

UPDATE

Budget Highlights

2003-05

Legislatively Approved Budget



LEGISLATIVE FISCAL OFFICE
MAY 2004

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May 20, 2004

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

The Legislative Fiscal Office staff has prepared an update to the *2003-05 Budget Highlights*. The original highlights document was released in September 2003. This update is designed to incorporate changes to the 2003-05 budget adopted by the 2003 Legislature due to the defeat of Ballot Measure 30 in February 2004, the resultant May 2004 disappropriations, and Emergency Board actions through April 2004.

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

Ken Rocco
Legislative Fiscal Officer

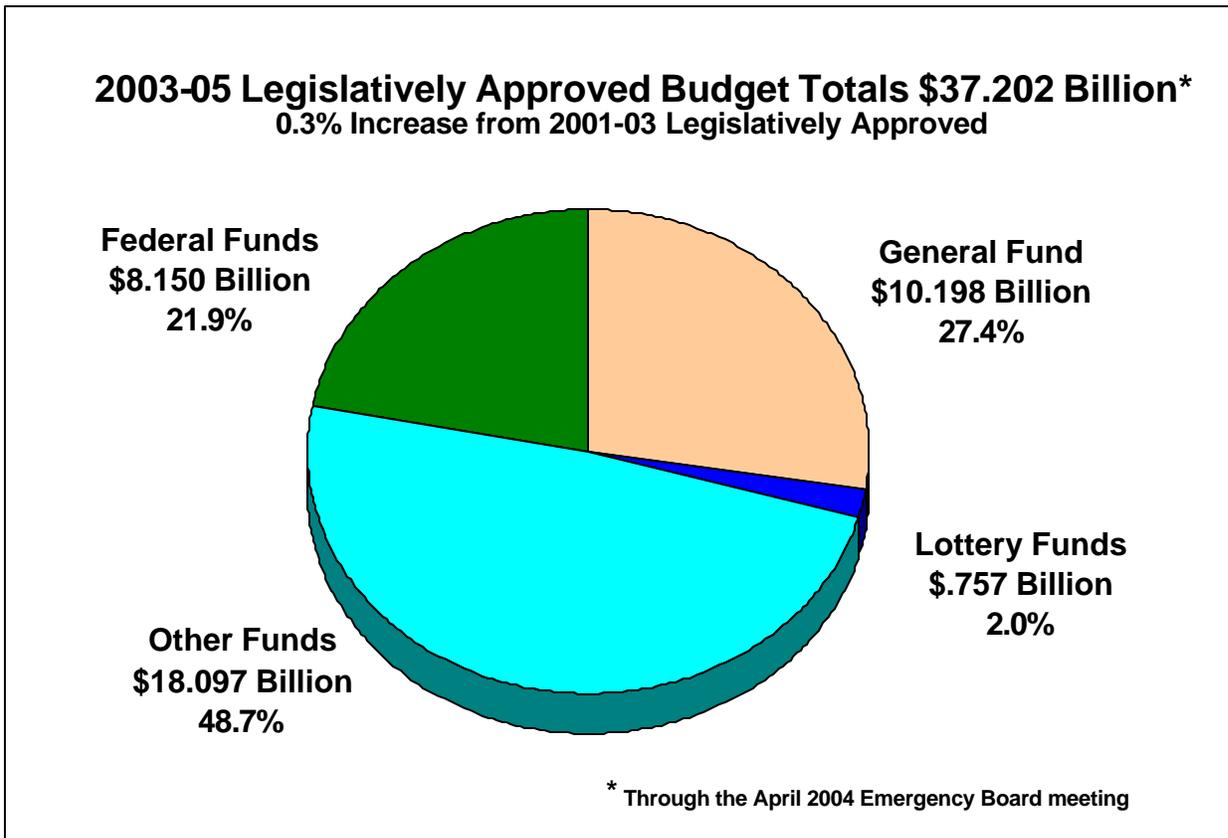
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Summary of 2003-05 Legislatively Approved Budget

Total Budget

The total legislatively approved budget for the 2003-05 biennium is \$37.202 billion after the April 9, 2004 Emergency Board meeting and the HB 5077 disappropriations (linked to the defeat of Ballot Measure 30) that went into effect on May 1, 2004. The approved budget includes \$10.955 billion in combined General Fund and Lottery Funds, \$18.097 billion Other Funds, and \$8.150 billion Federal Funds. The 2003-05 approved budget represents a 0.3% increase over the \$37.081 billion 2003-05 budget adopted by the 2003 Legislature, which included \$11.496 billion General Fund and Lottery Funds. The 2003-05 approved budget represents a 2.9% increase over the 2001-03 biennium's legislatively approved total budget of \$34.605 billion.



Ballot Measure 30-Related Disappropriations

Since the close of the 2003 regular session, Ballot Measure 30 was referred to voters and the tax increases associated with HB 2152 were rescinded at a February 3, 2004 special election. Based on this action, the 2003-05 General Fund resources are expected to be reduced \$779.5 million. Also based on this action, \$544.6 million (\$541.8 million in General Fund disappropriations and \$3.8 million in Lottery Funds expenditure limitation reductions) was reduced on May 1, 2004 primarily from the programs that received negotiated additions to the original budget proposed by the Co-Chairs of the Joint Committee on Ways and Means.

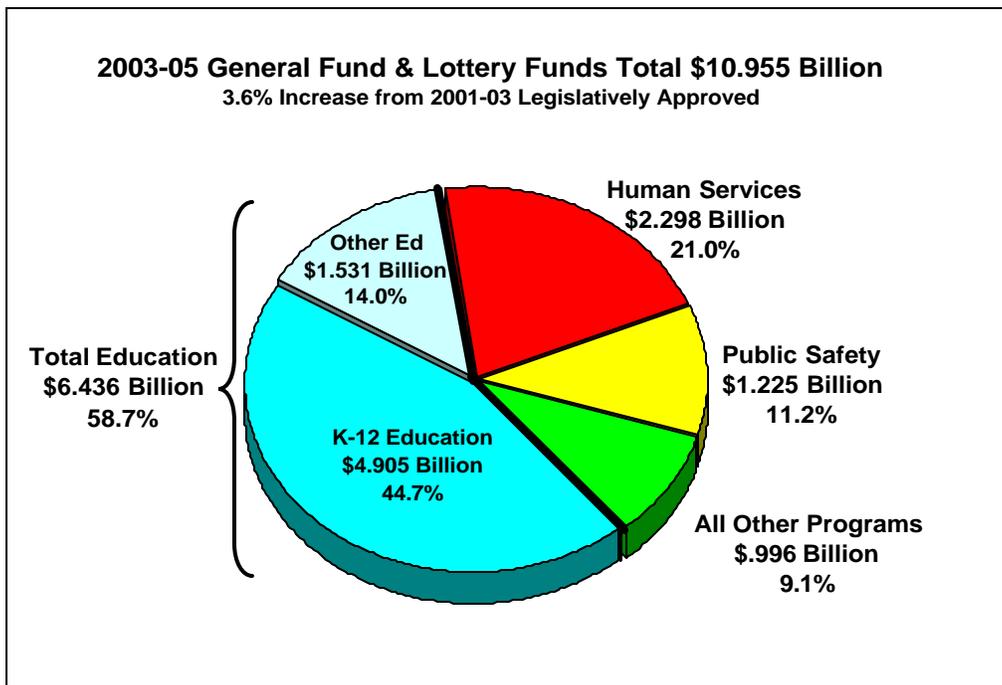
In an effort to mitigate the effects of these reductions, the Emergency Board allocated \$8.9 million from the general purpose Emergency Fund for Department of Corrections community corrections program grants; allocated \$3.9 million to negate reductions to Oregon State Police Forensic Services; allocated \$1 million to partially restore operation of youth close custody beds for the Oregon Youth Authority; and approved a Department of Human Services rebalance plan, restored \$3.8 million of Lottery Funds expenditure limitation, and allocated \$1 million to Oregon Project Independence. The following table summarizes the agency-specific funding changes. Additional information on the effects of the reductions and the Emergency Board mitigation actions is included later in this document.

Ballot Measure 30 Impact	Reductions from House Bill 5077	Restorations from General Purpose Emergency Fund	Net Change
State Commission on Children and Families	(\$4,846,940)	\$0	(\$4,846,940)
Department of Human Services *	(\$182,767,760)	\$0	(\$182,767,760)
Oregon State Police	(\$3,921,120)	\$3,921,120	\$0
Oregon Youth Authority	(\$5,827,220)	\$1,048,382	(\$4,778,838)
Oregon Judicial Department	(\$13,015,940)	\$0	(\$13,015,940)
Public Defense Services Commission	(\$9,911,720)	\$0	(\$9,911,720)
District Attorneys and their Deputies	(\$762,440)	\$0	(\$762,440)
Community Colleges	(\$6,807,500)	\$0	(\$6,807,500)
Department of Corrections	(\$24,615,920)	\$8,904,210	(\$15,711,710)
Institutions and correctional programs	(\$6,807,500)	\$0	(\$6,807,500)
Community corrections	(\$17,808,420)	\$8,904,210	(\$8,904,210)
Department of Higher Education	(\$7,515,480)	\$0	(\$7,515,480)
State School Fund	(\$284,607,960)	\$0	(\$284,607,960)
TOTAL DISAPPROPRIATION	(\$544,600,000)	\$13,873,712	(\$530,726,288)

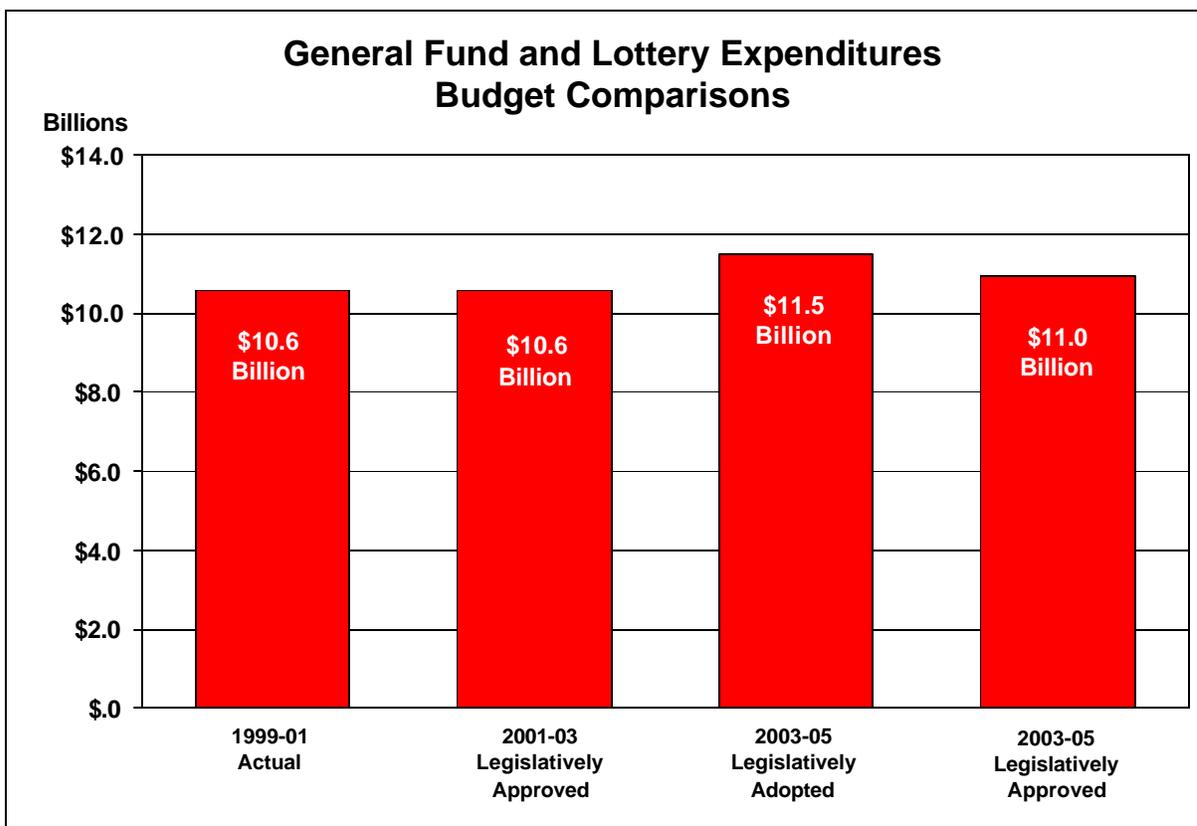
* Included reduction of \$3,812,200 Lottery Funds expenditure limitation; this was restored by the Emergency Board

General Fund and Lottery Expenditures

General Fund and Lottery Funds expenditures, which as of May 1, 2004 total \$10.955 billion for the 2003-05 biennium, represent approximately 29% of the total budget. The total represents a 3.6% increase from the 2001-03 legislatively approved budget, but a 4% decrease from what the Legislature adopted at the conclusion of the 2001 regular session. The legislatively approved budget for 2001-03 represents the authorized budget following all Emergency Board actions, the five 2002 special sessions, the December 2002 allotment reductions (ratified in SB 859), and legislative actions during the 2003 regular session to rebalance the budget and adjust limitations, including "Special Session 6" following the defeat of Measure 28 in February 2003 (SB 5548), and the latest Department of Human Services rebalance (SB 5549). The pie chart on the following page summarizes General Fund and Lottery Funds expenditures by major program area based on the effects of the House Bill 5077 reductions and any Emergency Board actions taken as of April 2004.



Nearly 59% of the state’s General Fund and Lottery expenditures are dedicated to education programs, including \$4.9 billion, or 45% of the total, to the K-12 State School Fund budget. More than 90% of the state’s expenditures are found in the three major program areas of Education, Human Services, and Public Safety. These percentages have not changed as a result of the HB 5077 reductions. The table on the following page compares the 2003-05 legislatively adopted and approved General Fund and Lottery expenditures to the 2001-03 adopted and approved budgets by major program area.



General Fund & Lottery Funds - 2003-05 Legislatively Adopted Budget - Historical Comparison

(Dollars in Millions) ¹

	1999-01 Actuals	2001-03		2003-05		2003-05		2003-05		2003-05	
		Legislatively Adopted Budget (LAB)	Legislatively Approved Budget ²	Legislatively Adopted Budget (LAB)	Legislatively Adopted Budget (LAB)	2003-05 LAB with Ballot Measure 30 Reductions	Legislatively Approved Budget Thru April 2004 E-Board	Legislatively Approved Budget Thru April 2004 E-Board	% Change 2003-05 Leg. Adopted from 2001-03 Leg. Adopted	% Change 2003-05 Leg. Approved from 2001-03 Leg. Approved	
Education											
K - 12 (excl. ODE) ³	\$4,568	\$5,080	\$4,417	\$5,190	\$4,905	\$4,905	\$4,905	2.2%	11.1%		
Higher Education ⁴	872	822	755	771	764	764	764	-6.1%	1.2%		
Community Colleges ⁵	436	475	382	423	416	416	416	-10.8%	8.9%		
All Other Education	287	372	337	351	351	351	351	-5.7%	4.2%		
Total Education	6,163	6,748	5,891	6,735	6,436	6,436	6,436	-0.2%	9.3%		
Human Services ⁶	2,287	2,641	2,451	2,481	2,297	2,298	2,298	-6.1%	-6.3%		
Public Safety ⁷	1,189	1,351	1,244	1,246	1,211	1,225	1,225	-7.8%	-1.6%		
Natural Resources	216	279	265	227	227	227	227	-18.8%	-14.4%		
All Other Programs ⁸	716	955	727	807	784	769	769	-15.5%	5.8%		
Total Expenditures	\$10,571	\$11,974	\$10,579	\$11,496	\$10,955	\$10,955	\$10,955	-4.0%	3.6%		

¹ Amounts may not add due to rounding.

² The 2001-03 legislatively approved represents expenditure authorizations through all 2001-03 Emergency Board actions, the five 2002 special sessions, the allotment reductions due to the December 2002 revenue forecast (adopted in SB 859), the February 2003 statewide budget rebalance actions (referred to as "Special Session 6" and adopted in SB 5548), and the last 2001-03 DHS rebalance (adopted in SB 5549).

³ Not included are certain administrative actions taken by the Department of Administrative Services approving increases to Nonlimited Other Funds. The 2001-03 legislatively approved numbers reflect a \$262 million Education Stability Fund transfer (now shown as Lottery Funds per HB 5077) to the SSF and a shift of \$211 million General Fund from the 2001-03 SSF payment to the 2003-05 biennium (SB 1022).

⁴ Includes Oregon Health and Science University Public Corporation.

⁵ The 2001-03 LAB reflects a shift of \$56 million of the 2001-03 CCSF payment to the 2003-05 biennium.

⁶ The General Fund in the 2003-05 LAB was reduced, in part, based on the fact that \$151.4 million more federal revenue than in 2001-03 was available due to improved federal match rates authorized in the Jobs and Growth Tax Reconciliation Act.

⁷ The General Fund in the 2003-05 LAB was reduced by \$116 million based on a one-time use of a corresponding amount federal Jobs and Growth Tax Reconciliation Act funds.

⁸ The 2003-05 LAB includes \$40 million General Purpose Emergency Fund; \$9 million for health benefits; and \$1.5 million for special election costs.

Approximately \$15 million of the General Purpose Emergency Fund was allocated in April 2004 to mitigate Ballot Measure 30 reductions.

The bar chart on page 3 provides a comparison of expenditures over the last three biennia. Most of the \$919 million increase in General Fund and Lottery expenditures from the 2001-03 approved budget to the 2003-05 legislatively adopted budget reflects the use of General Fund to backfill one-time revenue from discretionary sources relied upon during the 2001-03 biennium budget rebalancing actions. These actions helped mitigate reductions in legislatively approved programs in the face of a \$1.7 billion drop in actual General Fund resources available for expenditure in 2001-03 from the 2001 close-of-session forecast. One-time resources used included:

- \$335 million of Medicaid Upper Payment Limit (MUPL) revenue (including \$242.1 million for K-12 education and \$92.9 million for the Oregon Health and Science University);
- \$335.2 million of Tobacco Master Settlement revenue (\$211.8 million – Oregon Health Plan; \$99.2 million – General Fund; \$17.2 million – Family Health Insurance Assistance Program; \$5 million – Oregon Resources and Technology Development; and \$2 million – Health Care Trust Fund);
- \$262 million Education Stability Fund transfer to K-12 education based on passage of Ballot Measure 19 in September 2002;
- \$450 million of Tobacco Master Settlement bond proceeds; and
- \$37 million in transfers from various Other Funds sources to the General Fund.

When these “discretionary” dollars are considered along with the General Fund and Lottery Funds, a slightly different budget picture emerges. The 2003-05 legislatively adopted budget is actually 5.1% below the 2001-03 adopted budget and is 0.5% below the 2001-03 approved budget following all of the legislative actions taken to adjust that budget. Two of the largest sources of discretionary revenue, Tobacco Master Settlement (TMSA) funds and the MUPL resources, are not available to the extent they existed in the 2001-03 biennium. The TMSA funds available are less than one-half what they were and the MUPL funds have been eliminated.

The 2003-05 legislatively adopted and approved budgets also included the use of approximately \$530 million in one-time revenues that were used in lieu of General Fund. In 2005-07, General Fund backfill or offsetting reductions in state programs and service delivery will be required. The major one-time sources used included:

- \$122 million Education Stability Fund transfer to the State School Fund;
- \$116 million of federal Jobs and Growth Tax Reconciliation Act funds in the Institutions budget for the Department of Corrections;
- \$91.8 million in Other Funds ending balances that were transferred to the General Fund;
- \$88.8 million of enhanced federal Medicaid matching funds in three program area clusters of the Department of Human Services;
- \$45 million of Other Funds savings from implementation of PERS reforms that will be transferred to the General Fund;
- \$42.2 million of Tobacco Settlement Funds in the Oregon Health Plan; and
- \$10 million of Tobacco Use Reduction Account funds in the Oregon Health Plan.

The table on the following page compares the 2003-05 adopted and approved discretionary spending (General Fund, Lottery Funds, MUPL, Tobacco Master Settlement, the Education Stability Fund, and Tobacco Master Settlement Bond proceeds) to the 2001-03 adopted and approved budgets for each major program area.

Discretionary Spending - 2003-05 Legislatively Adopted Budget - Historical Comparison ¹

(Dollars in Millions) ²

	1999-01 Actuals	2001-03 Legislatively Adopted (LAB)	2001-03 Legislatively Approved Budget	2003-05 Legislatively Adopted (LAB)	2003-05 Legislatively Approved Budget Thru April 2004 E-Board	% Change 2003-05 Leg. Adopted from 2001-03 Leg. Adopted	% Change 2003-05 Leg. Approved from 2001-03 Leg. Approved
Education							
K - 12 (excl. ODE)	\$4,568	\$5,179	\$4,659 ³	\$5,190	\$4,905	0.2%	5.3%
Higher Education ⁵	872	923	947 ⁴	898	891	-2.6%	-5.9%
Community Colleges ⁶	436	475	382	423	416	-10.8%	8.9%
All Other Education ⁷	287	377	342	351	351	-6.9%	2.6%
Total Education	6,163	6,953	6,330	6,862	6,563	-1.3%	3.7%
Human Services ⁹	2,287	2,805	2,665 ⁸	2,533	2,349	-9.7%	-11.8%
Public Safety ¹⁰	1,189	1,351	1,244	1,247	1,212	-7.7%	-1.5%
Natural Resources	216	279	265	227	227	-18.8%	-14.3%
All Other Programs ¹¹	716	955	727	849	826	-11.1%	11.6%
Total Expenditures	\$10,571	\$12,344	\$11,232	\$11,718	\$11,177	-5.1%	-0.5%

¹ General Fund, Lottery, Education Stability Fund, Medicaid Upper Payment Limit (MUPL), Tobacco Master Settlement (TMSA), and TMSA bond proceeds.

² Amounts may not add due to rounding.

³ Includes \$242.1 million of MUPL; reflects a \$211 million General Fund shift from the 2001-03 State School Fund payment to 2003-05 (SB 1022).

⁴ Includes \$93 million MUPL and \$99 million of TMSA bond receipts for Oregon Opportunity Grant program.

⁵ Includes Oregon Health and Science University Public Corporation. For 2003-05, it also includes \$17.4 million in TMSA bond proceeds and \$9.6 million TMSA funds (for debt service) for the Oregon Opportunity Program.

⁶ Reflects a shift of the final CCSF payment to the 2003-05 biennium.

⁷ Includes \$5 million in TMSA funds for the Oregon Resource and Technology Subaccount for 2001-03 adopted and approved columns.

⁸ Includes \$214 million of TMSA funds for the Oregon Health Plan.

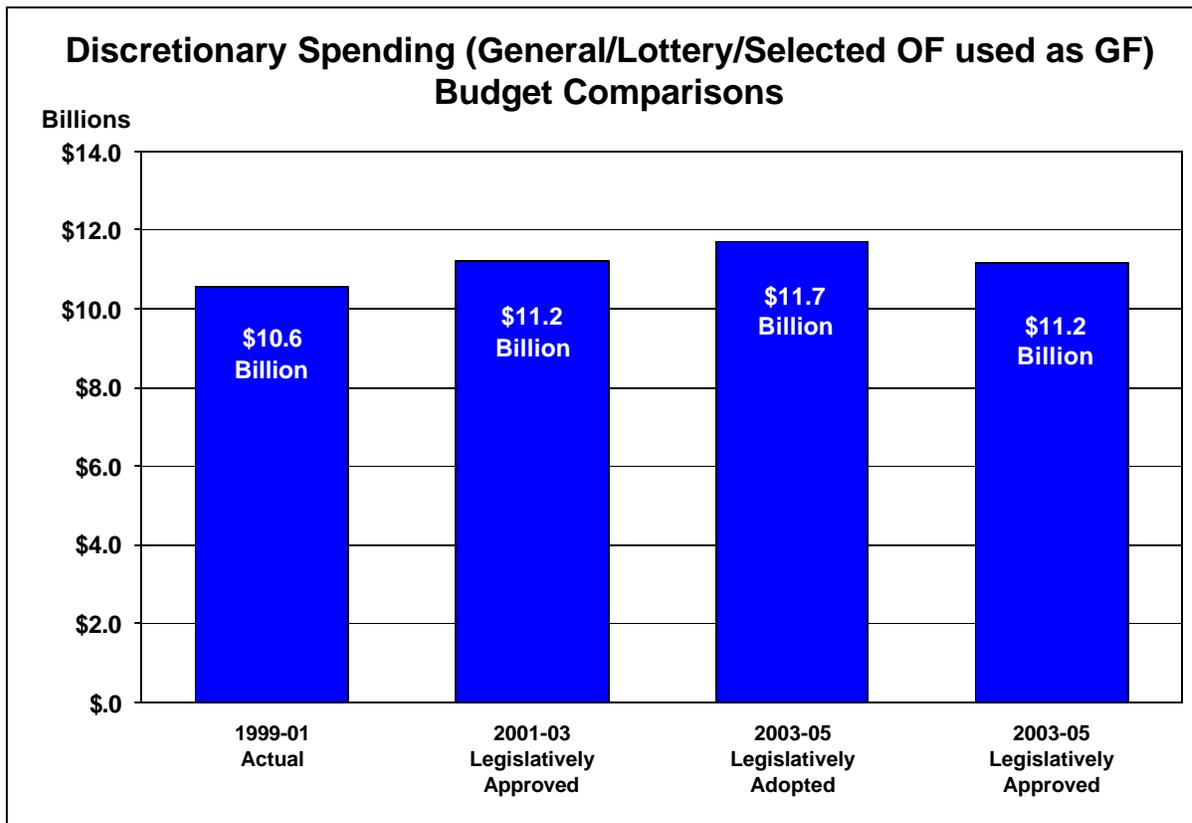
⁹ The 2003-05 budget amounts include use of \$42.2 million in TMSA funds and \$10 million Tobacco Use Reduction Account Funds for the Oregon Health Plan. The 2003-05 figures do not include \$151.4 million more federal revenue than was available in 2001-03 due to improved federal match rates authorized in the Jobs and Growth Tax Reconciliation Act.

¹⁰ The General Fund in the 2003-05 LAB was reduced by \$116 million based on a one-time use of a corresponding amount federal Jobs and Growth Tax Reconciliation Act funds.

¹¹ The 2003-05 budget amounts include \$40 million GF in general purpose Emergency Fund; \$9 million GF for salary adjustments/benefits; \$1.5 million GF for special election costs for 2003-05 LAB; \$41.8 million TMSA funds for debt on Appropriation Bonds and \$0.7 million for DOJ's TMSA compliance (HB 2094).

Approximately \$15 million of the General Purpose Emergency Fund was allocated in April 2004 to mitigate Ballot Measure 30 reductions.

The following bar chart compares the statewide 2003-05 adopted and approved discretionary spending to the 1999-2001 actual expenditures and 2001-03 approved budget.



Program Areas

Education

Summary

The Education program area includes pre-Kindergarten, K-12, and post-secondary education. All levels of education receive significant monies from federal and other sources. With the exception of the Oregon University System, the state does not generally provide education services. Instead, state support funds are passed through state agency budgets to education providers, which include school districts, education service districts (ESDs), community colleges, and the Oregon Health and Science University (OHSU) public corporation.

Because education services are provided in this manner, most non-state funds that support education do not appear in the state budget. The state budget does not include property taxes that support schools, ESDs, and community colleges, nor the tuition and service charges that support community colleges and OHSU. Certain other non-state funds for education do show up in the state budget, however, because they are passed through a state agency before being distributed to the ultimate user. These types of funds include Federal Funds distributed to school districts, Federal Funds to support work force training programs which are distributed through the Department of Community Colleges and Workforce Development, and the funds that support the student loan guarantee program of the Oregon Student Assistance Commission.

Unlike other types of education, the post-secondary programs of the Oregon University System are offered directly by a state agency: the Department of Higher Education. Therefore, for the Department of Higher Education, all funds are included in the state budget. These other funds include tuition, bond funds for capital construction, grant funds (including research grants), and auxiliary activity funds that finance student housing and food services, student loan programs, bookstores, and health centers.

Ballot Measure 30-Related Disappropriations

The defeat of Ballot Measure 30 resulted in General Fund reductions of \$298.9 million in the Education program area as follows: State School Fund, \$284.6 million; Department of Higher Education, \$7.5 million; and Department of Community Colleges and Workforce Development, \$6.8 million. The measure's defeat also reduced Other Funds for the State School Fund by \$14.3 million.

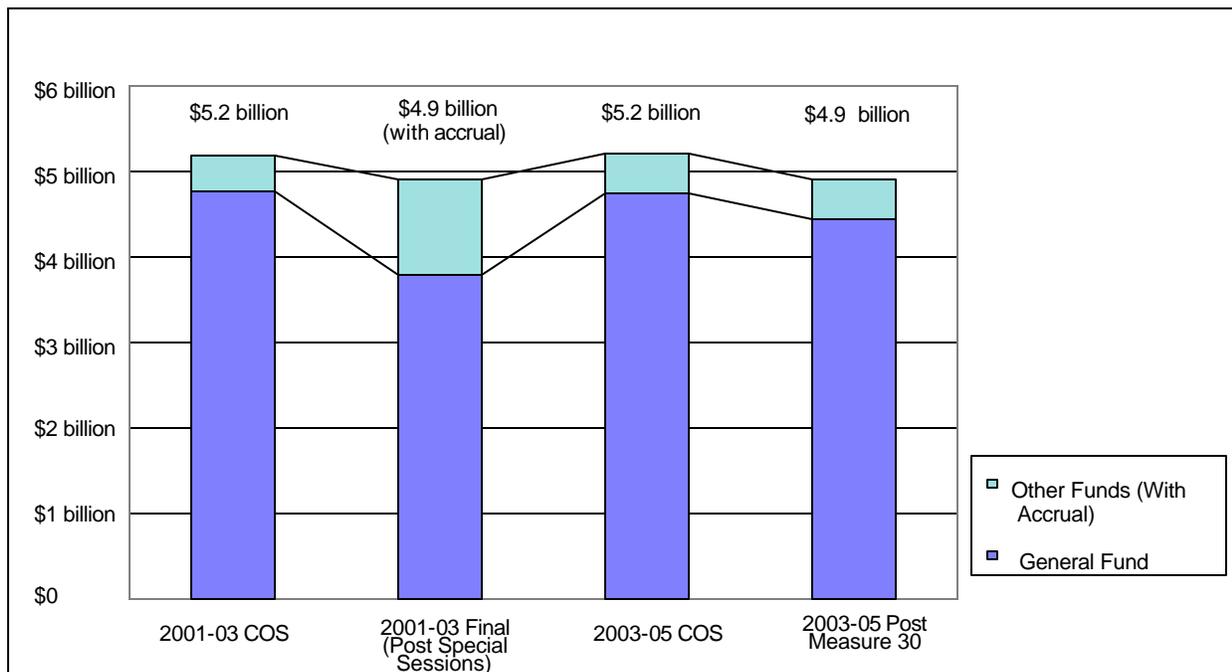
State School Fund

State support for the State School Fund, which is administered by the Department of Education and provides operating grants to school districts and education service districts, is reduced by \$284.6 million General Fund and \$14.3 million Other Funds due to the defeat of Ballot Measure 30. The reduction in Other Funds support results from a loss in revenues that would have been generated from a reduced discount for the early payment of local property taxes. These two reductions, totaling \$298.9 million, reduce the General Fund appropriation and Other Funds support for the 2004-05 school year. This represents an 11.4% reduction in the funding approved by the 2003 Legislature for 2004-05 and a 10.6% reduction from 2003-04 to 2004-05. On a biennial basis, the reduction is 5.7% from the level adopted by the Legislature for 2003-05. The table on the following page illustrates both the 2003 close-of-session adopted budget and the post-Measure 30 budget for the State School Fund.

2003-05 State School Fund (\$s in millions)	2003-04	2004-05	Total
End-of-session K-12 funding level:			
General Fund	\$2,460.1	\$2,277.1	\$4,737.2
Lottery Funds	\$128.9	\$201.2	\$330.1
Other Funds - local revenues deposited into the State School Fund (HBs 2197 & 2152)	\$2.0	\$15.2	\$17.2
Education Stability Fund	\$0.0	\$122.0	\$122.0
End-of-session K-12 funding level (without trigger revenues of \$100 million)	\$2,591.0	\$2,615.5	\$5,206.5
With failure of Measure 30:			
HB 5077 disappropriation	\$0.0	(\$284.6)	(\$284.6)
Loss of property tax revenues (no cap on discount) (shown above as Other Funds)	\$0.0	(\$14.3)	(\$14.3)
Total reductions	\$0.0	(\$298.9)	(\$298.9)
K-12 Funding Level with Defeat of Measure 30	\$2,591.0	\$2,316.6	\$4,907.6

¹ The lottery total includes \$67 million above the 2003 end-of-session forecast; the March 2004 revenue forecast projects \$20.7 million of the \$67 million will be realized. The Education Stability Fund total includes \$13 million above the 2003 end-of-session forecast; the March 2004 forecast projects \$6.3 million of the \$13 million will be realized.

The following bar chart compares the 2003-05 and 2001-03 biennial state support for K-12 funding. Note that, at the close of both the 2001 and 2003 sessions, the Legislature adopted a funding level of \$5.2 billion. For both biennia, this level declined to \$4.9 billion – in 2001-03 from the economic recession and resultant special session actions to balance the state budget and in 2003-05 from voter defeat of Ballot Measure 30.



(1) COS = close-of-session (2) The 2001-03 final budget includes \$211 million that school and education service districts were allowed to accrue, in total, as revenues for the 2002-03 school year. The cash payment was received in 2003-04. It is unknown at this time how many districts used the accrual provisions. (3) Post-Measure 30 per student (weighted) funding for 2004-05 is projected to be roughly equivalent to that of four years ago (not adjusted for inflation).

The effect of Measure 30's defeat on school districts is varied, in part due to individual districts' assumptions for the overall State School Fund budget. Many schools did not assume a \$5.2 billion statewide level of funding. This apparently occurred for two main reasons: 1) many districts were expecting the defeat of Ballot Measure 30; and 2) at the time districts were adopting their budgets for the

2003-04 school year, a \$4.8 billion funding level was being discussed by the Legislature. According to the Confederation of Oregon School Administrators (COSA), the most common statewide number used by school districts in setting their individual budgets was \$4.8 billion. Reportedly, the range of assumptions was from about \$4.5 billion to \$5.3 billion.

In addition, other circumstances have affected school budgets. First, some districts have additional revenue coming in from other sources (e.g., the Multnomah County income tax, local options, city levies, and corporate assistance). COSA reports that most of these districts are probably making no or relatively small reductions. On the other hand, some districts have no outside revenue sources and have been experiencing steeply declining enrollment (e.g., North Bend, Coos Bay, and many of the coastal and Eastern Oregon districts). These districts are facing fairly large reductions even after making significant reductions in the last budget cycle. Finally, some districts have no outside sources of revenue but enrollment is either stable or growing. These districts will likely have relatively modest reductions. However, in many cases these reductions come on top of fairly large ones that were made in previous years, especially in 2002-03.

Some school districts have opted to spread the reductions over the 2003-05 biennium while others are delaying reductions from Measure 30's defeat until the 2004-05 school year. School districts have reported a variety of budget categories that have been reduced. Effects of these reductions include increased class sizes, a shorter school year, reduced course offerings, deferred maintenance, fewer administrative and classified staff, and reduced employee benefits. In some cases, districts may have reserves to help them avoid drastic cuts, although many report having used all or most of their reserves in earlier years.

The Ballot Measure 30-related reductions in K-12 support for 2003-05 do not address all the changes to the \$5.2 billion budget adopted by the Legislature. Other actual and potential changes include the following:

- Recent growth in the Common School Fund's value will result in increased funding to schools from this source. The Fund's value as of December 31, 2003, which determines distributions for 2004-05, has increased significantly from the estimated value that was used to develop the distributions included in the 2003-05 legislatively adopted budget. As a result, the 2004-05 amount will increase by \$26.4 million – from \$13.8 million to \$40.2 million – bringing the total for 2003-05 to \$53.5 million. The original estimate for 2003-05 was \$27.1 million.
- As illustrated earlier, lottery support in the K-12 budget includes \$330 million in unobligated lottery revenues as well as an estimated \$122 million transfer to the State School Fund from the Education Stability Fund in May 2005. Included in these amounts is approximately \$80 million (\$67 million in unobligated lottery revenues and \$13 million from the Education Stability Fund) contingent upon the effects of legislation passed to expand the number of lottery machines at authorized locations and other actions by the Lottery Commission to increase lottery revenues. As of the March 2004 forecast, \$27 million toward the \$80 million is projected to be realized, leaving a gap of \$53 million in the 2003-05 budget for the State School Fund. Additional revenues due to recent actions taken by the Lottery Commission to reduce retailers' commissions will be included in the June 2004 forecast and are estimated to be \$17 million for the 2003-05 biennium. Of this amount, approximately \$13.5 million would be applied toward the current \$53 million shortfall.
- To potentially reach a K-12 funding level of \$5.3 billion, the Legislature provided that the State School Fund could receive additional funds, contingent upon economic recovery. Legislation passed

in the 2003 session provided that, if General Fund growth occurred and as long as the state's 2003-05 General Fund ending balance was at least \$100 million as of the June 2004 forecast, the State School Fund would be eligible to receive 50% of any excess over the \$100 million ending balance until the State School Fund reached a total of \$5.3 billion. The legislation also provided that, if lottery revenues exceeded those allocated by the Legislature during the 2003 regular session, the State School Fund would receive 100% of the excess net lottery revenues up to a capped amount. In summary, the Legislature provided that the additional \$100 million over the legislatively adopted budget of \$5.2 billion could be from the General Fund, lottery revenues, or some combination of these two sources.

At this time, it appears the trigger will not generate any significant amount of additional General Fund for schools. As of the March 2004 forecast, the General Fund ending balance for 2003-05 was estimated to be about \$21 million. Thus, an increase of \$79 million in the ending balance must occur as of the June 2004 forecast before the State School Fund will receive any additional General Fund support.

While the opportunity for additional General Fund is limited to the June 2004 forecast, the opportunity for additional lottery support under the trigger exists throughout the biennium. However, as described earlier, there currently exists a shortfall in reaching the legislatively adopted amount for lottery support.

- Local revenues for K-12 education appear to be increasing over prior estimates for 2003-05. Not including the Common School Fund increase, local revenues are expected to be \$16 million over close-of-session estimates. With the Common School Fund, local revenues are expected to be \$42 million above the original estimates. The overall increase in local revenues included in the equalization formula will somewhat mitigate the effect of Measure 30's defeat. On a biennial basis, the revised equalization formula funding (i.e., local formula revenues plus the State School Fund) is 3.4% below the close-of-session level compared to a 5.7% reduction in the State School Fund. For 2004-05, the revised funding is 7.1% below the close-of-session level compared to an 11.4% reduction in the State School Fund.

Department of Higher Education

The defeat of Ballot Measure 30 reduced the General Fund appropriation to the Department of Higher Education by \$7,515,480. The reduction was made to the appropriation supporting Education and General services, and represents a reduction in total General Fund support of 1.11%, and a reduction in General Fund support of Education and General services of 1.36%. The amount of the reduction was based on \$11 million of General Fund that was restored to the Department budget to support undergraduate education in the campus budgets.

The State Board of Higher Education (Board) intends to shift a portion of this reduction to the Chancellor's Office budget, thereby reducing reductions to campus budgets. The Department will report on this modification to the Emergency Board in June 2004. The allocation of reductions is not finalized at the time of this writing. It is likely, however, that the Board will reduce General Fund allocations to campuses by only \$6,500,000, with the General Fund allocations to the Chancellor's Office and the centrally-administered Oregon College of Engineering and Computer Science (OCECS) being reduced by the remaining \$1,015,480. The Board will allocate the campus reduction amount to campuses proportionate to their General Fund Education and General services allocation prior to the reduction. If the \$6.5 million reduction is taken, campus reductions would range from a low of \$84,324 for Oregon

State University Cascades Campus to a high of just over \$2 million for the Oregon State University main campus. Each campus's General Fund, however, would be reduced by an equal 1.26%.

The proportional impact on campus budgets would not be identical, however. Campuses combine their General Fund allocation with Other Funds (primarily tuition and fee revenues) to finance their Education and General services budgets. Therefore, in all cases, the proportional impact on the campus budget is less than 1.26% when other revenues are taken into account. Furthermore, the proportional impact is lower for campuses that rely more heavily on tuition and fee revenue to finance their operations. The impact on limited Education and General budgets ranges from a low of 0.34% at the University of Oregon to a high of 0.94% at Oregon State University Cascades Campus. None of these reductions are large on a percentage basis, and universities will manage them through a combination of expenditure reductions and increased use of fund balances.

A \$1,015,480 reduction of General Fund support for the Chancellor's Office and the OCECS is equivalent to a 3.98% reduction in General Fund and a 3% reduction in limited expenditures overall. The Board is currently reviewing Chancellor's Office operations with the intent of eliminating operations that can be adequately performed at the campus level, and has incorporated the Ballot Measure 30 reductions into this effort. Initial reductions of personnel and other costs in the Chancellor's Office will be used to finance the Ballot Measure 30 reductions allocated to that Office.

Department of Community Colleges and Workforce Development

The defeat of Ballot Measure 30 reduced the General Fund appropriation to the Department of Community Colleges and Workforce Development, for the Community College Support Fund (CCSF), by \$6,807,500. This is equivalent to a 1.63% reduction in CCSF General Fund support. The impact of Ballot Measure 30's defeat on college revenues is influenced by the recent adoption of a new distribution formula for the CCSF. The State Board of Education (SBE) has revised the CCSF distribution formula, beginning with the 2004-05 fiscal year, to address objections some of the colleges had to a provision that had applied one-half of a district's operating property tax collections toward meeting the district's funding target, as determined by the level of the state General Fund appropriation. The Legislature appropriated \$10.7 million of General Fund for community college support to the Emergency Board, for allocation after the State Board of Education reviewed the formula. In January 2004, after the SBE modified the CCSF distribution formula to remove this provision, the Emergency Board allocated the \$10.7 million to the Department for distribution to the colleges.

The change in the CCSF distribution formula has, in and of itself, large impacts on the allocation of funds to college districts. The SBE adopted a "hold harmless" provision to help modify these impacts. This provision assures that no district will receive less General Fund in the 2004-05 fiscal year than it received in the prior fiscal year. The hold harmless provision continues to operate even with the defeat of Ballot Measure 30. Therefore, no district is receiving less General Fund support the second year of the biennium than it did in the first.

Nonetheless, districts that would have received additional funding in the second year are now, as a result of the Ballot Measure 30 defeat, receiving smaller increases than they would have otherwise. Districts had been slated to receive a total of \$10.7 million more General Fund in 2004-05 than they received in the prior year (i.e., the full amount of the special purpose appropriation was reserved for the second year). The second year increase is now reduced to \$3,892,500.

The impact to individual colleges varies. The General Fund reductions range from a low of zero for Chemeketa Community College (i.e., their distribution is unaffected by the vote), to a high of 4.69% to Central Oregon Community College and 5.16% to Tillamook Bay Community College. Because General Fund comprises only one component of community college funding (the other major sources being property taxes and tuition revenue), the percentage impact on college budgets will be lower than the percentage reduction in General Fund. Colleges will manage the reduced funding through a combination of reduced expenditures, increased use of fund balances, and possible tuition increases.

Human Services

Summary

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

Ballot Measure 30-Related Disappropriations

The defeat of Ballot Measure 30 resulted in General Fund reductions of \$183,802,500 in the Human Services Program area as follows: Department of Human Services (DHS), \$178,955,560; and the State Commission on Children and Families, \$4,846,940. Lottery Funds expenditure limitation and cigarette tax revenues were also reduced for DHS. In April 2004, the Emergency Board allocated \$8 million from a special purpose appropriation to mitigate a portion of the reductions, allocated \$1 million from the general purpose Emergency Fund to increase funding for Oregon Project Independence, and restored the Lottery Funds expenditure limitation for gambling addiction treatment.

Department of Human Services

HB 5077 reduced the DHS budget by \$179 million General Fund and \$3.8 million Lottery Funds as of May 1, 2004. This is about 8% of the biennial General Fund/Lottery Funds budget for DHS, and a reduction equivalent to about 13% for the last 14 months of the biennium. Further, because the \$.10 per pack cigarette tax surcharge was not extended, dedicated tobacco tax revenues for the Oregon Health Plan are estimated to be \$24.2 million less than expected in the 2003-05 legislatively adopted budget.

DHS presented an overall plan for managing the HB 5077 reductions, and its changing caseloads, costs and revenues, to the Emergency Board in April 2004. The plan balanced the agency's budget with:

- \$117.2 million net General Fund savings. A major component of this was caseload savings, including over \$100 million in the Oregon Health Plan (OHP) – \$70 million of this from a lower OHP Standard program caseload. There was considerable uncertainty about the OHP Standard caseload forecast during development of the 2003-05 budget because of policy changes that were made in premiums, co-payments, and benefits. To hedge the risk associated with this uncertainty, the budget was based on an average monthly caseload forecast of 85,000; however, the caseload continued to decrease to about 46,000 clients in April 2004. The net savings also reflects changes in Other and Federal Funds revenues, such as higher federal revenues in self-sufficiency and child welfare programs, and the tobacco tax revenue reduction from the sunset of the \$.10 per pack cigarette tax surcharge.

- Program reductions totaling \$53.8 million General Fund. These reductions :
 - Eliminate Emergency Assistance for cases that do not involve domestic violence (\$3.2 million). The program provides up to \$100 of cash assistance per year for emergency needs for families who are at risk of needing long-term assistance. Funding for domestic violence cases is retained.
 - Reduce adult acute psychiatric care (\$0.9 million). This decreases the \$18.2 million in the legislatively adopted budget intended to relieve overcrowding at the Oregon State Hospital.
 - Eliminate a planned MEDS start-up (\$9 million). The program would have served as a replacement for the Medically Needy program which was eliminated because of budget reductions in spring 2003 and provided assistance to persons who do not qualify for the OHP but have extremely high medical costs, primarily from prescription drugs. The federal Centers for Medicare and Medicaid Services (CMS) indicated it will not approve federal match on the MEDS program because the federal Medicare program will provide a prescription drug benefit beginning in 2006. The General Fund support for medications for HIV and transplant cases will continue.
 - Eliminate a planned eligibility expansion for the Children’s Health Insurance Program from 185% to 200% of the federal poverty level (\$0.8 million). The expansion would have served an estimated 2,000 children in households with incomes from 186% to 200% of the federal poverty level.
 - Eliminate medical assistance for the OHP Standard population on August 1, 2004 (\$39.7 million). This action would eliminate reimbursement for medical services for 46,000 people with incomes ranging from no income to 100% of the federal poverty level (about \$9,310/year for a household of one and \$12,490/year for a household of two). Negotiations are underway that may preserve some of the OHP Standard program through the use of hospital and managed care organization provider tax revenue.

- Allocation of the \$8 million special purpose appropriation for the state medical assistance program. This was set up for OHP program caseloads, benefits, or other cost increases during the interim. Without the \$8 million, DHS would have needed to make other program reductions to balance its budget.

DHS had previously identified other potential actions to meet the HB 5077 disappropriations which included reductions to Oregon Health Plan Plus program benefits, Medicaid long-term care survival priority levels 12 and 13, TANF and JOBS programs services, and Student Day Care and System of Care flex funds, among others. These actions were not taken as part of the plan to balance since the \$117.2 million in net rebalance plan savings made these reductions unnecessary.

In addition to the General Fund actions, DHS asked to add back the \$3.8 million in Lottery Funds expenditure limitation that HB 5077 reduced. Otherwise, DHS would still receive these statutorily-dedicated funds for gambling addiction treatment and services, but would be unable to spend them.

The Emergency Board approved the budget adjustments needed to implement the rebalance plan, including a technical adjustment that transferred \$12 million General Fund to the Department-wide Support Services budget for PERS-related state government service charges. It allocated the \$8 million special purpose appropriation requested and also allocated \$1 million from the general purpose Emergency Fund to increase the \$7.3 million General Fund already budgeted for Oregon Project Independence. In separate action, it also transferred \$12.9 million General Fund and related Other Funds, Federal Funds, and positions from the Community Human Services budget to the Seniors and People with Disabilities budget for field staff related to those programs. The table on the following page shows the net effects of the HB 5077 disappropriations and the adjustments approved by the Emergency Board.

DHS General Fund Budget Summary					
	Legislatively Adopted Budget *	HB 5077 Reduction	April 2004 Emergency Board Actions	Legislatively Approved Budget	% Change from Adopted
Children, Adults and Families	\$ 199,311,554	\$ (11,981,200)	\$ (5,051,123)	\$ 182,279,231	- 8.5%
Community Human Services	226,350,927	(54,460)	(24,604,777)	201,691,690	-10.9%
Health Services	1,091,810,831	(154,121,800)	37,014,643	974,703,674	-10.7%
Seniors and People With Disabilities	782,162,072	(12,798,100)	(11,980,414)	757,383,558	- 3.2%
Department-wide Support Services	94,919,381	0	13,621,671	108,541,052	+14.3%
DHS Total	\$ 2,394,554,765	\$ (178,955,560)	\$ 9,000,000	\$ 2,224,599,205	- 7.1%

* excluding special purpose appropriations to the Emergency Board

State Commission on Children and Families

The \$4.8 million General Fund reduction in HB 5077 is 10% of the Commission's General Fund budget for the 2003-05 biennium, and is equivalent to a 17% reduction over the last 14 months of the biennium. To manage this reduction, the Commission will:

- Reduce funding for the Healthy Start home visitation program by 14% overall (\$4.3 million General Fund, \$0.4 million Other Funds). Local programs will serve about 500 fewer families, down to 47% of first birth families from the 50% level which was expected in the legislatively adopted budget. The minimum county grant and state administration costs will also be reduced.
- Reduce state funds for seven crisis nurseries by \$350,000, a 10% reduction of the biennial funding.
- Further reduce state administration by \$160,000, a 5% reduction. This is over and above a 14% reduction already made in this area. The Commission indicates this will affect its ability to support counties in research and best practices, program and fiscal accountability, technical assistance, and training.

Public Safety/Judicial

Summary

The public safety/judicial includes agencies representing four major interconnected components.

- **Community Safety and Law Enforcement** involves the investigation of crimes, de-escalation of volatile confrontations, and parole and probation supervision. Agencies and programs include state and local law enforcement, community corrections, local prosecutors, and mental health professionals.
- **Court Process** involves the prosecution and defense services related to the adult and juvenile court systems. Agencies include state and local courts, District Attorneys, and the Public Defense Services Commission.
- **Corrections** involves the incarceration of adult and youth offenders and their treatment for mental health, alcohol and drug, education, and other services to reduce future criminal activity. Agencies include local jails, the Department of Corrections, and the Oregon Youth Authority.
- **Prevention and Intervention** involves treatment services, crime prevention, and insuring safe and secure housing for children and others. Agencies participating in these activities include the Criminal Justice Commission, counties, local law enforcement, the State Commission on Children and Families, and the Department of Human Services.

Ballot Measure 30-Related Disappropriations

Ballot Measure 30 triggered HB 5077 cuts of \$58,054,360 in the Public Safety program area, including the Judicial Branch. In April 2004, the Emergency Board restored \$13.8 million from the general purpose Emergency Fund.

Program Area	Amount of Reduction (\$)	Percent Reduction over 14 Months	Restoration by Emergency Board (\$)
Department of Corrections			
Prison Operations	6,807,500	1.5%	
Community Corrections	17,808,420	16.6%	8,904,210
State Police Forensics	3,921,120	29.1%	3,921,120
District Attorneys and Their Deputies	762,440	13.0%	
Oregon Youth Authority	5,827,220	5.0%	1,048,382
Judicial Department	13,015,940	9.4%	
Public Defense Services Commission	9,911,720	10.6%	

Department of Corrections

The Department of Corrections (DOC) has General Fund reductions of \$24,615,920 in two areas: \$6.8 million in institutions and correctional programs (prison operations), and \$17.8 million in community corrections. The reduction to prison operations represents a 1.5% reduction for the last 14 months of the biennium. The Department plans to delay opening a special management unit at the Coffee Creek Correctional Institution by six months, delay hiring positions, and reduce travel and other services and supplies expenditures. This reduction, by itself, is not expected to have a significant impact on the operations of the state prisons.

The \$17.8 million reduction to community corrections grants to counties represents a 16.6% cut for the last 14 months of the biennium. This amount is sufficient to allow counties to “opt out” of the community corrections program and return the program to DOC. A county must provide a 180-day formal notice once the reduction takes place before DOC is required to assume the program. Local staff, property, remaining state funding, and jail space financed with state Certificates of Participation must be transferred to DOC if a county opts out. To prevent counties from having the opportunity to opt out, the full \$17.8 million General Fund would have had to be restored prior to May 1, 2004.

Many, if not most, counties held back spending in anticipation of these reductions. Many counties stated they had not increased spending after the 2001-03 reductions to the program. Reductions already taken or that might be implemented include fewer parole and probation officers; increased use of case banking less dangerous offenders; decreased substance abuse, mental health, housing, education, sex education, and other services; reduced use of jail sanctions; closure or reduced capacity of jails, work release centers, and other specialized facilities; and a reduced work week for county staff.

The Emergency Board restored \$8.9 million to the Community Corrections program with an allocation from the general purpose Emergency Fund, an amount sufficient to make the next two quarterly payments at the level originally established by the 2003 Legislature. The Emergency Board discussed the possibility of added funding later in the biennium but no guarantee was made to counties.

Oregon State Police

The Oregon State Police (OSP) faced a HB 5077 reduction of \$3,921,120 to the appropriation for Forensics Services and the Medical Examiner. However, in April 2004, the Emergency Board restored all of the reduction from a general purpose Emergency Fund allocation, insuring the continuation of the laboratory services.

The \$3.9 million reduction would have represented a 29.1% reduction for the last 14 months of the biennium. The Forensics program is the only statewide crime lab system performing services relating to controlled substances, toxicology, blood alcohol, trace analysis, arson, clandestine drug lab analysis, DNA, firearms, latent prints, and questioned documents. This program also includes the Implied Consent Unit which tests, maintains, and provides training for the Intoxilyzers used across the state. Over 90% of the work performed by the state crime labs is for non-OSP agencies, including district attorneys and local law enforcement agencies.

Without funding restoration, OSP would have likely eliminated 60 of the 107 positions (56%) in the Forensics area. Such a reduction would have slowed the processing of evidence, with remaining resources available only to address high priority cases and those cases scheduled for court in the near future. The current backlog would have increased, causing fewer cases being solved and likely decreased prosecution of offenders. Other impacts would have included loss of trained staff, potential loss of national accreditation, and reduced public confidence in the public safety system.

District Attorneys and Their Deputies

HB 5077 reduced the District Attorneys budget by \$762,440, representing a 13% cut in the final 14 months of the biennium. The majority of the budgeted funds are in areas that cannot be reduced – salaries and benefits of the 36 county district attorneys and statewide assessments for items like liability insurance. This meant that all of the reduction will be taken from the amount paid to counties for supplementing local resources for deputy district attorneys. Presently, counties fund over 80% of the costs of the county district attorney offices statewide. The reduction in deputy supplements will result in a cost-shift to counties and some may not be able to make up the difference.

Oregon Youth Authority

The Oregon Youth Authority (OYA) budget is reduced by \$5,827,220 General Fund as of May 1, 2004. OYA proposed to manage the reduction as follows:

- Use \$0.4 million General Fund savings from higher-than-expected child support revenue, central office position vacancy savings, and start-up savings for the first 25 beds reopened at the Eastern Oregon Youth Correction Facility at Burns in December 2003.
- Delay a planned transition to therapeutic foster care and reduce foster care resources overall, for a \$1.7 million savings. The traditional foster care model is not generally appropriate or effective for OYA youth, and OYA has been moving to a new evidence-based model. The estimated savings reflect a slower phase-in of the new model, with full phase-in by 2005.
- Save \$3.7 million by restructuring the original schedule to restore 100 close custody beds and related community programs during the 2003-05 biennium. The first 25 beds have been reopened at Burns, with a small savings as noted above. The first 25 beds at Warrenton would be delayed from February until December 2004 (\$2.4 million). The other 50 additional beds to be phased-in at Burns and Warrenton would not be opened this biennium (\$1.3 million). This would bring the number of budgeted beds from the current 825 to 850 at the end of the biennium, down 50 from the 900 funded in the legislatively adopted budget.

The Emergency Board allocated \$1 million from the general purpose Emergency Fund in April 2004 to allow OYA to reopen the 25 Warrenton beds and to support related community programs in July 2004. OYA has been dealing with a youth offender population that averaged 20 youth above budget from September 2003 through February 2004, and continues to trend upwards. The population averaged 861

youth, 36 above budget, in the first four weeks of March. Reopening the Warrenton beds in July will help prevent the early release of youth and mitigate public safety risks for youth and communities.

Judicial Department

HB 5077 reduced the Judicial Department operating budget by \$13,015,940 General Fund, representing a 9.4% reduction for the last 14 months of the 2003-05 biennium. However, since 21.7% of General Fund expenditures are for judicial salaries, which by law cannot be reduced during the term of a sitting judge, managing the reduction will require a cut of 11.9% in operating expenditures for the remainder of the biennium.

The Department intends to meet the reduction by establishing a case processing priority. Cases with the highest priority will include felonies, including person-to-person felonies, and juvenile matters. Other cases with a higher priority will include juvenile permanency, person-to-person misdemeanors, and similar cases. Cases with the lowest priority will include civil matters such as property-only domestic relations, small claims, and post conviction relief.

The Department will not implement the statewide court closures that were used to address budget reductions in the 2001-03 biennium, but individual courts may reduce public access hours based on local budget management actions. Citizens and businesses will likely experience significant delays in the resolution of civil cases, including small claims and some domestic relations cases. Also, some courts will not be able to conduct jury trials every day of the week, and other courts will lose the ability to provide effective community programs, such as those that help family law litigants represent themselves, alternative dispute resolution programs, and specialized drug courts and family courts.

Public Defense Services Commission

The Public Defense Services Commission has a HB 5077 reduction of \$9,911,720 to its contract services account. Contract services fund most of the trial level representation for indigent persons. For the 2003-05 biennium, the contract services account was appropriated \$160,694,576 General Fund, including a \$7 million special purpose appropriation to the Emergency Board for cases deferred into the 2003-05 biennium as a result of 2001-03 budget cuts. Assuming the full allocation of this special purpose appropriation, the Commission will be required to reduce contract services funding by 10.6% for the last 14 months of the 2003-05 biennium.

Most public defense services are provided through contracts that were negotiated with local defense attorneys, including consortia of attorneys and non-profit public defender organizations. The contracts for the 2003-05 biennium, at the direction of the Legislature, were negotiated without any adjustments for inflation, caseload growth, or contractor staff pay increases.

The United States Constitution, the Oregon Constitution, and Oregon statutes require the provision of legal representation, at state expense, for persons who are determined to be financially eligible and who face state court proceedings, for: criminal proceedings; child abuse and neglect proceedings, including the appointment of counsel for children and parents; probation violation and extradition proceedings; contempt, civil commitment, and Psychiatric Security Review Board proceedings; post conviction relief and habeas corpus proceedings; and juvenile delinquency proceedings. The Oregon statutes that provide for appointment of counsel do not give the Commission authority to deny or defer payment of counsel for services authorized by the courts.

The courts have the authority to appoint counsel for indigent persons. The Commission lacks the authority to withhold compensation for appointed counsel because of a reduction in its budget. The Commission does not control the number of cases, or the severity of the charges on cases, that are filed with the court – this is a prosecution function. The Commission also lacks the authority to either renegotiate its contracts to reflect the reduction in funding or to refuse or reduce payment on contractual services authorized by the courts.

The Commission will continue to work with local officials, including District Attorneys, to reduce the public defense caseload through the use of early disposition programs and other actions, such as changes in charging practices, which affect caseload and costs. However, the Commission does not anticipate any significant reduction to the caseload projected for the remainder of the biennium. The Commission anticipates that even with the allocation of the special purpose appropriation, all contract services funds will be exhausted by April 2005. The amount that will be needed to fund the caseload through the remainder of the biennium should be identified by early June 2004, when the Commission requests the release of the special purpose appropriation from the Emergency Board. The 2005 Legislature will need to address potential funding needs for the last quarter of the 2005 fiscal year when it convenes in January 2005.

Emergency Fund

Summary

The 2003-05 legislatively adopted budget included two separate General Fund appropriations to the Emergency Board. For general purposes, the Legislature appropriated \$40 million General Fund to the Emergency Board to cover any unanticipated needs in approved agency budgets during the 2003-05 interim. Within the \$40 million general purpose Emergency Fund, the Legislature established two reservations, totaling slightly over \$7 million. In addition to the general purpose appropriation, the Legislature also established various special purpose appropriations totaling \$56.4 million.

Update

The Emergency Board has met three times since the close of the 2003 legislative session and has addressed 129 agenda items, allocated a total of \$15.2 million to five agencies from the \$40 million general purpose Emergency Fund, and allocated a total of \$22.5 million to six agencies from the \$56.4 million of special purpose appropriations. The table on the following page summarizes the allocations made through the April 2004 meeting of the Emergency Board.

2003-05 Emergency Fund Components

General Purpose Emergency Fund	Amount Appropriated	Amount Allocated	Amount Remaining
General Purpose Appropriation	40,000,000		
Allocations:			
Secretary of State - Voters' pamphlet expenses (11/2003)		373,000	
Department of Corrections - Community Corrections grant funding (4/2004)		8,904,210	
Department of State Police - Forensic Services Division operations funding (4/2004)		3,921,120	
Department of Human Services - additional Oregon Project Independence funding (4/2004)		1,000,000	
Oregon Youth Authority - North Coast Youth Correctional Facility funding (4/2004)		1,048,382	
Total General Purpose	40,000,000	15,246,712	24,753,288
Special Purpose Appropriations			
Special Purpose for agency health benefits	9,000,000	0	9,000,000
Special Purpose for Secretary of State for HB 2651/HJR 18 special election costs	1,500,000	1,287,438	212,562
CCWD for CCSF after State Board of Education revises distribution formula	10,700,000	10,700,000	0
PDSC for contract services workload growth	7,000,000	0	7,000,000
DHS for state medical assistance program	8,000,000	8,000,000	0
DHS for community program costs on universal access to services plan (Staley)	6,317,994	0	6,317,994
DLCD for operations related to work plan reporting	275,612	0	275,612
DLCD for grants related to work plan reporting	86,754	43,377	43,377
DLCD for landowner notification related to work plan reporting	12,634	6,317	6,317
ODE for Early Intervention/Early Childhood Special Education caseload growth	6,500,000	0	6,500,000
ODE for student assessment system	1,000,000	0	1,000,000
ODE for operations related to work plan reporting	300,000	0	300,000
CRGC for operations related to work plan reporting	50,000	20,000	30,000
ODF for Emergency Forest Fire Protection	5,700,000	2,463,939	3,236,061
Total Special Purpose	56,442,994	22,521,071	33,921,923

Through April 2004 Emergency Board meeting

The Legislatively Approved Budget and the Statutory Appropriations Limit

The 2001 Legislature created a new statutory appropriations limit that caps biennial expenditures for governmental activities at 8% of projected biennial personal income. Based on the June 2003 economic forecast of personal income for the 2003-05 biennium, the statutory limit on appropriations for governmental activities is \$17.6 billion. The legislatively adopted budget for 2003-05 provided for expenditures of \$16.8 billion for governmental activities, \$800 million under the limit.

Although the 2003-05 legislatively adopted budget totaled \$37.1 billion, for purposes of the appropriation limit, "governmental activities" excludes the fiduciary and business activities of government. The largest fiduciary activity budget is PERS, with a total budget approaching \$4.3 billion, most of which is for payment of retirement benefits. Business activities include various loan programs and insurance programs such as workers' compensation and unemployment insurance. Business activity budgets total \$6.4 billion. Also excluded are Federal Funds of \$8.1 billion and about \$800 million from other excluded financing sources, such as donations, revenues from a voter approved tobacco tax increase, and borrowings for capital construction and asset acquisition.

Following the defeat of Ballot Measure 30, the resulting expenditure reductions from the HB 5077 disappropriations, and Emergency Board actions through April 2004, the 2003-05 legislatively approved budget is currently estimated to be \$1.26 billion under the statutory spending limitation.

2005-07 Tentative Budget Estimates and Issues

State agencies are currently in the early stages of developing budget requests for the 2005-07 biennium. Several factors will have a direct effect on the state's budget for the coming biennium, most importantly:

- **2005-07 General Fund and Lottery Revenue Forecast**

Based on the latest official forecast from March 2004, total General Fund revenues for the 2005-07 biennium are \$11.240 billion. This represents a decrease of \$617.5 million from the December 2003 forecast. About \$353 million of the downward revision was due to the defeat of Ballot Measure 30; the remainder of the decrease is associated with a revised outlook with respect to long-term expectations for taxable income in the state. Even with the revisions in the March 2004 forecast, General Fund revenues are projected to increase by a net 11.5% in 2005-07 compared to 2003-05 (including a 14.1% increase in personal income tax receipts).

The March 2004 forecast for lottery revenues projects \$730.3 million of total available resources for the 2005-07 biennium. This represents an increase of \$5.2 million from the prior forecast. After deducting for the Education Stability Fund and County Economic Development dedications, approximately \$574.9 million is available for expenditure in the 2005-07 biennium. (Note: The March 2004 forecast did not include additional amounts that may be available from the Lottery Commission's revision of retailer compensation contracts that will take effect beginning in July 2004; the Commission estimated the effect of the revised contracts at approximately \$36 million in additional revenue available to the state in the 2005-07 biennium.)

In addition to the projected General Fund revenues for the 2005-07 biennium, the state's currently projected beginning balance for the next biennium is \$20.8 million. The combination of these three sources (2005-07 General Fund revenues and available lottery resources, plus the 2005-07 beginning balance) currently totals \$11.836 billion. This represents an increase of \$1.047 billion from the equivalent figure for 2003-05.

- **2005-07 Statewide Budget Development Assumptions**

As a starting point for developing the 2005-07 budget, potential cost increases in existing expenditures need to be considered. None of these represent a guarantee of funding, but their possible effect on the budget cannot be ignored:

- **Employee Personal Services Compensation and Benefits** – The 2003-05 adopted budget relied on a policy of no merit increases and no cost-of-living increases for state employees, and used insurance pool ending balances to cover half of the rising health benefit costs for state employees. Currently, the tentative budget for 2005-07 assumes personal services growth of approximately 13%, the average increase used in developing the budgets of the previous two biennia. This growth factor assumes salary and benefit roll-ups, merit step increases, position phase-in and phase-out costs, anticipated PERS rate increases, and other personal service actions. Additionally, the tentative budget currently assumes a 2% per year cost-of-living increase for state employees and health benefit cost increases of 14% for calendar years 2006 and 2007.
- **Inflation** – The budget instructions direct agencies to use a biennial factor of 2.4% for general inflation on services, supplies, capital outlay, and non-state employee personnel services, and a factor of 5% for medical services.

- **Roll-Up Costs of 2003-05 Budget Decisions on Debt Issuance**

Decisions made by the 2003 Legislature on increasing state debt will reduce the amount of General Fund, Lottery Funds, and Tobacco Master Settlement resources available for general purposes since debt service must be paid. According to a report of the State Debt Policy Advisory Commission issued in April 2004:

- The state's gross long-term debt is slightly over \$8 billion as of December 31, 2003, an increase of \$2.7 billion from the end of the 2002 fiscal year. The increase is primarily due to the issuance of \$200 million in Oregon Opportunity Bonds for the Oregon Health and Science University, \$432 million in appropriation bonds to assist with budget balance actions in the 2001-03 biennium, and \$2 billion in pension obligation bonds used as payment toward the state's unfunded actuarial PERS liability.
- Total General Fund supported debt is \$2.5 billion as of December 31, 2003 and is expected to increase to \$2.8 billion by the end of the 2003-05 biennium. General Fund debt service payments for the coming biennium are expected to total \$277.4 million. In addition, estimated debt service for the 2005-07 biennium on the appropriation bonds and Oregon Opportunity Bonds totals approximately \$119 million, using 80% of the projected Tobacco Master Settlement revenue stream for the biennium.
- Total lottery revenue bond outstanding debt is \$590 million as of December 31, 2003; an additional \$132 million was authorized for issuance in the current biennium. Estimated 2005-07 Lottery Funds needed for debt service if the authorized amounts are issued in 2003-05 will total approximately \$164.7 million, an increase of 21% over the current biennium.
- Additional capital needs may be presented to the 2005 Legislature for more Measure 11-related prison capacity, community college facilities, Oregon University System deferred maintenance, seismic rehabilitation of education and emergency service buildings, and state highway and transportation infrastructure needs.

- **Use of One-Time Revenues in the 2003-05 Budget**

As previously mentioned, the original 2003-05 legislatively adopted budget was balanced using approximately \$530 million of one-time revenues such as Other Funds ending balances, PERS savings, federal fiscal relief funding, and other transfers to the General Fund. Since most of these revenue sources were one-time solutions, General Fund backfill or offsetting reductions in state programs and service delivery will be required in the 2005-07 budget. In addition, it is likely that revenue from the Criminal Fines and Assessment Account will fall short of the amount needed to continue current obligations, resulting in either program reductions or General Fund supplementation.

- **Lawsuits**

Although lawsuits against the state always present a potential budgetary liability, two recent decisions by the Court of Appeals may have an actual cost to the 2005-07 budget. In *Bobo v. Kitzhaber*, the Court of Appeals ruled in April 2004 that the transfer of \$113 million in Medicaid Upper Payment Limit moneys from the General Fund into a separate account during the 2001 regular session should not have affected the calculation of the personal income tax "kicker" returned to taxpayers in December 2001. Based on the Court of Appeals decision, the \$113 million may be required to be returned to taxpayers in the form of a supplemental kicker payment. The timing of the supplemental payments and whether the state must add interest to the payments depends on a decision of the trial court and on a determination by the Attorney General whether to seek Supreme Court review of the decision.

In a second April 2004 decision by the Court of Appeals, the Court ruled that the state's flat fee option for the haulers of logs, wood chips, and sand and gravel violates the U.S. Constitution by permitting the state to favor local businesses over interstate businesses. In this case, the Court of Appeals declined to determine the remedy to provide out-of-state truckers beyond eliminating the flat fee option, leaving the remedy decision up to the trial court. A possibility exists that any remedy, such as a refund of weight mile taxes paid by interstate carriers, may be ordered to be paid out of the General Fund rather than the highway fund. Again, the timing and amount of any remedy depends on the decision of the trial court and the Attorney General's determination of whether to seek Supreme Court review of the Court of Appeals' decision.

In addition to these court decisions that may have an effect on the 2005-07 budget, the issue of PERS litigation remains active, but unresolved at this time. If the Supreme Court rules to reverse any portion of the 2003 PERS reforms, it is likely that additional PERS expenditures will be built into the rates for the 2005-07 biennium, resulting in additional state agency costs.

- **Treatment of Ballot Measure 30-Related Disappropriations**

The defeat of Ballot Measure 30 resulted in the disappropriation of \$540.8 million General Fund and a reduction of \$3.8 million Lottery Funds expenditure limitation. Both the efforts of legislative leadership to mitigate selected disappropriations and the effects of the remaining reductions to state programs are described in the program summaries of this document. The treatment of these 2003-05 biennium reductions in the 2005-07 biennium has a direct effect on the tentative budget. A number of variations exist, based on the nature and types of reductions made by HB 5077. Certain disappropriations will need to be treated as a one-time reductions, affecting only the 2003-05 biennium; others may be treated as biennial reductions that should be continued forward into the 2005-07 biennium for the same amount, adjusted for inflation; and some will need to be treated as second-year reductions that would be doubled for full biennial effect in the 2005-07 budget.

- **2005-07 Tentative Budget Gap**

Based on the current projections and the above assumptions, the 2005-07 tentative budget (General Fund and Lottery Funds) is projected to have a gap of between \$600 million and \$1 billion between forecasted revenues and projected expenditures.

Appendix A

Number of Full-Time Equivalent Positions By Program Area and Agency

	1999-2001 ACTUALS	2001-03 LEGISLATIVELY APPROVED *	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED**
PROGRAM AREA: EDUCATION				
COMMUNITY COLLEGES & WORKFORCE DEV, DEPT O	43.58	43.40	44.70	44.70
EDUCATION, DEPT OF	466.98	459.03	447.32	446.33
HIGHER EDUCATION, DEPT OF	11,469.52	11,786.42	12,092.26	12,092.26
STUDENT ASSISTANCE COMMISSION	90.50	92.21	87.00	86.00
TEACHER STANDARDS & PRACTICES COMM	18.00	17.75	20.00	20.00
EDUCATION TOTAL	12,088.58	12,398.81	12,691.28	12,689.29
PROGRAM AREA: HUMAN SERVICES				
BLIND, COMMISSION FOR THE	49.73	52.73	41.33	43.35
CHILDREN & FAMILIES, COMM ON	30.67	33.50	23.50	23.50
OREGON DISABILITIES COMM	8.00	5.20	4.00	4.00
HUMAN SERVICES, DEPT OF	8,686.84	8,813.21	9,148.25	9,146.54
INSURANCE POOL GOVERNING BOARD	16.93	35.76	51.50	51.50
LONG TERM CARE OMBUDSMAN	8.00	8.00	8.00	8.00
PSYCHIATRIC SECURITY REVIEW BRD	4.00	4.00	4.00	4.00
HUMAN SERVICES TOTAL	8,804.17	8,952.40	9,280.58	9,280.89
PROGRAM AREA: PUBLIC SAFETY				
CORRECTIONS, DEPT OF	3,457.25	3,771.81	3,891.16	3,890.57
CRIMINAL JUSTICE COMMISSION	11.38	12.41	10.91	11.29
DISPUTE RESOLUTION COMMISSION	4.40	5.30	-	-
DISTRICT ATTORNEYS & THEIR DEPUTIES	36.00	36.00	36.00	36.00
JUSTICE, DEPT OF	1,124.07	1,172.02	1,191.09	1,190.59
MILITARY, DEPT OF	408.86	375.15	377.58	409.74
PAROLE & POST PRISON SUPERVISION BRD	16.00	15.00	14.75	14.75
PUBLIC SAFETY STANDARDS & TRAINING, DEPT. OF	102.22	108.17	91.25	92.67
STATE POLICE, DEPT OF	1,468.40	1,346.76	1,165.21	1,162.28
YOUTH AUTHORITY, DEPT OF	1,233.05	1,414.71	1,032.29	1,032.84
PUBLIC SAFETY TOTAL	7,861.63	8,257.33	7,810.24	7,840.73
PROGRAM AREA: JUDICIAL BRANCH				
COURT PROCEDURES, COUNCIL ON	0.71	0.71	-	-
JUDICIAL DEPARTMENT	1,769.23	1,767.99	1,836.83	1,852.26
JUDICIAL FITNESS	0.75	0.75	0.50	0.50
PUBLIC DEFENDER	41.00	-	-	-
PUBLIC DEFENSE SERVICES COMMISSION	--	62.02	58.45	57.75
JUDICIAL BRANCH TOTAL	1,811.69	1,831.47	1,895.78	1,910.51
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT				
ECONOMIC & COMMUNITY DEVELOPMENT DEPT	144.76	147.50	116.39	115.40
EMPLOYMENT DEPARTMENT	1,412.98	1,451.57	1,405.17	1,417.08
FAIR & EXPO CENTER, STATE	32.19	32.05	37.18	37.05
HOUSING & COMMUNITY SERVICES DEPT.	122.94	141.49	148.34	148.34
VETERANS' AFFAIRS, DEPT OF	175.00	165.00	139.00	137.48
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	1,887.87	1,937.61	1,846.08	1,855.35

	1999-2001 ACTUALS	2001-03 LEGISLATIVELY APPROVED *	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED**
PROGRAM AREA: NATURAL RESOURCES				
AGRICULTURE, DEPT OF	423.20	423.00	382.36	377.90
ENERGY, OFFICE OF	77.55	77.94	82.49	84.90
ENVIRONMENTAL QUALITY, DEPT OF	783.55	835.59	812.95	813.59
FISH & WILDLIFE, DEPT OF	1,003.93	1,096.47	1,099.75	1,144.10
FORESTRY DEPARTMENT	901.85	942.65	881.97	881.97
GEOLOGY & MINERAL INDUSTRIES, DEPT OF	36.38	34.92	34.33	34.20
LAND CONSERVATION & DEVELOPMENT, DEPT OF	64.02	60.01	52.05	50.89
LAND USE BOARD OF APPEALS	7.00	7.00	6.00	6.00
LANDS, DEPARTMENT OF STATE	75.79	80.75	86.09	85.09
MARINE BOARD	35.00	38.00	38.00	38.00
PARKS & RECREATION, DEPT OF	466.40	509.62	524.44	528.44
WATER RESOURCES DEPT	154.88	150.24	140.21	140.50
WATERSHED ENHANCEMENT BRD	15.10	23.00	22.50	23.30
NATURAL RESOURCES TOTAL	4,044.65	4,279.19	4,163.14	4,208.88
PROGRAM AREA: TRANSPORTATION				
AVIATION, DEPT OF	16.29	16.50	16.00	16.00
TRANSPORTATION, DEPT OF	4,727.05	4,731.05	4,585.68	4,585.27
TRANSPORTATION TOTAL	4,743.34	4,747.55	4,601.68	4,601.27
PROGRAM AREA: CONSUMER AND BUSINESS SERVICES				
ACCOUNTANCY, BRD OF	7.00	7.00	7.00	7.00
CHIROPRACTIC EXAMINERS, BRD OF	4.50	4.50	4.50	4.50
CLINICAL SOCIAL WORKERS, BOARD OF	2.50	2.54	2.50	2.50
CONSTRUCTION CONTRACTORS BOARD	63.75	63.75	60.75	60.63
CONSUMER & BUSINESS SERVICES, DEPT OF	1,131.09	1,102.51	1,076.95	1,072.50
COUNSELORS AND THERAPISTS, BOARD OF LICENSE	2.00	2.00	2.00	2.00
HEALTH LICENSING OFFICE	27.12	27.29	26.92	27.00
HEALTH RELATED LICENSING BOARDS				
DENTISTRY, BRD OF	7.00	7.00	7.00	7.00
LICENSED DIETICIANS	0.30	0.30	0.30	0.30
MORTUARY & CEMETERY BOARD	6.00	6.00	5.00	5.00
NATUROPATHIC EXAMINERS	1.75	1.75	1.75	1.75
NURSING HOME ADMINISTRATORS	1.00	1.00	1.00	1.00
OCC THERAPY LICENSING BOARD	1.25	1.25	1.25	1.25
PHARMACY, BRD OF	13.50	15.00	15.50	15.50
RADIOLOGIC TECHNICIANS	2.50	2.79	2.50	2.65
SPEECH PATHOLOGY AND AUDIOLOGY	0.85	0.85	0.85	0.85
VETERINARY MEDICAL EXAM BRD	2.25	2.25	2.25	2.25
HEALTH RELATED LICENSING BOARD TOTAL	36.40	38.19	37.40	37.55
INVESTIGATORS, BRD OF	2.29	2.50	2.50	2.50
LABOR & INDUSTRIES, BUREAU OF	129.00	113.75	106.24	106.26
MEDICAL EXAMINERS, BRD OF	30.96	31.00	32.60	32.60
NURSING, BRD OF	33.83	34.50	39.25	42.00
PSYCHOLOGIST EXAMINERS	2.50	2.50	2.50	2.50
PUBLIC UTILITY COMMISSION	121.04	123.00	123.50	123.50
REAL ESTATE AGENCY	31.91	31.66	30.00	29.63
TAX PRACTITIONERS, STATE BOARD OF	4.00	5.00	4.00	4.00
CONSUMER & BUSINESS SERVICES TOTAL	1,629.89	1,591.69	1,558.61	1,556.67

	1999-2001 ACTUALS	2001-03 LEGISLATIVELY APPROVED *	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED**
PROGRAM AREA: ADMINISTRATION				
ADMINISTRATIVE SERVICES, DEPT OF	836.40	933.48	894.23	889.82
ASIAN AFFAIRS, COMM ON	1.00	1.00	1.00	1.00
BLACK AFFAIRS, COMM ON	1.00	1.00	1.00	1.00
CAPITOL PLANNING COMMISSION	1.63	1.63	-	-
EMPLOYMENT RELATIONS BOARD	17.73	16.00	12.00	12.50
GOVERNMENT STANDARDS & PRACTICES COMM	4.00	4.00	2.80	2.80
GOVERNOR, OFFICE OF	47.05	46.00	44.50	45.13
HISPANIC AFFAIRS, COMM ON	1.50	1.00	1.00	1.00
LIBRARY, STATE	44.38	44.38	43.63	43.63
LIQUOR CONTROL COMM	215.02	217.02	202.27	202.27
PUBLIC EMPLOYEES RETIREMENT SYSTEM	217.62	225.64	324.22	360.43
RACING COMMISSION	18.97	17.68	17.50	17.50
REVENUE, DEPT OF	924.66	959.22	987.73	986.94
SECRETARY OF STATE	201.42	208.67	207.50	207.50
TREASURER OF STATE	76.38	78.25	74.60	74.60
WOMEN, COMMISSION FOR	1.00	2.80	3.00	3.00
ADMINISTRATION TOTAL	2,609.76	2,757.77	2,816.98	2,849.12
PROGRAM AREA: LEGISLATIVE BRANCH				
INDIAN SERVICES, COMM	2.00	2.00	2.00	2.00
LEGISLATIVE ADMINISTRATION	118.97	118.51	107.39	107.39
LEGISLATIVE ASSEMBLY	225.22	223.62	216.31	216.20
LEGISLATIVE COUNSEL	47.50	50.50	45.77	45.77
LEGISLATIVE FISCAL OFFICER	17.00	17.00	17.00	17.00
LEGISLATIVE REVENUE OFFICER	6.00	6.00	6.00	6.00
LEGISLATIVE TOTAL	416.69	417.63	394.47	394.36
STATE OF OREGON TOTAL FTE POSITIONS	45,898.27	47,171.45	47,058.84	47,187.07

* 2001-03 Legislatively Approved does not reflect all administrative FTE actions associated with interim reductions.

** 2003-05 Legislatively Approved reflects Emergency Board and administrative FTE actions through April 9, 2004.

Appendix B

Summary of Expenditures by Program Area and Fund

2003-05 Legislatively Approved Budget by Program Area and Fund Source

Program Area	General Fund	Lottery Funds	GF&LF Total	Other Funds	Federal Funds	All Funds
Education	5,919,908,147	516,620,137	6,436,528,284	3,664,916,531	1,001,602,429	11,103,047,244
Human Services	2,292,190,187	5,600,000	2,297,790,187	1,174,279,860	5,890,036,301	9,362,106,348
Public Safety	1,219,401,415	5,566,608	1,224,968,023	262,258,816	438,213,541	1,925,440,380
Judicial Branch	396,238,342	0	396,238,342	37,840,081	2,333,247	436,411,670
Natural Resources	117,845,552	109,000,969	226,846,521	891,087,468	240,910,851	1,358,844,840
Economic Development	18,072,939	96,703,231	114,776,170	4,167,431,423	493,613,709	4,775,821,302
Consumer and Business Svs.	10,935,047	0	10,935,047	772,050,442	1,651,954	784,637,443
Transportation	3,914,616	21,145,902	25,060,518	2,539,859,385	69,297,154	2,634,217,057
Administration	129,450,790	2,232,874	131,683,664	4,582,334,457	11,903,740	4,725,921,861
Legislative Branch	56,618,512	0	56,618,512	4,963,018	0	61,581,530
Miscellaneous (E Fund)	33,753,288	0	33,753,288	0	0	33,753,288
Total	10,198,328,835	756,869,721	10,955,198,556	18,097,021,481	8,149,562,926	37,201,782,963

Appendix C

Summary of Expenditures by Program Area, by Agency, by Fund

Notes:

- Special purpose appropriations to the Emergency Board for specific agencies are included within the agency General Fund budgets for the 2003-05 legislatively adopted and legislatively approved amounts.
- The 2001-03 legislatively approved budget represents expenditure authorizations through all 2001-03 Emergency Board actions, the five 2002 special sessions, the February 2003 statewide budget rebalance actions (referred to as “Special Session 6” and adopted in SB 5548), and the most recent Department of Human Services rebalance (adopted in SB 5549). The 2001-03 legislatively approved budget also includes certain administrative actions taken by the Department of Administrative Services approving increases to nonlimited Other Funds and Federal Funds.
- The 2003-05 legislatively approved budget represents expenditure authorizations from Emergency Board actions through April 2004 and the disappropriations and revenue losses associated with the defeat of Ballot Measure 30. Also included are certain administrative actions taken by the Department of Administrative Services approving increases to nonlimited Other Funds.
- Nonadd Other Funds represent charges between state agencies that are excluded from totals to avoid double counting.
- The Economic and Community Development Department totals for the 2003-05 legislatively adopted and legislatively approved budgets include \$2,729,366 Lottery Funds ultimately transferred to the Tourism Commission, a semi-privatized agency, by HB 2267.

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
EDUCATION			
Community Colleges and Workforce Development, Office of			
General Fund	382,281,436	423,227,826	416,420,326
Lottery Funds		49,000	49,000
Other Funds	14,040,971	13,152,259	13,152,259
Federal Funds	<u>148,333,991</u>	<u>125,722,725</u>	<u>125,722,725</u>
TOTAL	544,656,398	562,151,810	555,344,310
Education, Department of - Operations & Grants-in-Aid			
General Fund	241,995,155	249,831,318	249,831,318
Lottery Funds	56,000,000	55,699,162	55,699,162
Other Funds	71,722,562	54,464,924	54,464,924
Federal Funds	<u>741,644,334</u>	<u>874,640,099</u>	<u>874,640,099</u>
TOTAL	1,111,362,051	1,234,635,503	1,234,635,503
Education, Department of - State School Fund & Other K-12 Grants			
General Fund	3,802,166,368	4,737,607,754	4,452,999,794
Lottery Funds	614,555,682	452,100,536	452,100,536
Other Funds	<u>268,460,516</u>	<u>17,191,710</u>	<u>17,191,710</u>
TOTAL	4,685,182,566	5,206,900,000	4,922,292,040
Higher Education, Department of			
General Fund	746,093,033	678,947,125	671,431,645
Lottery Funds	5,966,271	8,123,462	8,123,462
Other Funds	3,145,449,557	3,376,963,661	3,378,623,661
Nonadd Other Funds		<u>(87,905,905)</u>	<u>(87,905,905)</u>
TOTAL	3,897,508,861	4,064,034,248	4,058,178,768
Oregon Health and Science University Public Corporation			
General Fund	3,058,672	84,379,467	84,379,467
Other Funds	<u>191,658,978</u>	<u>128,391,300</u>	<u>128,391,300</u>
TOTAL	194,717,650	212,770,767	212,770,767
Oregon Student Assistance Commission			
General Fund	35,891,662	44,845,597	44,845,597
Lottery Funds	2,965,741	647,977	647,977
Other Funds	66,850,832	69,518,013	69,518,013
Federal Funds	<u>1,762,084</u>	<u>1,239,605</u>	<u>1,239,605</u>
TOTAL	107,470,319	116,251,192	116,251,192
Teachers Standards and Practices Commission			
Other Funds	<u>3,404,934</u>	<u>3,574,664</u>	<u>3,574,664</u>
TOTAL	3,404,934	3,574,664	3,574,664
EDUCATION TOTAL			
General Fund	5,211,486,326	6,218,839,087	5,919,908,147
Lottery Funds	679,487,694	516,620,137	516,620,137
Other Funds	3,761,588,350	3,663,256,531	3,664,916,531
Nonadd Other Funds		(87,905,905)	(87,905,905)
Federal Funds	<u>891,740,409</u>	<u>1,001,602,429</u>	<u>1,001,602,429</u>
TOTAL ALL FUNDS	10,544,302,779	11,400,318,184	11,103,047,244

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
HUMAN SERVICES			
Blind, Commission for the			
General Fund	1,219,568	1,170,546	1,170,546
Other Funds	2,955,159	2,319,230	2,463,120
Federal Funds	<u>8,691,575</u>	<u>8,275,097</u>	<u>9,087,419</u>
TOTAL	12,866,302	11,764,873	12,721,085
Children and Families, State Commission on			
General Fund	52,320,359	48,654,437	43,807,497
Other Funds	23,797,784	23,591,506	23,591,506
Federal Funds	<u>321,452</u>	<u>172,404</u>	<u>377,404</u>
TOTAL	76,439,595	72,418,347	67,776,407
DHS - Children, Adults, and Families (CAF)			
General Fund	173,276,028	199,311,554	182,279,231
Other Funds	143,312,759	118,689,620	118,689,620
Federal Funds	<u>1,207,571,086</u>	<u>1,253,744,287</u>	<u>1,304,890,112</u>
TOTAL	1,524,159,873	1,571,745,461	1,605,858,963
DHS - Community Human Services (CHS)			
General Fund	193,568,464	226,350,927	201,691,690
Other Funds	15,365,846	19,821,592	19,597,738
Federal Funds	<u>277,137,442</u>	<u>305,285,638</u>	<u>290,549,039</u>
TOTAL	486,071,752	551,458,157	511,838,467
DHS - Department-Wide Support Services (DWSS)			
General Fund	91,078,002	94,919,381	108,541,052
Lottery Funds	1,967		
Other Funds	67,864,685	39,845,084	39,845,084
Nonadd Other Funds	(120,846,424)		
Federal Funds	<u>159,631,689</u>	<u>219,500,992</u>	<u>219,500,992</u>
TOTAL	318,576,343	354,265,457	367,887,128
DHS - Health Services			
General Fund	946,996,718	1,099,810,831	974,703,674
Lottery Funds	5,894,888	5,600,000	5,600,000
Other Funds	882,587,983	778,362,064	778,362,064
Federal Funds	<u>2,574,641,923</u>	<u>2,709,839,511</u>	<u>2,709,839,511</u>
TOTAL	4,410,121,512	4,593,612,406	4,468,505,249
DHS - Seniors and People with Disabilities (SPDs)			
General Fund	984,900,719	788,480,066	763,701,552
Other Funds	152,012,171	156,559,741	156,783,595
Federal Funds	<u>1,315,346,124</u>	<u>1,319,004,996</u>	<u>1,355,313,877</u>
TOTAL	2,452,259,014	2,264,044,803	2,275,799,024
Insurance Pool Governing Board			
General Fund	433,002	14,979,067	14,979,067
Other Funds	<u>28,738,476</u>	<u>32,818,293</u>	<u>32,818,293</u>
TOTAL	29,171,478	47,797,360	47,797,360

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
Long Term Care Ombudsman			
General Fund	593,600	580,101	580,101
Other Funds	<u>1,342,284</u>	<u>1,432,753</u>	<u>1,432,753</u>
TOTAL	1,935,884	2,012,854	2,012,854
Oregon Disabilities Commission			
General Fund	281,885		
Other Funds	565,902	694,087	694,087
Federal Funds	<u>817,297</u>	<u>477,947</u>	<u>477,947</u>
TOTAL	1,665,084	1,172,034	1,172,034
Psychiatric Security Review Board			
General Fund	690,272	735,777	735,777
Other Funds	<u>2,000</u>	<u>2,000</u>	<u>2,000</u>
TOTAL	692,272	737,777	737,777
HUMAN SERVICES TOTAL			
General Fund	2,445,358,617	2,474,992,687	2,292,190,187
Lottery Funds	5,896,855	5,600,000	5,600,000
Other Funds	1,318,545,049	1,174,135,970	1,174,279,860
Nonadd Other Funds	(120,846,424)		
Federal Funds	<u>5,544,158,588</u>	<u>5,816,300,872</u>	<u>5,890,036,301</u>
TOTAL ALL FUNDS	9,313,959,109	9,471,029,529	9,362,106,348

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
PUBLIC SAFETY			
Corrections Department			
General Fund	785,792,311	814,782,009	799,070,299
Other Funds	188,580,273	27,887,655	27,887,655
Federal Funds	<u>10,453,538</u>	<u>121,829,812</u>	<u>121,829,812</u>
TOTAL	984,826,122	964,499,476	948,787,766
Criminal Justice Commission			
General Fund	16,141,496	7,339,264	7,339,264
Other Funds	73,979	378,742	378,742
Federal Funds	<u>5,043,362</u>	<u>4,060,812</u>	<u>4,060,812</u>
TOTAL	21,258,837	11,778,818	11,778,818
Dispute Resolution Commission			
Other Funds	<u>2,584,219</u>		
TOTAL	2,584,219		
District Attorneys and Their Deputies			
General Fund	<u>9,354,297</u>	<u>10,037,656</u>	<u>9,275,216</u>
TOTAL	9,354,297	10,037,656	9,275,216
Justice, Department of			
General Fund	22,966,845	31,486,940	31,486,940
Other Funds	46,411,481	59,583,262	60,385,262
Nonadd Other Funds	(142,756,634)	(87,696,026)	(87,696,026)
Federal Funds	<u>14,464,397</u>	<u>84,678,366</u>	<u>84,902,391</u>
TOTAL	83,842,723	175,748,568	176,774,593
Military Department			
General Fund	13,087,791	13,165,715	13,165,715
Other Funds	11,849,126	7,640,166	8,463,719
Federal Funds	<u>56,093,706</u>	<u>84,988,963</u>	<u>88,082,557</u>
TOTAL	81,030,623	105,794,844	109,711,991
Parole and Post Prison Supervision, State Board of			
General Fund	3,000,780	3,237,956	3,237,956
Other Funds	<u>3,637</u>	<u>9,294</u>	<u>9,294</u>
TOTAL	3,004,417	3,247,250	3,247,250
Public Safety Standards & Training, Board on			
Other Funds	102,793,560	23,203,488	23,203,488
Federal Funds	<u>274,000</u>	<u>217,350</u>	<u>217,350</u>
TOTAL	103,067,560	23,420,838	23,420,838
State Police, Department of			
General Fund	172,019,033	159,025,757	159,025,757
Lottery Funds	4,857,534	5,566,608	5,566,608
Other Funds	123,389,747	129,255,880	129,255,880
Federal Funds	<u>91,403,705</u>	<u>113,069,523</u>	<u>113,069,523</u>
TOTAL	391,670,019	406,917,768	406,917,768

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
Youth Authority, Oregon			
General Fund	217,220,601	201,579,106	196,800,268
Other Funds	15,968,307	12,801,776	12,801,776
Federal Funds	<u>27,472,725</u>	<u>25,927,386</u>	<u>26,051,097</u>
TOTAL	260,661,633	240,308,268	235,653,141
PUBLIC SAFETY TOTAL			
General Fund	1,239,583,154	1,240,654,403	1,219,401,415
Lottery Funds	4,857,534	5,566,608	5,566,608
Other Funds	491,654,329	260,760,263	262,385,816
Nonadd Other Funds	(142,756,634)	(87,696,026)	(87,696,026)
Federal Funds	<u>205,205,433</u>	<u>434,772,212</u>	<u>438,213,542</u>
TOTAL ALL FUNDS	1,941,300,450	1,941,753,486	1,925,567,381

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
ECONOMIC AND COMMUNITY DEVELOPMENT			
County Fairs passed through DAS			
Lottery Funds		<u>2,530,173</u>	<u>2,530,173</u>
TOTAL		2,530,173	2,530,173
Economic and Community Development Department			
General Fund	2,391,710	1,168,674	1,168,674
Lottery Funds	80,092,948	86,022,486	86,022,486
Other Funds	324,202,934	229,254,174	229,254,174
Federal Funds	<u>52,612,386</u>	<u>36,943,640</u>	<u>36,943,640</u>
TOTAL	459,299,978	353,388,974	353,388,974
Employment Department			
General Fund	1,946,632	3,426,181	3,426,181
Other Funds	1,419,466,895	1,925,965,456	2,204,965,456
Nonadd Other Funds	(21,615,805)	(20,878,109)	(20,878,109)
Federal Funds	<u>268,631,222</u>	<u>254,554,101</u>	<u>259,148,688</u>
TOTAL	1,690,044,749	2,183,945,738	2,467,540,325
Fair and Exposition Center, State			
General Fund	1,328,779	1,294,260	1,294,260
Lottery Funds	2,611,346	3,718,261	3,718,261
Other Funds	<u>21,826,708</u>	<u>12,894,341</u>	<u>12,894,341</u>
TOTAL	25,766,833	17,906,862	17,906,862
Historical Society passed through DAS			
General Fund	<u>1,102,922</u>		
TOTAL	1,102,922		
Housing and Community Services			
General Fund	7,163,666	9,794,031	9,794,031
Lottery Funds	2,164,495	4,432,311	4,432,311
Other Funds	692,702,103	1,157,330,998	1,157,330,998
Federal Funds	<u>258,113,695</u>	<u>197,521,381</u>	<u>197,521,381</u>
TOTAL	960,143,959	1,369,078,721	1,369,078,721
Oregon Public Broadcasting passed through DAS			
General Fund	2,024,588		
Other Funds	<u>7,000,000</u>		
TOTAL	9,024,588		
Veterans' Affairs, Department of			
General Fund	2,064,547	2,389,793	2,389,793
Other Funds	<u>989,119,601</u>	<u>843,070,099</u>	<u>843,070,099</u>
TOTAL	991,184,148	845,459,892	845,459,892

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
ECONOMIC AND COMMUNITY DEVELOPMENT TOTAL			
General Fund	18,022,844	18,072,939	18,072,939
Lottery Funds	84,868,789	96,703,231	96,703,231
Other Funds	3,454,318,241	4,168,515,068	4,447,515,068
Nonadd Other Funds	(21,615,805)	(20,878,109)	(20,878,109)
Federal Funds	<u>579,357,303</u>	<u>489,019,122</u>	<u>493,613,709</u>
TOTAL ALL FUNDS	4,136,567,177	4,772,310,360	5,055,904,947

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
NATURAL RESOURCES			
Agriculture, Department of			
General Fund	17,509,396	11,295,439	11,295,439
Lottery Funds	7,657,512	7,835,034	7,835,034
Other Funds	46,613,808	51,140,076	51,140,076
Federal Funds	<u>8,565,136</u>	<u>4,841,314</u>	<u>4,841,314</u>
TOTAL	80,345,852	75,111,863	75,111,863
Columbia River Gorge Commission			
General Fund	<u>684,121</u>	<u>631,600</u>	<u>631,600</u>
TOTAL	684,121	631,600	631,600
Energy, Department of			
General Fund	857,374		
Other Funds	162,866,192	168,127,472	168,127,472
Federal Funds	<u>7,139,629</u>	<u>6,302,370</u>	<u>6,302,370</u>
TOTAL	170,863,195	174,429,842	174,429,842
Environmental Quality, Department of			
General Fund	35,919,721	23,384,838	23,384,838
Lottery Funds	2,455,623	3,286,418	3,286,418
Other Funds	229,716,924	210,238,429	210,857,677
Federal Funds	<u>38,488,520</u>	<u>38,346,912</u>	<u>44,331,436</u>
TOTAL	306,580,788	275,256,597	281,860,369
Fish and Wildlife, Department of			
General Fund	14,441,913	10,650,611	10,650,611
Lottery Funds	9,565,560	10,297,061	10,297,061
Other Funds	95,491,613	114,624,467	115,882,874
Federal Funds	<u>96,636,551</u>	<u>94,932,601</u>	<u>94,932,601</u>
TOTAL	216,135,637	230,504,740	231,763,147
Forestry Department			
General Fund	39,313,617	39,546,083	39,546,083
Other Funds	275,539,705	173,418,905	187,168,905
Federal Funds	<u>12,489,419</u>	<u>18,922,136</u>	<u>19,059,519</u>
TOTAL	327,342,741	231,887,124	245,774,507
Geology and Mineral Industries			
General Fund	2,879,823	2,887,346	2,887,346
Other Funds	3,389,542	2,942,813	2,942,813
Federal Funds	<u>1,735,069</u>	<u>1,963,208</u>	<u>1,963,208</u>
TOTAL	8,004,434	7,793,367	7,793,367
Land Conservation & Development, Department of			
General Fund	9,610,244	9,018,323	9,018,323
Other Funds	1,788,791	873,425	873,425
Federal Funds	<u>5,175,091</u>	<u>5,684,425</u>	<u>5,684,425</u>
TOTAL	16,574,126	15,576,173	15,576,173
Land Use Board of Appeals			
General Fund	1,201,445	1,205,116	1,205,116
Other Funds	<u>61,180</u>	<u>60,507</u>	<u>60,507</u>
TOTAL	1,262,625	1,265,623	1,265,623

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
Marine Board			
Other Funds	17,588,863	22,017,871	22,017,871
Federal Funds	<u>5,056,029</u>	<u>4,972,307</u>	<u>4,972,307</u>
TOTAL	22,644,892	26,990,178	26,990,178
Oregon Watershed Enhancement Board			
General Fund	1,024,212		
Lottery Funds	48,793,122	30,408,498	30,408,498
Other Funds	2,274,939	2,377,089	2,377,089
Federal Funds	<u>28,965,600</u>	<u>38,678,858</u>	<u>46,978,858</u>
TOTAL	81,057,873	71,464,445	79,764,445
Parks and Recreation, Department of			
Lottery Funds	50,887,866	57,173,958	57,173,958
Other Funds	81,109,583	80,437,398	80,437,398
Federal Funds	<u>9,548,033</u>	<u>8,976,693</u>	<u>8,976,693</u>
TOTAL	141,545,482	146,588,049	146,588,049
State Lands, Department of			
General Fund	127,691	139,311	139,311
Other Funds	65,006,814	41,455,486	41,571,136
Federal Funds	<u>2,657,125</u>	<u>1,561,420</u>	<u>1,603,420</u>
TOTAL	67,791,630	43,156,217	43,313,867
Water Resources Department			
General Fund	22,099,426	19,086,885	19,086,885
Other Funds	6,111,407	7,630,225	7,821,356
Federal Funds	<u>999,721</u>	<u>1,264,700</u>	<u>1,264,700</u>
TOTAL	29,210,554	27,981,810	28,172,941
NATURAL RESOURCES TOTAL			
General Fund	145,668,983	117,845,552	117,845,552
Lottery Funds	119,359,683	109,000,969	109,000,969
Other Funds	987,559,361	875,344,163	891,278,599
Federal Funds	<u>217,455,923</u>	<u>226,446,944</u>	<u>240,910,851</u>
TOTAL ALL FUNDS	1,470,043,950	1,328,637,628	1,359,035,971

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
TRANSPORTATION			
Aviation, Department of			
Other Funds	<u>18,991,177</u>	<u>13,990,208</u>	<u>13,990,208</u>
TOTAL	18,991,177	13,990,208	13,990,208
Transportation, Department of			
General Fund	17,114,943	3,914,616	3,914,616
Lottery Funds	10,201,991	21,145,902	21,145,902
Other Funds	1,750,328,346	2,023,552,621	2,525,869,177
Nonadd Other Funds	(39,333,608)	(37,494,142)	(37,494,142)
Federal Funds	<u>69,775,066</u>	<u>69,297,154</u>	<u>69,297,154</u>
TOTAL	1,847,420,346	2,117,910,293	2,620,226,849
TRANSPORTATION TOTAL			
General Fund	17,114,943	3,914,616	3,914,616
Lottery Funds	10,201,991	21,145,902	21,145,902
Other Funds	1,769,319,523	2,037,542,829	2,539,859,385
Nonadd Other Funds	(39,333,608)	(37,494,142)	(37,494,142)
Federal Funds	<u>69,775,066</u>	<u>69,297,154</u>	<u>69,297,154</u>
TOTAL ALL FUNDS	1,866,411,523	2,131,900,501	2,634,217,057

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
CONSUMER AND BUSINESS SERVICES			
Accountancy, State Board of			
Other Funds	<u>1,624,093</u>	<u>1,565,639</u>	<u>1,565,639</u>
TOTAL	1,624,093	1,565,639	1,565,639
Bureau of Labor and Industries			
General Fund	11,479,864	10,935,047	10,935,047
Other Funds	7,092,997	7,338,744	7,338,744
Federal Funds	<u>1,253,344</u>	<u>1,317,039</u>	<u>1,317,039</u>
TOTAL	19,826,205	19,590,830	19,590,830
Chiropractic Examiners, Board of			
Other Funds	<u>892,354</u>	<u>916,244</u>	<u>916,244</u>
TOTAL	892,354	916,244	916,244
Construction Contractors Board			
Other Funds	<u>11,623,662</u>	<u>11,403,490</u>	<u>11,403,490</u>
TOTAL	11,623,662	11,403,490	11,403,490
Consumer and Business Services Dept.			
Other Funds	<u>505,788,537</u>	<u>559,859,019</u>	<u>559,859,019</u>
TOTAL	505,788,537	559,859,019	559,859,019
Health Licensing Office			
Other Funds	<u>4,224,801</u>	<u>4,398,740</u>	<u>4,649,116</u>
TOTAL	4,224,801	4,398,740	4,649,116
HRLB - Clinical Social Workers, Board of			
Other Funds	<u>499,055</u>	<u>488,074</u>	<u>488,074</u>
TOTAL	499,055	488,074	488,074
HRLB - Dentistry, Board of			
Other Funds	<u>1,654,903</u>	<u>1,674,449</u>	<u>1,674,449</u>
TOTAL	1,654,903	1,674,449	1,674,449
HRLB - Examiners for Speech Pathology & Audiology, Board of			
Other Funds	<u>158,119</u>	<u>153,663</u>	<u>153,663</u>
TOTAL	158,119	153,663	153,663
HRLB - Licensed Dieticians, Board of			
Other Funds	<u>60,888</u>	<u>59,029</u>	<u>59,029</u>
TOTAL	60,888	59,029	59,029
HRLB - Licensed Professional Counselors & Therapists, Board of			
Other Funds	<u>390,676</u>	<u>390,793</u>	<u>446,993</u>
TOTAL	390,676	390,793	446,993
HRLB - Mortuary and Cemetery Board			
Other Funds	<u>1,033,486</u>	<u>980,127</u>	<u>1,055,485</u>
TOTAL	1,033,486	980,127	1,055,485
HRLB - Naturopathic Examiners, Board of			
Other Funds	<u>320,366</u>	<u>323,132</u>	<u>323,132</u>
TOTAL	320,366	323,132	323,132

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
HRLB - Nursing Home Administrators, Board of			
Other Funds	<u>184,380</u>	<u>189,693</u>	<u>189,693</u>
TOTAL	184,380	189,693	189,693
HRLB - Occupational Therapy Licensing Board			
Other Funds	<u>241,453</u>	<u>249,107</u>	<u>249,107</u>
TOTAL	241,453	249,107	249,107
HRLB - Pharmacy, Board of			
Other Funds	<u>2,843,880</u>	<u>2,780,917</u>	<u>3,012,517</u>
TOTAL	2,843,880	2,780,917	3,012,517
HRLB - Radiologic Technology, Board of			
Other Funds	<u>452,364</u>	<u>396,143</u>	<u>414,418</u>
TOTAL	452,364	396,143	414,418
HRLB - Veterinary Medical Examiners			
Other Funds	<u>442,003</u>	<u>477,212</u>	<u>477,212</u>
TOTAL	442,003	477,212	477,212
Landscape Contractors Board			
Other Funds	<u>262,248</u>		
TOTAL	262,248		
Medical Examiners, Board of			
Other Funds	<u>6,287,318</u>	<u>6,505,650</u>	<u>6,505,650</u>
TOTAL	6,287,318	6,505,650	6,505,650
Nursing, Board of			
Other Funds	<u>7,157,299</u>	<u>7,621,080</u>	<u>7,938,514</u>
TOTAL	7,157,299	7,621,080	7,938,514
Oregon Board of Investigators			
Other Funds	<u>394,217</u>	<u>429,045</u>	<u>429,045</u>
TOTAL	394,217	429,045	429,045
Psychologist Examiners, Board of			
Other Funds	<u>605,383</u>	<u>622,492</u>	<u>622,492</u>
TOTAL	605,383	622,492	622,492
Public Utility Commission			
Other Funds	275,567,867	155,142,299	155,142,299
Federal Funds	<u>302,965</u>	<u>334,915</u>	<u>334,915</u>
TOTAL	275,870,832	155,477,214	155,477,214
Real Estate Agency			
Other Funds	<u>5,908,122</u>	<u>6,311,101</u>	<u>6,311,101</u>
TOTAL	5,908,122	6,311,101	6,311,101
Spinal Cord Injury Research Board			
General Fund	1		
Other Funds	<u>50,000</u>		
TOTAL	50,001		

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
Tax Practitioners, State Board of			
Other Funds	<u>917,633</u>	<u>825,317</u>	<u>825,317</u>
TOTAL	917,633	825,317	825,317
CONSUMER AND BUSINESS SERVICES TOTAL			
General Fund	11,479,865	10,935,047	10,935,047
Other Funds	836,678,104	771,101,199	772,050,442
Federal Funds	<u>1,556,309</u>	<u>1,651,954</u>	<u>1,651,954</u>
TOTAL ALL FUNDS	849,714,278	783,688,200	784,637,443

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
ADMINISTRATION			
Administrative Services, Department of			
General Fund	5,702,656	1,525,112	1,525,112
Lottery Funds	381,342	1,622,874	1,622,874
Other Funds	100,110,300	94,353,358	111,775,032
Nonadd Other Funds	(414,442,745)	(659,224,024)	(637,736,489)
Federal Funds	<u>974,713</u>	<u>100,000</u>	<u>380,000</u>
TOTAL	107,169,011	97,601,344	115,303,018
Asian Affairs, Commission on			
General Fund	139,208		
Other Funds	<u>40,886</u>	<u>173,648</u>	<u>173,648</u>
TOTAL	180,094	173,648	173,648
Black Affairs, Commission on			
General Fund	129,147		
Other Funds	<u>39,354</u>	<u>171,969</u>	<u>171,969</u>
TOTAL	168,501	171,969	171,969
Capitol Planning Commission			
Nonadd Other Funds	<u>(242,280)</u>		
TOTAL			
Employment Relations Board			
General Fund	1,280,260	1,299,312	1,299,312
Other Funds	<u>1,703,446</u>	<u>1,292,046</u>	<u>1,345,626</u>
TOTAL	2,983,706	2,591,358	2,644,938
Government Standards and Practices Commission			
General Fund	878,291	559,701	559,701
Other Funds	<u>9,662</u>	<u>5,902</u>	<u>5,902</u>
TOTAL	887,953	565,603	565,603
Governor, Office of the			
General Fund	7,887,177	8,087,646	8,087,646
Lottery Funds		610,000	610,000
Other Funds	1,239,331	1,581,417	1,581,417
Federal Funds			<u>65,000</u>
TOTAL	9,126,508	10,279,063	10,344,063
Hispanic Affairs, Commission on			
General Fund	108,455		
Other Funds	<u>109,741</u>	<u>224,441</u>	<u>224,441</u>
TOTAL	218,196	224,441	224,441
Liquor Control Commission			
Other Funds	<u>78,984,955</u>	<u>84,683,812</u>	<u>84,683,812</u>
TOTAL	78,984,955	84,683,812	84,683,812
Public Employees Retirement System			
Other Funds	<u>3,674,677,175</u>	<u>4,272,271,230</u>	<u>4,297,463,163</u>
TOTAL	3,674,677,175	4,272,271,230	4,297,463,163

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
Racing Commission			
Other Funds	<u>4,031,076</u>	<u>4,675,855</u>	<u>4,675,855</u>
TOTAL	4,031,076	4,675,855	4,675,855
Revenue, Department of			
General Fund	118,259,677	104,734,536	104,734,536
Other Funds	<u>20,942,593</u>	<u>53,310,442</u>	<u>53,310,442</u>
TOTAL	139,202,270	158,044,978	158,044,978
Secretary of State			
General Fund	14,082,956	10,276,857	10,649,857
Other Funds	17,263,742	18,735,059	18,735,059
Nonadd Other Funds	(11,704,723)	(12,723,460)	(12,723,460)
Federal Funds	<u>9,187</u>	<u>7,320,991</u>	<u>7,330,177</u>
TOTAL	31,355,885	36,332,907	36,715,093
State Library			
General Fund	3,027,395	2,594,626	2,594,626
Other Funds	5,239,834	6,112,874	6,112,874
Federal Funds	<u>3,948,265</u>	<u>4,128,563</u>	<u>4,128,563</u>
TOTAL	12,215,494	12,836,063	12,836,063
Treasurer of State			
General Fund	182,281		
Other Funds		1,378,212	1,378,212
Nonadd Other Funds	<u>(22,105,071)</u>	<u>(22,638,145)</u>	<u>(22,638,145)</u>
TOTAL	182,281	1,378,212	1,378,212
Women, Commission for			
General Fund	125,420		
Other Funds	<u>822,581</u>	<u>1,136,003</u>	<u>1,136,003</u>
TOTAL	948,001	1,136,003	1,136,003
ADMINISTRATION TOTAL			
General Fund	151,802,923	129,077,790	129,450,790
Lottery Funds	381,342	2,232,874	2,232,874
Other Funds	3,905,214,676	4,540,106,268	4,582,773,455
Nonadd Other Funds	(448,494,819)	(694,585,629)	(673,098,094)
Federal Funds	<u>4,932,165</u>	<u>11,549,554</u>	<u>11,903,740</u>
TOTAL ALL FUNDS	4,062,331,106	4,682,966,486	4,726,360,859

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
LEGISLATIVE BRANCH			
Indian Services, Commission on			
General Fund	307,770	299,011	299,011
Other Funds	<u>5,786</u>	<u>5,786</u>	<u>5,786</u>
TOTAL	313,556	304,797	304,797
Legislative Administration Committee			
General Fund	19,146,811	19,390,674	19,390,674
Other Funds	<u>5,694,670</u>	<u>2,547,202</u>	<u>2,547,202</u>
TOTAL	24,841,481	21,937,876	21,937,876
Legislative Assembly			
General Fund	24,785,932	25,152,431	25,152,431
Other Funds	<u>279,891</u>	<u>279,971</u>	<u>279,971</u>
TOTAL	25,065,823	25,432,402	25,432,402
Legislative Counsel Committee			
General Fund	5,879,051	6,286,407	6,286,407
Other Funds	<u>2,104,656</u>	<u>2,130,059</u>	<u>2,130,059</u>
TOTAL	7,983,707	8,416,466	8,416,466
Legislative Fiscal Officer			
General Fund	<u>3,850,026</u>	<u>4,025,515</u>	<u>4,025,515</u>
TOTAL	3,850,026	4,025,515	4,025,515
Legislative Revenue Officer			
General Fund	<u>1,415,855</u>	<u>1,464,474</u>	<u>1,464,474</u>
TOTAL	1,415,855	1,464,474	1,464,474
LEGISLATIVE BRANCH TOTAL			
General Fund	55,385,445	56,618,512	56,618,512
Other Funds	<u>8,085,003</u>	<u>4,963,018</u>	<u>4,963,018</u>
TOTAL ALL FUNDS	63,470,448	61,581,530	61,581,530

	2001-03 LEGISLATIVELY APPROVED	2003-05 LEGISLATIVELY ADOPTED	2003-05 LEGISLATIVELY APPROVED
JUDICIAL BRANCH			
Court Procedures, Council on			
General Fund	83,136		
Other Funds	<u>8,000</u>	<u>8,000</u>	<u>8,000</u>
TOTAL	91,136	8,000	8,000
Judicial Department			
General Fund	372,216,866	250,670,922	237,654,982
Other Funds	21,065,552	36,317,230	36,725,018
Federal Funds	<u>2,105,926</u>	<u>2,333,247</u>	<u>2,333,247</u>
TOTAL	395,388,344	289,321,399	276,713,247
Judicial Fitness and Disability, Commission on			
General Fund	<u>185,580</u>	<u>161,762</u>	<u>161,762</u>
TOTAL	185,580	161,762	161,762
Public Defense Services Commission			
General Fund	5,854,598	168,333,318	158,421,598
Other Funds	<u>143,000</u>	<u>1,107,063</u>	<u>1,107,063</u>
TOTAL	5,997,598	169,440,381	159,528,661
JUDICIAL BRANCH TOTAL			
General Fund	378,340,180	419,166,002	396,238,342
Other Funds	21,216,552	37,432,293	37,840,081
Federal Funds	<u>2,105,926</u>	<u>2,333,247</u>	<u>2,333,247</u>
TOTAL ALL FUNDS	401,662,658	458,931,542	436,411,670
MISCELLANEOUS			
Emergency Fund			
General Fund		<u>40,000,000</u>	<u>24,753,288</u>
TOTAL		40,000,000	24,753,288
Emergency Fund - Salary Adjustment & Employee Benefits			
General Fund		<u>9,000,000</u>	<u>9,000,000</u>
TOTAL		9,000,000	9,000,000
MISCELLANEOUS TOTAL			
General Fund		<u>49,000,000</u>	<u>33,753,288</u>
TOTAL ALL FUNDS		49,000,000	33,753,288
STATEWIDE TOTALS			
General Fund	9,674,243,280	10,739,116,635	10,198,328,835
Lottery Funds	905,053,888	756,869,721	756,869,721
Other Funds	16,554,179,188	17,533,157,602	18,377,862,255
Nonadd Other Funds	(773,047,290)	(928,559,811)	(907,072,276)
Federal Funds	<u>7,516,287,122</u>	<u>8,052,973,488</u>	<u>8,149,562,927</u>
TOTAL ALL FUNDS	34,649,763,478	37,082,117,446	37,482,623,738