of Veterans' Affairs</u>		
Salem Y Veterans Housing - Veterans' Affordable Housing	Lottery	6,615,000
<u>Housing and Community Services Department</u>		
Wildfire Housing Supply / Land Acquisition	Lottery	55,765,000
<u>Parks and Recreation Department</u>		
Oregon Main Street Revitalization Grant Program	Lottery	11,055,000
<u>Oregon Business Development Department</u>		
Brownfields Redevelopment Fund	Lottery	11,140,000
County Fair Capital Improvements	Lottery	11,055,000
Cultural Resources Economic Fund		
Artists Repertory Theatre	Lottery	2,215,000
Chehalem Cultural Center - Performing Arts Wing	Lottery	1,400,000
Columbia River Maritime Museum - Lightship Columbia Preservation	Lottery	365,000
Eastern Oregon Regional Theatre - Baker Orpheum Theatre Restoration	Lottery	355,000
Little Theatre on the Bay - Liberty Theatre Expansion	Lottery	695,000
Maxville Heritage Interpretive Center - Preservation of Maxville Townsite	Lottery	855,000
Portland Art Museum - Rothko Pavilion	Lottery	1,125,000
Siletz Tribal Arts and Heritage Society	Lottery	855,000
The Jon G. Shedd Institute for the Arts	Lottery	1,780,000
The Josephy Center for Arts and Culture	Lottery	695,000
Levee Grant Program	Lottery	16,450,000
Special Public Works Fund	Lottery	55,420,000
<u>Oregon Health Authority</u>		
Behavioral Health Housing Incentive Fund	Lottery	22,320,000
<u>Water Resources Department</u>		
City of Newport - Big Creek Dams	Lottery	15,660,000
Deschutes Basin Board of Control Piping Project	Lottery	11,010,000
Water Supply Development Fund	Lottery	32,910,000
Wallowa Lake Dam Rehabilitation	Lottery	15,370,000
	Lottery Funds Total	492,440,000

Appendix C

Number of Positions and Full-Time Equivalency

	2019-21 LEG APPROVED Positions	2019-21 LEG APPROVED FTE	2021-23 LEG ADOPTED Positions	2021-23 LEG ADOPTED FTE
PROGRAM AREA: EDUCATION				
EDUCATION, DEPT OF	697	650.90	772	753.23
HIGHER EDUCATION COORDINATING COMMISSION	144	134.91	152	143.36
TEACHER STANDARDS & PRACTICES COMMISSION	26	24.75	30	29.25
EDUCATION TOTAL	867	810.56	954	925.84
PROGRAM AREA: HUMAN SERVICES				
BLIND, COMMISSION FOR THE	68	66.00	69	66.42
HUMAN SERVICES, DEPT OF	9,574	9,365.74	10,140	10,032.41
LONG TERM CARE OMBUDSMAN	30	29.14	36	35.50
OREGON HEALTH AUTHORITY	4,400	4,319.97	4,770	4,717.60
PSYCHIATRIC SECURITY REVIEW BOARD	11	11.00	12	12.00
HUMAN SERVICES TOTAL	14,083	13,791.85	15,027	14,863.93
PROGRAM AREA: PUBLIC SAFETY				
CORRECTIONS, DEPT OF	4,731	4,699.06	4,781	4,688.65
CRIMINAL JUSTICE COMMISSION	23	21.51	22	22.00
DISTRICT ATTORNEYS & THEIR DEPUTIES	36	36.00	36	36.00
JUSTICE, DEPT OF	1,461	1,424.48	1,482	1,463.05
MILITARY DEPARTMENT	525	463.00	579	530.30
PAROLE & POST PRISON SUPERVISION, BOARD OF	25	25.00	27	27.00
PUBLIC SAFETY STANDARDS & TRAINING, DEPT. OF	152	149.87	160	158.74
STATE POLICE, DEPT OF	1,427	1,387.50	1,482	1,462.14
YOUTH AUTHORITY, OREGON	1,008	980.88	1,001	971.66
PUBLIC SAFETY TOTAL	9,388	9,187.30	9,570	9,359.54
PROGRAM AREA: JUDICIAL BRANCH				
JUDICIAL DEPARTMENT	1,935	1,817.22	1,932	1,888.09
JUDICIAL FITNESS AND DISABILITY, COMM. ON	1	0.50	1	0.50
PUBLIC DEFENSE SERVICES COMMISSION	90	86.47	108	104.72
JUDICIAL BRANCH TOTAL	2,026	1,904.19	2,041	1,993.31

	2019-21 LEG APPROVED Positions	2019-21 LEG APPROVED FTE	2021-23 LEG ADOPTED Positions	2021-23 LEG ADOPTED FTE
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT				
BUSINESS DEVELOPMENT DEPARTMENT	144	139.68	158	156.42
EMPLOYMENT DEPARTMENT	2,574	1,946.04	3,297	2,248.02
HOUSING & COMMUNITY SERVICES DEPT.	253	220.81	350	327.84
VETERANS' AFFAIRS, DEPT OF	105	104.47	104	103.79
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	3,076	2,411.00	3,909	2,836.07
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	59	59.00
CONSUMER & BUSINESS SERVICES, DEPT OF	963	957.92	950	941.15
DENTISTRY, BOARD OF	8	8.00	8	8.00
<i>HEALTH RELATED LICENSING BOARDS</i>				
MORTUARY & CEMETERY BOARD	7	7.00	7	7.00
NATUROPATHIC MEDICINE	4	4.00	3	3.00
OCCUPATIONAL THERAPY LICENSING BOARD	2	1.75	2	1.65
MEDICAL IMAGING	4	3.50	4	3.50
SPEECH PATHOLOGY AND AUDIOLOGY	3	3.00	3	3.00
VETERINARY MEDICAL EXAMINERS BOARD	4	3.75	4	3.75
LABOR & INDUSTRIES, BUREAU OF	111	109.08	130	127.50
MENTAL HEALTH REGULATORY AGENCY	12	12.00	14	14.00
MEDICAL BOARD, OREGON	41	41.00	42	42.00
NURSING, BOARD OF	54	53.90	54	53.90
PHARMACY, BOARD OF	22	22.00	22	22.00
PUBLIC UTILITY COMMISSION	130	127.75	140	135.50
REAL ESTATE AGENCY	29	29.00	29	29.00
SOCIAL WORKERS, BOARD OF LICENSED	6	6.00	7	7.00
TAX PRACTITIONERS, STATE BOARD OF	3	2.50	2	2.00
CONSUMER & BUSINESS SERVICES TOTAL	1,478	1,465.75	1,494	1,475.55
PROGRAM AREA: NATURAL RESOURCES				
AGRICULTURE, DEPT OF	514	385.36	518	397.60
ENERGY, DEPT. OF	81	79.25	93	91.00
ENVIRONMENTAL QUALITY, DEPT OF	791	765.66	817	806.99
FISH & WILDLIFE, DEPT OF	1,356	1,153.44	1,364	1,169.47
FORESTRY, DEPARTMENT OF	1,194	862.62	1,335	1,006.07
GEOLOGY & MINERAL INDUSTRIES, DEPT OF	41	39.33	35	34.67
LAND CONSERVATION & DEVELOPMENT, DEPT OF	61	58.55	68	66.35
LAND USE BOARD OF APPEALS	6	6.00	7	7.00
LANDS, DEPT. OF STATE	115	112.63	105	103.38
MARINE BOARD	40	39.25	40	39.50
PARKS & RECREATION, DEPT OF	870	602.55	864	597.07
WATER RESOURCES DEPARTMENT	178	172.67	209	196.81
WATERSHED ENHANCEMENT BOARD	41	35.75	36	36.00
NATURAL RESOURCES TOTAL	5,288	4,313.06	5,491	4,551.91

	2019-21 LEG APPROVED Positions	2019-21 LEG APPROVED FTE	2021-23 LEG ADOPTED Positions	2021-23 LEG ADOPTED FTE
PROGRAM AREA: TRANSPORTATION				
AVIATION, DEPT OF	16	15.49	13	12.59
TRANSPORTATION, DEPT OF	4,867	4,710.09	4,846	4,681.19
TRANSPORTATION TOTAL	4,883	4,725.58	4,859	4,693.78
PROGRAM AREA: ADMINISTRATION				
ADMINISTRATIVE SERVICES, DEPT OF	928	910.27	971	966.72
ADVOCACY COMMISSIONS OFFICE	3	2.50	4	4.00
EMPLOYMENT RELATIONS BOARD	13	13.00	13	13.00
GOVERNMENT ETHICS COMMISSION	9	9.00	9	9.00
GOVERNOR, OFFICE OF	62	61.63	69	68.83
LIBRARY, STATE	41	39.04	41	39.47
LIQUOR CONTROL COMMISSION (AND CANNABIS)	365	362.29	384	381.25
PUBLIC EMPLOYEES RETIREMENT SYSTEM	419	414.32	423	421.92
RACING COMMISSION	14	10.39	14	10.39
REVENUE, DEPT OF	1,094	1,014.40	1,125	1,060.21
SECRETARY OF STATE	224	223.42	232	231.08
TREASURER OF STATE	169	165.01	210	200.36
ADMINISTRATION TOTAL	3,341	3,225.27	3,495	3,406.23
PROGRAM AREA: LEGISLATIVE BRANCH				
INDIAN SERVICES, COMM	2	2.00	3	2.75
LEGISLATIVE ADMINISTRATION	79	74.42	80	76.96
LEGISLATIVE ASSEMBLY	335	253.44	336	254.77
LEGISLATIVE COUNSEL	62	55.08	64	57.00
LEGISLATIVE FISCAL OFFICER	27	25.77	27	27.00
LEGISLATIVE POLICY AND RESEARCH OFFICE	61	41.29	71	49.96
LEGISLATIVE REVENUE OFFICER	7	7.00	7	7.00
LEGISLATIVE BRANCH TOTAL	573	459.00	588	475.44
STATE OF OREGON TOTAL POSITIONS/FTE	45,003	42,293.56	47,428	44,581.60

Appendix D

Program Area Totals

2021-23 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	7,988,195,518	589,526,746	8,577,722,264	722,277,736	-	9,300,000,000
Education - Post Secondary	2,491,512,552	122,327,240	2,613,839,792	810,983,354	151,133,824	3,575,956,970
Education - Other	987,837,420	-	987,837,420	2,688,161,399	3,379,188,598	7,055,187,417
Human Svcs - Oregon Health Authority	3,483,809,469	18,641,986	3,502,451,455	9,600,625,992	17,047,663,519	30,150,740,966
Human Svcs - Dept. of Human Services	4,636,217,279	-	4,636,217,279	810,415,179	10,047,189,176	15,493,821,634
Human Services - Other	20,412,076	-	20,412,076	1,968,109	17,612,064	39,992,249
Public Safety	2,249,498,385	11,647,516	2,261,145,901	2,123,460,657	1,425,732,490	5,810,339,048
Judicial Branch	906,831,193	-	906,831,193	193,257,936	1,476,446	1,101,565,575
Natural Resources	516,360,394	251,728,450	768,088,844	1,642,274,283	345,399,927	2,755,763,054
Economic Development	767,074,971	197,028,053	964,103,024	8,941,262,917	2,075,861,284	11,981,227,225
Consumer and Business Services	32,744,618	261,416	33,006,034	775,417,191	121,293,920	929,717,145
Transportation	36,021,393	122,894,228	158,915,621	4,863,169,446	156,097,817	5,178,182,884
Administration	380,170,813	48,571,456	428,742,269	15,378,926,768	2,642,609,519	18,450,278,556
Legislative Branch	188,007,476	-	188,007,476	15,253,192	-	203,260,668
Miscellaneous (Emergency Fund)	761,297,482	-	761,297,482	-	-	761,297,482
Total	25,445,991,039	1,362,627,091	26,808,618,130	48,567,454,159	37,411,258,584	112,787,330,873

Appendix E

Summary of Expenditures

Notes:

- Special purpose appropriations to the Emergency Board that were allocated to specific agencies during the 2019-21 biennium are included within the agency General Fund budgets in the 2019-21 legislatively approved column. Special purpose appropriations for specific agencies for the 2021-23 biennium are not included within the agencies' General Fund budgets in the 2021-23 legislatively adopted column 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 2019-21 legislatively approved amounts represent all 2019-21 expenditures as modified and authorized by bills approved during 2020 special sessions, through 2019-21 Emergency Board actions, and by 2019-21 budget adjustments addressed during the 2021 legislative session. The 2019-21 approved budget also includes certain administrative actions taken by the Department of Administrative Services approving increases to Nonlimited Other Funds and Federal Funds.
- The 2021-23 legislatively adopted budget amounts reflect policy bill and line-item veto actions taken by the Governor in June and August 2021; these numbers will vary from budget summary information provided by the Legislative Fiscal Office at the close of the 2021 legislative session.

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$

EDUCATION

Higher Education Coordinating Commission				
General Fund	24,873,291	43,044,384	51,408,483	97,124,386
Lottery Funds	-	-	-	-
Other Funds	26,668,419	52,246,808	33,574,080	80,326,197
Other Funds Nonlimited	-	206,000	206,000	206,000
Federal Funds	81,776,666	128,146,326	128,335,403	130,597,522
Federal Funds Nonlimited	2,286,341	19,689,647	20,536,302	20,536,302
Total Expenditures	135,604,717	243,333,165	234,060,268	328,790,407
State Support for Public Universities				
General Fund	1,054,358,596	1,202,974,640	1,283,540,428	1,342,124,421
Lottery Funds	64,121,603	90,885,159	99,265,110	98,218,977
Other Funds	406,176,426	269,812,784	4,101,340	455,445,925
Other Funds Nonlimited	236,269,745	955,074,983	162,334,350	152,018,158
Federal Funds Nonlimited	4,598,449	4,597,230	-	-
Total Expenditures	1,765,524,819	2,523,344,796	1,549,241,228	2,047,807,481
State Support for Community Colleges				
General Fund	640,386,651	710,396,428	755,105,047	779,788,933
Lottery Funds	11,699,202	11,277,642	13,379,130	11,833,547
Other Funds	102,943,051	27,269,621	47,780	68,185,966
Other Funds Nonlimited	-	-	-	-
Federal Funds Nonlimited	-	-	-	-
Total Expenditures	755,028,904	748,943,691	768,531,957	859,808,446
State Support for Oregon Health and Science University (OHSU)				
General Fund	98,893,353	102,639,221	104,049,728	106,049,728
Other Funds	38,542,156	30,920,287	30,869,380	30,869,380
Other Funds Nonlimited	-	6,234,016	2,636,930	2,631,528
Total Expenditures	137,435,509	139,793,524	137,556,038	139,550,636
Oregon Opportunity Grant Program				
General Fund	125,217,521	99,510,413	114,219,361	166,425,084
Lottery Funds	17,302,488	40,000,000	41,720,000	12,274,716
Other Funds	163,213	24,669,415	15,300,200	21,300,200
Total Expenditures	142,683,222	164,179,828	171,239,561	200,000,000

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
Education, Dept of				
General Fund	814,511,396	1,129,027,552	966,301,239	986,839,340
Lottery Funds	651,214	692,870	-	-
Other Funds	383,559,025	1,333,366,598	2,103,600,777	2,537,080,869
Other Funds Nonlimited	121,368,526	120,364,721	137,133,538	137,133,538
Federal Funds	924,418,235	1,629,758,433	1,154,261,199	2,943,515,768
Federal Funds Nonlimited	395,057,409	407,115,946	435,672,830	435,672,830
Total Expenditures	2,639,565,805	4,620,326,120	4,796,969,583	7,040,242,345
State School Fund				
General Fund	7,566,833,307	7,568,496,644	7,880,635,408	7,988,195,518
Lottery Funds	535,719,907	730,467,530	370,466,870	589,526,746
Other Funds	83,242,395	701,035,826	746,359,000	722,277,736
Total Expenditures	8,185,795,609	9,000,000,000	8,997,461,278	9,300,000,000
Teacher Standards and Practices Comm				
General Fund	1,700,000	-	-	998,080
Other Funds	6,656,350	12,080,322	10,212,917	13,946,992
Total Expenditures	8,356,350	12,080,322	10,212,917	14,945,072
EDUCATION PROGRAM AREA TOTAL				
General Fund	10,326,774,115	10,856,089,282	11,155,259,694	11,467,545,490
Lottery Funds	629,494,414	873,323,201	524,831,110	711,853,986
Other Funds	1,047,951,035	2,451,401,661	2,944,065,474	3,929,433,265
Other Funds Nonlimited	357,638,271	1,081,879,720	302,310,818	291,989,224
Federal Funds	1,006,194,901	1,757,904,759	1,282,596,602	3,074,113,290
Federal Funds Nonlimited	401,942,199	431,402,823	456,209,132	456,209,132
Total	13,769,994,935	17,452,001,446	16,665,272,830	19,931,144,387

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
HUMAN SERVICES				
Blind, Commission for the				
General Fund	3,486,160	6,404,462	5,090,337	5,658,523
Other Funds	1,436,725	2,066,393	1,608,480	1,079,323
Federal Funds	16,456,334	18,962,730	17,172,805	17,612,064
Total Expenditures	21,379,219	27,433,585	23,871,622	24,349,910
Health Authority, Oregon				
General Fund	2,107,755,471	2,466,696,946	3,580,224,176	3,483,809,469
Lottery Funds	12,464,286	17,999,344	17,338,086	18,641,986
Other Funds	6,957,456,229	8,623,162,407	8,170,116,328	9,560,625,992
Other Funds Nonlimited	28,363,870	274,869,903	40,000,000	40,000,000
Federal Funds	11,590,457,943	14,134,137,278	14,614,326,326	16,944,934,468
Federal Funds Nonlimited	74,629,149	106,196,261	102,729,051	102,729,051
Total Expenditures	20,771,126,948	25,623,062,139	26,524,733,967	30,150,740,966
Human Services, Department of				
General Fund	3,184,660,160	3,721,468,665	4,506,466,106	4,636,217,279
Other Funds	539,735,821	904,378,181	639,640,131	810,415,179
Federal Funds	5,238,750,230	6,463,239,330	6,459,542,544	7,071,321,049
Federal Funds Nonlimited	1,855,270,592	2,889,345,331	1,939,345,331	2,975,868,127
Total Expenditures	10,818,416,803	13,978,431,507	13,544,994,112	15,493,821,634
Long Term Care Ombudsman				
General Fund	6,169,136	7,558,394	9,114,584	10,819,492
Other Funds	673,947	1,117,464	919,514	888,786
Total Expenditures	6,843,083	8,675,858	10,034,098	11,708,278
Psychiatric Security Review Board				
General Fund	2,843,045	3,220,660	3,691,599	3,934,061
Other Funds	1,888	-	-	-
Total Expenditures	2,844,933	3,220,660	3,691,599	3,934,061
HUMAN SERVICES PROGRAM AREA				
General Fund	5,304,913,972	6,205,349,127	8,104,586,802	8,140,438,824
Lottery Funds	12,464,286	17,999,344	17,338,086	18,641,986
Other Funds	7,499,304,610	9,530,724,445	8,812,284,453	10,373,009,280
Other Funds Nonlimited	28,363,870	274,869,903	40,000,000	40,000,000
Federal Funds	16,845,664,507	20,616,339,338	21,091,041,675	24,033,867,581
Federal Funds Nonlimited	1,929,899,741	2,995,541,592	2,042,074,382	3,078,597,178
Total	31,620,610,986	39,640,823,749	40,107,325,398	45,684,554,849

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
PUBLIC SAFETY				
Corrections, Dept of				
General Fund	1,749,079,552	1,925,643,660	1,928,608,522	1,140,155,032
Other Funds	76,635,479	138,771,125	50,090,113	1,024,510,416
Other Funds Nonlimited	-	214,566,938	-	-
Federal Funds	2,650,377	4,533,582	4,734,976	4,734,976
Federal Funds Nonlimited	1,040,976	940,120	-	-
Total Expenditures	1,829,406,384	2,284,455,425	1,983,433,611	2,169,400,424
Criminal Justice Commission				
General Fund	64,360,696	79,372,798	72,585,036	89,347,638
Lottery Funds	-	555,000	578,865	578,865
Other Funds	1,686,356	15,011,498	7,411,165	21,258,537
Federal Funds	7,071,139	12,162,164	5,664,770	5,664,637
Total Expenditures	73,118,191	107,101,460	86,239,836	116,849,677
District Attorneys and Their Deputies				
General Fund	13,238,151	14,332,414	14,485,997	14,783,245
Justice, Department of				
General Fund	89,726,176	117,790,118	115,524,731	153,050,242
Other Funds	314,248,330	373,423,466	382,228,947	379,645,656
Other Funds Nonlimited	-	-	-	-
Federal Funds	182,172,657	216,470,717	158,962,562	185,198,126
Total Expenditures	586,147,163	707,684,301	656,716,240	717,894,024
Military Department				
General Fund	27,496,724	38,994,473	35,667,253	76,745,748
Other Funds	117,719,586	154,966,077	113,214,952	183,066,959
Other Funds Nonlimited	-	3,842,468	-	-
Federal Funds	174,936,798	1,233,670,832	307,599,365	1,171,794,136
Total Expenditures	320,153,108	1,431,473,850	456,481,570	1,431,606,843
Parole and Post Prison Supervision, Bd. Of				
General Fund	9,034,911	8,669,440	10,182,509	10,635,926
Other Funds	10,167	24,163	12,184	12,184
Total Expenditures	9,045,078	8,693,603	10,194,693	10,648,110

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
Police, Department of State				
General Fund	301,571,927	288,427,648	351,560,275	491,282,855
Lottery Funds	8,001,563	10,362,821	11,069,398	11,068,651
Other Funds	143,714,659	246,014,928	177,896,176	304,853,996
Federal Funds	9,584,689	13,770,684	13,203,525	13,774,908
Total Expenditures	462,872,838	558,576,081	553,729,374	820,980,410
Public Safety Standards and Training, Dept of				
General Fund	9,795,963	9,357,609	9,107,640	9,107,640
Other Funds	47,121,802	52,400,938	53,102,054	55,369,818
Other Funds Nonlimited	-	32,010,001	-	-
Federal Funds	7,392,919	8,510,332	7,614,469	7,776,846
Total Expenditures	64,310,684	102,278,880	69,824,163	72,254,304
Oregon Youth Authority				
General Fund	310,184,353	329,686,394	364,445,248	264,390,059
Other Funds	54,926,508	18,073,016	7,239,492	154,743,091
Federal Funds	30,108,116	36,674,284	35,198,939	36,788,861
Total Expenditures	395,218,977	384,433,694	406,883,679	455,922,011
PUBLIC SAFETY PROGRAM AREA				
General Fund	2,574,488,453	2,812,274,554	2,902,167,211	2,249,498,385
Lottery Funds	8,001,563	10,917,821	11,648,263	11,647,516
Other Funds	756,062,887	998,685,211	791,195,083	2,123,460,657
Other Funds Nonlimited	-	250,419,407	-	-
Federal Funds	413,916,695	1,525,792,595	532,978,606	1,425,732,490
Federal Funds Nonlimited	1,040,976	940,120	-	-
Total	3,753,510,574	5,599,029,708	4,237,989,163	5,810,339,048

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
JUDICIAL BRANCH				
Judicial Department				
General Fund	452,089,382	521,726,139	590,689,470	585,357,211
Other Funds	242,363,787	128,103,433	41,741,842	174,808,269
Federal Funds	900,036	1,374,374	1,476,446	1,476,446
Total Expenditures	695,353,205	651,203,946	633,907,758	761,641,926
Judicial Fitness and Disability, Commission on				
General Fund	243,060	290,001	306,164	289,807
Public Defense Services Commission				
General Fund	309,088,199	353,399,570	396,803,692	321,184,175
Other Funds	4,700,093	13,679,662	4,449,667	18,449,667
Total Expenditures	313,788,292	367,079,232	401,253,359	339,633,842
JUDICIAL BRANCH PROGRAM AREA				
General Fund	761,420,641	875,415,710	987,799,326	906,831,193
Other Funds	247,063,880	141,783,095	46,191,509	193,257,936
Federal Funds	900,036	1,374,374	1,476,446	1,476,446
Total	1,009,384,557	1,018,573,179	1,035,467,281	1,101,565,575

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
ECONOMIC AND COMMUNITY DEVELOPMENT				
Business Development Department				
General Fund	53,895,208	180,402,020	74,623,733	209,279,227
Lottery Funds	112,713,373	118,307,582	133,205,160	150,711,472
Other Funds	179,185,669	698,505,313	505,683,369	1,175,309,563
Other Funds Nonlimited	164,186,628	301,174,521	217,309,699	327,309,699
Federal Funds	28,541,477	80,899,888	45,056,345	85,432,939
Total Expenditures	538,522,355	1,379,289,324	975,878,306	1,948,042,900
Employment Department				
General Fund	-	9,787,440	2,745,191	47,103,458
Other Funds	145,089,641	230,294,735	203,212,822	279,153,141
Other Funds Nonlimited	980,218,895	6,021,119,206	5,058,847,795	5,058,847,795
Federal Funds	146,465,578	259,627,887	247,835,817	293,520,514
Federal Funds Nonlimited	65,274,200	10,571,008,796	131,179,119	1,081,179,119
Total Expenditures	1,337,048,314	17,091,838,064	5,643,820,744	6,759,804,027
Housing and Community Services Department				
General Fund	58,891,653	331,045,629	86,349,861	501,765,128
Lottery Funds	17,507,281	21,752,234	30,269,740	25,224,730
Other Funds	268,930,975	706,359,470	312,584,055	848,189,272
Other Funds Nonlimited	773,193,148	1,056,668,660	926,692,991	926,685,282
Federal Funds	112,402,513	317,095,799	132,315,039	437,638,180
Federal Funds Nonlimited	132,720,436	152,131,628	176,472,688	176,472,688
Total Expenditures	1,363,646,006	2,585,053,420	1,664,684,374	2,915,975,280
Veterans' Affairs, Department of				
General Fund	7,850,833	7,948,133	9,025,313	8,927,158
Lottery Funds	14,015,771	19,272,830	18,423,695	21,091,851
Other Funds	97,670,702	109,395,643	112,009,726	121,247,139
Other Funds Nonlimited	336,915,582	408,779,089	204,521,026	204,521,026
Federal Funds	6,429,755	4,227,341	1,617,844	1,617,844
Total Expenditures	462,882,643	549,623,036	345,597,604	357,405,018
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
General Fund	120,637,694	529,183,222	172,744,098	767,074,971
Lottery Funds	144,236,425	159,332,646	181,898,595	197,028,053
Other Funds	690,876,987	1,744,555,161	1,133,489,972	2,423,899,115
Other Funds Nonlimited	2,254,514,253	7,787,741,476	6,407,371,511	6,517,363,802
Federal Funds	293,839,323	661,850,915	426,825,045	818,209,477
Federal Funds Nonlimited	197,994,636	10,723,140,424	307,651,807	1,257,651,807
Total	3,702,099,318	21,605,803,844	8,629,981,028	11,981,227,225

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
CONSUMER AND BUSINESS SERVICES				
Accountancy, Board of				
Other Funds	2,334,613	2,905,362	3,277,122	3,182,967
Chiropractic Examiners, Board of				
Other Funds	1,967,830	2,310,856	2,309,928	2,146,466
Construction Contractors Board				
Other Funds	13,845,585	16,424,675	16,830,996	17,837,162
Consumer and Business Services, Dept of				
General Fund	-	1,303,041	-	12,464,196
Other Funds	224,955,675	401,722,792	291,466,177	382,343,491
Other Funds Nonlimited	167,064,244	212,153,969	172,013,483	172,013,483
Federal Funds	14,624,345	113,663,321	16,658,560	118,285,014
Total Expenditures	406,644,264	728,843,123	480,138,220	685,106,184
Dentistry, Board of				
Other Funds	3,013,093	3,628,054	3,711,985	3,768,719
Health Related Licensing Boards:				
Mortuary and Cemetery Board				
Other Funds	1,922,723	2,405,424	2,680,688	2,832,630
Naturopathic Medicine				
Other Funds	831,172	1,207,655	1,134,984	1,060,590
Occupational Therapy Licensing				
Other Funds	427,315	639,452	767,275	697,289
Medical Imaging				
Other Funds	904,834	1,211,640	1,407,326	1,206,467
Speech-Language Pathology and Audiology				
Other Funds	611,106	986,701	1,192,111	1,045,357
Veterinary Medical Examining				
Other Funds	1,063,350	1,260,064	1,372,163	1,337,579
Health Related Licensing Boards Total				
Other Funds	5,760,500	7,710,936	8,554,547	8,179,912

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
Labor & Industries, Bureau of				
General Fund	12,855,950	14,585,247	15,725,680	19,980,422
Lottery Funds	-	260,230	-	261,416
Other Funds	11,457,934	14,812,241	14,679,546	14,837,959
Other Funds Nonlimited	612,180	900,000	938,700	938,700
Federal Funds	1,186,762	1,400,145	1,502,094	1,827,980
Total Expenditures	26,112,826	31,957,863	32,846,020	37,846,477
Licensed Social Workers, Board of				
Other Funds	1,643,073	2,045,204	2,155,282	2,212,614
Medical Board, Oregon				
Other Funds	11,555,508	14,079,904	15,112,386	16,951,813
Mental Health Regulatory Agency*				
General Fund	-	-	-	300,000
Other Funds	3,180,556	4,370,784	4,650,352	5,052,276
Total Expenditures	3,180,556	4,370,784	4,650,352	5,352,276
*HB 2319 (2017) combined the Board of Licensed Professional Counselors and Therapists and the Board of Psychology				
Nursing, Board of				
Other Funds	16,500,862	20,326,025	21,022,293	20,961,185
Pharmacy, Board of				
Other Funds	6,963,846	9,018,452	9,515,163	9,463,698
Public Utility Commission				
Other Funds	40,169,387	54,803,877	55,492,607	58,731,094
Other Funds Nonlimited	61,898,461	54,312,163	45,945,047	45,945,047
Federal Funds	686,647	1,074,677	1,180,926	1,180,926
Total Expenditures	102,754,495	110,190,717	102,618,580	105,857,067
Real Estate Agency				
Other Funds	7,470,242	10,336,185	8,955,739	9,768,489
Tax Practitioners, Board of				
Other Funds	966,391	1,116,398	1,213,489	1,082,116
CONSUMER AND BUSINESS SERVICES PROGRAM AREA				
General Fund	12,855,950	15,888,288	15,725,680	32,744,618
Lottery Funds	-	260,230	-	261,416
Other Funds	351,785,095	565,611,745	458,947,612	556,519,961
Other Funds Nonlimited	229,574,885	267,366,132	218,897,230	218,897,230
Federal Funds	16,497,754	116,138,143	19,341,580	121,293,920
Total	610,713,684	965,264,538	712,912,102	929,717,145

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
NATURAL RESOURCES				
Agriculture, Department of				
General Fund	23,393,923	24,535,085	26,580,755	33,818,652
Lottery Funds	9,439,215	10,866,818	8,554,981	10,375,039
Other Funds	59,882,893	78,590,027	81,162,267	81,365,433
Federal Funds	11,662,188	17,797,207	16,664,830	18,411,423
Total Expenditures	104,378,219	131,789,137	132,962,833	143,970,547
Columbia River Gorge Commission				
General Fund	991,912	1,160,612	1,204,071	1,382,749
Energy, Department of				
General Fund	-	1,940,000	-	74,411,388
Lottery Funds	3,023,628	3,023,365	3,022,570	3,022,570
Other Funds	24,624,867	33,621,773	29,098,987	67,950,612
Other Funds Nonlimited	48,263,816	67,838,488	31,659,374	31,659,374
Federal Funds	2,269,529	3,347,683	2,818,981	3,123,175
Federal Funds Nonlimited	-	104,000	-	-
Total Expenditures	78,181,840	109,875,309	66,599,912	180,167,119
Environmental Quality, Department of				
General Fund	48,700,887	56,574,163	61,606,527	75,350,378
Lottery Funds	4,732,711	5,557,353	6,045,171	6,038,769
Other Funds	146,250,637	229,495,350	236,699,507	266,829,972
Other Funds Nonlimited	117,587,846	176,913,330	203,830,055	244,000,055
Federal Funds	22,127,468	30,280,946	31,013,286	29,556,067
Total Expenditures	339,399,549	498,821,142	539,194,546	621,775,241
Fish and Wildlife, Department of				
General Fund	29,458,284	32,498,172	42,202,572	47,048,279
Lottery Funds	5,326,259	7,979,626	6,433,734	6,768,156
Other Funds	182,645,607	207,957,997	217,657,742	229,202,692
Federal Funds	118,359,703	148,883,966	153,013,808	159,336,429
Total Expenditures	335,789,853	397,319,761	419,307,856	442,355,556

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
Geology & Mineral Industries, Dept of				
General Fund	5,355,361	5,424,733	5,945,144	6,339,401
Other Funds	5,727,167	6,416,063	6,349,951	6,689,178
Federal Funds	3,800,717	5,808,958	6,308,753	5,772,087
Total Expenditures	14,883,245	17,649,754	18,603,848	18,800,666
Land Conservation and Development, Dept of				
General Fund	14,971,597	17,919,643	14,981,191	25,446,798
Other Funds	872,431	1,685,952	1,657,286	1,654,793
Federal Funds	4,477,331	6,949,434	7,004,435	6,617,610
Total Expenditures	20,321,359	26,555,029	23,642,912	33,719,201
Land Use Board of Appeals				
General Fund	1,997,590	2,203,477	2,237,153	2,590,340
Other Funds	16,789	79,905	36,486	36,486
Total Expenditures	2,014,379	2,283,382	2,273,639	2,626,826
Marine Board				
Other Funds	25,608,383	28,752,144	30,186,262	30,067,889
Federal Funds	5,079,300	6,377,646	6,598,631	6,598,631
Total Expenditures	30,687,683	35,129,790	36,784,893	36,666,520
Parks and Recreation Department				
General Fund	226,952	-	-	2,549,040
Lottery Funds	105,117,102	119,317,103	121,265,593	119,081,060
Other Funds	91,153,615	133,148,859	111,301,186	175,550,478
Federal Funds	8,544,806	17,412,831	10,857,363	22,802,629
Total Expenditures	205,042,475	269,878,793	243,424,142	319,983,207
State Lands, Department of				
General Fund	5,000,000	-	-	1,060,000
Other Funds	48,948,759	61,987,659	41,170,389	51,942,624
Other Funds Nonlimited	17,560,020	14,627,890	10,627,890	7,727,890
Federal Funds	2,143,876	2,865,168	2,108,955	2,933,955
Total Expenditures	73,652,655	79,480,717	53,907,234	63,664,469

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
Water Resources Department				
General Fund	33,084,577	35,217,838	39,873,994	58,566,215
Lottery Funds	3,953,965	7,563,194	13,470,490	9,499,510
Other Funds	19,559,551	100,263,082	73,956,617	121,883,596
Other Funds Nonlimited	-	-	-	-
Federal Funds	641,406	1,148,011	725,000	725,000
Total Expenditures	57,239,499	144,192,125	128,026,101	190,674,321
Oregon Watershed Enhancement Board				
General Fund	161,750	-	-	20,420,000
Lottery Funds	79,589,459	90,857,290	77,321,533	94,379,136
Other Funds	2,023,581	19,070,646	2,263,984	14,863,984
Federal Funds	27,968,015	45,427,240	32,677,681	48,127,768
Total Expenditures	109,742,805	155,355,176	112,263,198	177,790,888
NATURAL RESOURCES PROGRAM AREA				
General Fund	298,967,346	345,596,672	288,426,244	516,360,394
Lottery Funds	213,783,338	247,708,200	238,678,282	251,728,450
Other Funds	933,916,645	1,295,725,067	1,113,290,354	1,358,886,964
Other Funds Nonlimited	183,411,682	259,379,708	246,117,319	283,387,319
Federal Funds	222,211,220	324,066,047	307,424,287	345,399,927
Federal Funds Nonlimited	-	104,000	-	-
Total	1,852,290,231	2,472,579,694	2,193,936,486	2,755,763,054

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
TRANSPORTATION				
Aviation, Department of				
Other Funds	12,429,592	20,221,517	18,078,054	21,527,031
Federal Funds	7,081,965	11,321,139	6,419,132	9,488,319
Total Expenditures	19,511,557	31,542,656	24,497,186	31,015,350
Transportation, Department of				
General Fund	23,456,104	118,926,339	18,371,940	36,021,393
Lottery Funds	113,596,785	115,171,361	126,019,800	122,894,228
Other Funds	3,177,138,042	4,788,882,935	4,501,609,074	4,823,642,415
Other Funds Nonlimited	159,904,194	1,382,379,549	18,000,000	18,000,000
Federal Funds	76,499,539	310,512,126	126,003,195	125,930,118
Federal Funds Nonlimited	20,156,997	21,243,619	-	20,679,380
Total Expenditures	3,570,751,661	6,737,115,929	4,790,004,009	5,147,167,534
TRANSPORTATION PROGRAM AREA				
General Fund	23,456,104	118,926,339	18,371,940	36,021,393
Lottery Funds	113,596,785	115,171,361	126,019,800	122,894,228
Other Funds	3,189,567,634	4,809,104,452	4,519,687,128	4,845,169,446
Other Funds Nonlimited	159,904,194	1,382,379,549	18,000,000	18,000,000
Federal Funds	83,581,504	321,833,265	132,422,327	135,418,437
Federal Funds Nonlimited	20,156,997	21,243,619	-	20,679,380
Total	3,590,263,218	6,768,658,585	4,814,501,195	5,178,182,884

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
ADMINISTRATION				
Administrative Services, Dept of				
General Fund	26,417,214	228,841,846	13,993,924	90,170,999
Lottery Funds	19,701,680	22,324,979	33,354,570	27,226,508
Other Funds	972,499,058	1,285,169,846	1,030,449,976	1,440,489,283
Other Funds Nonlimited	113,406,098	179,868,016	138,691,080	138,691,080
Federal Funds	847,000	1,375,851,898	-	2,628,799,487
Total Expenditures	1,132,871,050	3,092,056,585	1,216,489,550	4,325,377,357
Advocacy Commissions Office				
General Fund	714,860	708,032	767,440	1,238,100
Other Funds	4,694	9,841	9,841	9,841
Total Expenditures	719,554	717,873	777,281	1,247,941
Employment Relations Board				
General Fund	2,451,129	2,844,094	3,281,932	3,257,926
Other Funds	2,297,704	2,723,342	2,594,847	2,577,311
Total Expenditures	4,748,833	5,567,436	5,876,779	5,835,237
Government Ethics Commission				
Other Funds	2,571,969	3,054,695	3,329,862	3,231,509
Governor, Office of the				
General Fund	12,948,557	16,705,068	17,692,863	20,272,170
Lottery Funds	3,543,111	4,106,514	4,632,309	4,552,709
Other Funds	3,012,098	6,355,963	4,429,555	4,328,547
Federal Funds	3,030,525	-	-	-
Total Expenditures	22,534,291	27,167,545	26,754,727	29,153,426
Oregon Liquor Control Commission (Oregon Liquor and Cannabis Commission)				
Other Funds	204,862,429	263,372,138	268,170,757	391,328,393
Total Expenditures	204,862,429	263,372,138	268,170,757	391,328,393
Public Employees Retirement System				
General Fund	-	64,751,802	-	-
Lottery Funds	-	-	-	16,792,239
Other Funds	95,220,643	210,227,306	123,831,063	146,993,665
Other Funds Nonlimited	10,928,474,109	12,504,627,192	12,886,613,593	12,886,613,593
Total Expenditures	11,023,694,752	12,779,606,300	13,010,444,656	13,050,399,497

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
Racing Commission, Oregon				
Other Funds	6,179,495	6,329,944	6,901,392	7,351,396
Revenue, Dept of				
General Fund	190,620,511	207,288,643	211,133,745	242,537,681
Other Funds	115,143,687	142,304,113	130,361,113	155,572,693
Other Funds Nonlimited	-	2,255,001	-	-
Total Expenditures	305,764,198	351,847,757	341,494,858	398,110,374
Secretary of State				
General Fund	14,010,930	14,203,202	14,384,268	18,230,183
Other Funds	53,558,916	67,608,013	72,352,275	75,757,327
Federal Funds	3,452,394	7,961,570	5,892,838	5,885,867
Total Expenditures	71,022,240	89,772,785	92,629,381	99,873,377
State Library				
General Fund	4,033,676	4,081,203	4,534,451	4,463,754
Other Funds	6,009,988	7,205,514	7,550,220	7,250,105
Federal Funds	4,611,084	5,285,859	5,581,208	7,924,165
Total Expenditures	14,654,748	16,572,576	17,665,879	19,638,024
Treasury, Oregon State				
General Fund	5,190,688	-	-	-
Other Funds	73,987,511	95,461,860	100,841,626	115,832,025
Other Funds Nonlimited	-	-	-	2,900,000
Total Expenditures	79,178,199	95,461,860	100,841,626	118,732,025
ADMINISTRATION PROGRAM AREA				
General Fund	256,387,565	539,423,890	265,788,623	380,170,813
Lottery Funds	23,244,791	26,431,493	37,986,879	48,571,456
Other Funds	1,535,348,192	2,089,822,575	1,750,822,527	2,350,722,095
Other Funds Nonlimited	11,041,880,207	12,686,750,209	13,025,304,673	13,028,204,673
Federal Funds	11,941,003	1,389,099,327	11,474,046	2,642,609,519
Federal Funds Nonlimited	-	-	-	-
Total	12,868,801,758	16,731,527,494	15,091,376,748	18,450,278,556

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$
LEGISLATIVE BRANCH				
Indian Services, Commission on				
General Fund	518,737	862,895	848,419	887,833
Other Funds	729	7,302	7,604	7,604
Total Expenditures	519,466	870,197	856,023	895,437
Legislative Administration Committee				
General Fund	41,388,918	62,685,550	70,054,269	74,295,527
Other Funds	25,792,528	76,585,190	1,840,725	6,837,286
Other Funds Nonlimited	450,144	19,600,563	458,476	458,476
Total Expenditures	67,631,590	158,871,303	72,353,470	81,591,289
Legislative Assembly				
General Fund	43,411,502	58,623,567	65,946,868	67,553,243
Other Funds	4,176	27,580	147,199	147,199
Other Funds Nonlimited	115,094	135,000	150,000	150,000
Total Expenditures	43,530,772	58,786,147	66,244,067	67,850,442
Legislative Counsel Committee				
General Fund	11,712,733	16,766,693	18,510,968	18,148,985
Other Funds	985,146	2,066,532	2,007,900	2,145,209
Other Funds Nonlimited	470,606	626,570	632,404	632,404
Total Expenditures	13,168,485	19,459,795	21,151,272	20,926,598
Legislative Fiscal Officer				
General Fund	4,633,272	8,395,274	8,694,928	8,375,824
Other Funds	3,691,219	4,588,864	4,850,514	4,875,014
Total Expenditures	8,324,491	12,984,138	13,545,442	13,250,838
Legislative Policy and Research Office				
General Fund	8,650,956	12,558,369	12,930,532	15,350,800
Legislative Revenue Officer				
General Fund	2,729,089	3,239,360	3,404,838	3,395,264
LEGISLATIVE BRANCH PROGRAM AREA				
General Fund	113,045,207	163,131,708	180,390,822	188,007,476
Other Funds	30,473,798	83,275,468	8,853,942	14,012,312
Other Funds Nonlimited	1,035,844	20,362,133	1,240,880	1,240,880
Total	144,554,849	266,769,309	190,485,644	203,260,668

2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
\$	\$	\$	\$

MISCELLANEOUS				
Emergency Board				
General Fund	-	-	50,000,000	50,000,000
Total Expenditures	-	-	50,000,000	50,000,000
Special Purpose Appropriations (details below)	-	-	-	711,297,482
MISCELLANEOUS PROGRAM TOTAL				
General Fund	-	-	50,000,000	761,297,482
Total	-	-	50,000,000	761,297,482

Special Purpose Appropriations (SPA)

Various - State Employee Salary Adjustment	198,000,000
Various - Non-state Employee Salary Adjustment	20,000,000
Various - Family Treatment Court Program	10,000,000
Oregon Judicial Department - Pre-trial Release (SB 48)	2,500,000
Various - State Response to Natural Disasters	150,000,000
Criminal Justice Commission - Transforming Justice Initiative	10,000,000
Various - Department of Early Learning and Care	5,130,265
Oregon Health Authority - Dental Rates	19,000,000
OHA/DHS - Caseloads and Other Issues	55,000,000
Oregon Health Authority - Essential Workforce Health Care Program	30,000,000
Department of Forestry - Fire Protection Expenses	14,000,000
Public Defense Services Commission - General Fund Holdback	100,000,000
Department of Fish and Wildlife - Oregon Conservation and Recreation Fund	1,000,000
Oregon State Police - State Fire Marshal Standalone Agency Transition	1,807,561
Department of Human Services - Child Welfare Position Double Fills	15,859,656
Housing and Community Services Department - Co-located Housing and Child Care	10,000,000
Oregon Health Authority - Behavioral Health System Transformation	49,000,000
Oregon Health Authority - Oregon State Hospital Staffing Levels	20,000,000
SPA Total	711,297,482

	2017-19 Actuals	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 Legislatively Adopted
	\$	\$	\$	\$

STATE OF OREGON TOTAL EXPENDITURES				
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General Fund	19,792,947,047	22,461,278,792	24,141,260,440	25,445,991,039
Lottery Funds	1,144,821,602	1,451,144,296	1,138,401,015	1,362,627,091
Other Funds	16,282,350,763	23,710,688,880	21,578,828,054	28,168,371,031
Other Funds Nonlimited	14,256,323,206	24,011,148,237	20,259,242,431	20,399,083,128
Federal Funds	18,894,746,943	26,714,398,763	23,805,580,614	32,598,121,087
Federal Funds Nonlimited	2,551,034,549	14,172,372,578	2,805,935,321	4,813,137,497
Total Expenditures	72,922,224,110	112,521,031,546	93,729,247,875	112,787,330,873

STATE OF OREGON TOTAL EXPENDITURES				
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General Fund	19,792,947,047	22,461,278,792	24,141,260,440	25,445,991,039
Lottery Funds	1,144,821,602	1,451,144,296	1,138,401,015	1,362,627,091
Other Funds	30,538,673,969	47,721,837,117	41,838,070,485	48,567,454,159
Federal Funds	21,445,781,492	40,886,771,341	26,611,515,935	37,411,258,584
Total Expenditures	72,922,224,110	112,521,031,546	93,729,247,875	112,787,330,873