

Budget Highlights

**Updated 2011-13
Legislatively Approved Budget**

**Based on
February 1 - March 3, 2012
Session Actions**



**LEGISLATIVE FISCAL OFFICE
MARCH 2012**

**STATE OF OREGON
LEGISLATIVE FISCAL OFFICE**

900 COURT STREET NE
STATE CAPITOL, ROOM H-178
SALEM OR 97301-4048
PHONE 503-986-1828
FAX 503-373-7807



KEN ROCCO
LEGISLATIVE FISCAL OFFICER

DARON HILL
DEPUTY LEGISLATIVE FISCAL OFFICER

March 28, 2012

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

The Legislative Fiscal Office has prepared this update to the *2011-13 Budget Highlights* to incorporate legislative changes made to the budget during the 2012 session and other administrative changes made to the budget since the adoption of the 2011-13 budget. We hope you find this resource useful and invite you to call the Legislative Fiscal Office if you have any questions.

Ken Rocco
Legislative Fiscal Officer

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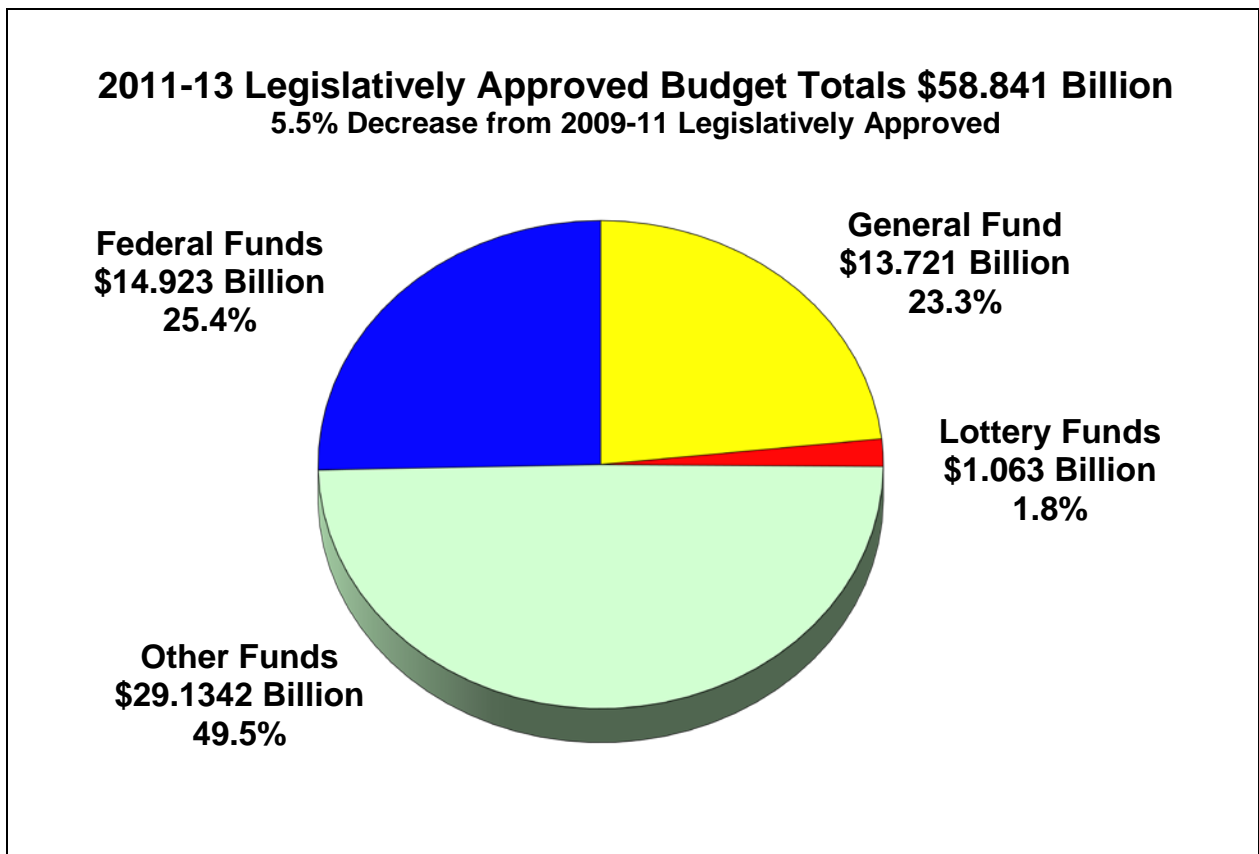
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Summary of 2011-13 Legislatively Approved Budget 2012 Session Actions

Budget Overview

The legislatively approved budget (LAB) for the 2011-13 biennium, as adjusted during the 2012 session and including authorized executive branch administrative actions, is \$58.8 billion total funds, an increase of \$1.02 billion from the 2011-13 budget adopted at the end of the 2011 session. The budget increase since the 2011 session was comprised of about \$504 million Federal Funds, mostly in human services programs, \$352 million Other Funds, and \$165 million in combined General Fund and Lottery Funds.

The total approved budget for 2011-13 includes \$14.8 billion in combined General Fund and Lottery Funds, \$29.1 billion Other Funds, and \$14.9 billion Federal Funds. The 2011-13 total budget represents a 5.5% decrease over the 2009-11 biennium's legislatively approved total budget of \$62.2 billion. Although the total budget is lower, combined General Fund and Lottery Funds expenditures are actually \$1.18 billion higher in the 2011-13 biennium than in the previous budget period, an increase of 8.7%. The primary reason for the decrease in the total 2011-13 budget is the significantly reduced amount of funding from the federal government from the economic stimulus and unemployment benefit extension programs. Federal Funds expenditures are \$2.8 billion lower in the 2011-13 budget than the amounts included in the 2009-11 approved budget, a decrease of nearly 16%.



The 2012 session was the first annual regular session of the Legislature occurring in an even-numbered year under the constitutional change passed by the voters in November 2010 authorizing annual

sessions. Ballot Measure 71 changed the requirement for the Legislature to meet from once every two years to once each year and limited the session length to 160 calendar days in the odd-numbered year and to 35 calendar days in the even-numbered year. The Legislature had experimented with the shorter even-numbered year session in 2008 and 2010 by calling itself into special sessions. For this first regular even-numbered year session, the Legislature convened on February 1, 2012, and completed business on March 3, 2012, within the constitutional 35 day limit.

As part of the 2012 session plan, the quarterly economic and revenue forecast was released on February 8th in order to provide the Legislature time to respond to any changes in the state's revenue situation. The forecast (still referred to as the March 2012 forecast) continued to show a weak overall economic condition with declines of \$28.6 million General Fund and \$6.5 million Lottery Funds from the previous forecast released in December 2011; however, the General Fund decrease was smaller than generally anticipated and represented the lowest decline since a slight increase was recorded in the May 2011 forecast. Since the Legislature had left the 2011 regular session with a combined General Fund and Lottery Funds ending balance of nearly \$474 million, the successive declines of the subsequent forecasts in September and December 2011 and March 2012 did not put the state in a deficit situation but did reduce the available ending balances to \$141 million General Fund and \$3.7 million Lottery Funds.

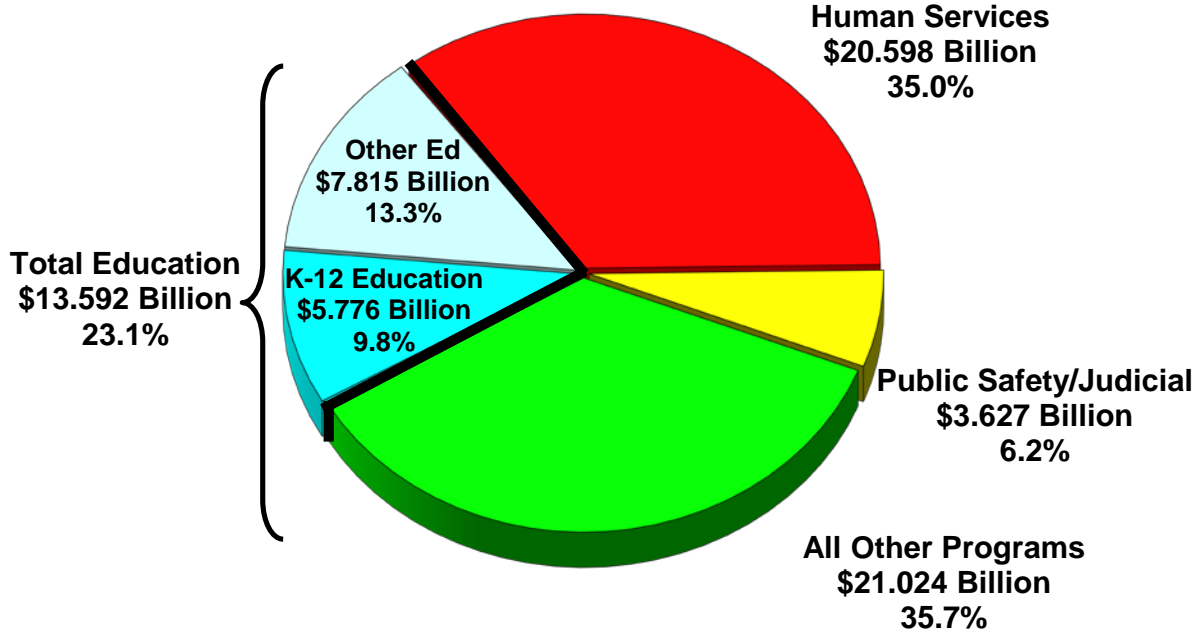
The budget rebalance plan that was the focus of the 2012 session was characterized by general concerns about the remaining revenue forecasts for the biennium and by budget restoration needs identified by the Joint Committee on Ways and Means. To address future forecasts, the Committee targeted retaining at least a \$115 million General Fund ending balance after all 2012 session actions. The budget restoration needs had a net cost of approximately \$200 million combined General Fund and Lottery Funds.

To implement the budget actions taken during the 2012 session, the Joint Committee on Ways and Means produced five main budget bills:

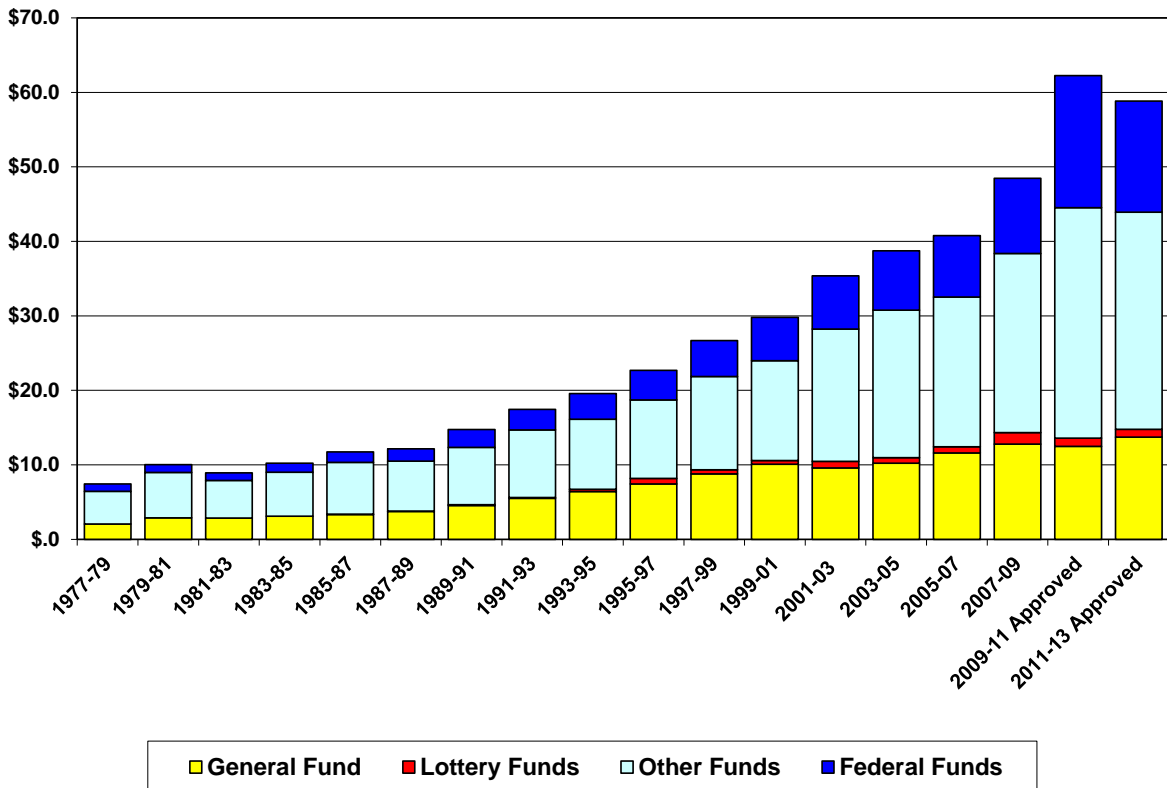
- SB 5701 – omnibus budget reconciliation
- SB 1579 – non-appropriation program changes to implement budget decisions
- SB 5702 – lottery funds and other allocation changes
- HB 5201 – bonding authorization changes
- HB 5202 – capital construction adjustments

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

2011-13 Legislatively Approved Budget - Total Funds \$58.841 Billion
 5.5% Decrease from 2009-11 Legislatively Approved



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



Major Components of All Funds Budget Change				
(\$ millions)				
Fund Type	2011-13 Adopted	2011-13 Approved	Change	Comments
General Fund/Lottery Funds	14,618.9	14,784.2	165.3	1.1% increase
Other Funds	28,782.0	29,133.7	351.7	1.2% increase
Federal Funds	14,419.2	14,923.1	504.0	3.5% increase
Total	57,820.1	58,841.0	1,020.9	1.8% increase
Detail below represents most significant elements of change				
General Fund/Lottery Funds Change Components				
Dept. of Human Services	2,036.9	2,140.3	103.5	Caseloads, cost-per-case, provider rates
Dept. of Corrections	1,324.8	1,362.8	38.1	Prison operations and community corrections funding
Emergency Board	72.7	109.4	36.6	New special purpose appropriations for allotment mitigation
Office of the Governor	15.2	33.0	17.8	Early Learning Council, Youth Development Council funds
Oregon Judicial Department	359.2	366.6	7.4	Legally mandated programs and new debt service
Oregon State Police	223.1	228.6	5.5	Patrol troopers and Criminal Division detectives
Military Dept.	24.1	28.4	4.3	Local Disaster Assistance
State School Fund	5,712.3	5,714.8	2.5	Small School District Supplemental Fund
Dept. of Forestry	50.3	52.7	2.4	Fire protection costs
Business Development Dept.	140.2	142.5	2.3	Lottery bond debt service
Housing and Community Services Dept.	20.4	21.9	1.5	CASA transfer and debt service
Employment Relations Board	0.9	1.9	1.0	Second fiscal year funding for local government costs
Oregon Health Authority	1,732.4	1,707.4	(25.0)	Caseload declines; one-time revenues to replace GF
Commission on Children and Families	40.3	21.7	(18.6)	Agency eliminated July 2012; funds moved to Gov's Office
Dept. of Transportation	87.1	74.6	(12.5)	Debt service fund shift; highway damage repair; capital const.
Oregon Youth Authority	257.5	256.1	(1.4)	Restoration offset by restructuring government reduction
Total	12,097.5	12,262.9	165.4	
Other Funds Change Components				
Oregon University System	4,480.2	4,562.4	82.2	Capital construction
Oregon Health and Sciences University	31.6	100.9	69.3	Oregon Opportunity Bond refinancing
Dept. of Transportation	3,570.8	3,612.1	41.3	Debt service, repair of winter storm damage, DMV Bend office
Oregon Judicial Department	25.0	55.8	30.9	eCourt Program; Local Court Security; Specialty Courts
Business Development Dept.	263.1	285.9	22.8	Infrastructure Finance Authority debt service
Dept. of Human Services	430.3	452.6	22.3	Employment Dept. child care funds, other revenue increase
Dept. of State Lands	36.5	56.6	20.1	Common School Fund loan to Dept. of Revenue
Oregon Health Authority	5,284.2	5,302.8	18.6	Insurer tax; Danmasch funds
Dept. of Veterans' Affairs	488.3	498.4	10.1	Capital construction - second veterans' home
Office of the Governor	2.7	12.6	9.9	Early Learning Council, Youth Development Council funds
Community Colleges and Workforce Dev.	6.9	16.7	9.8	Capital construction
Housing and Community Services Dept.	721.0	730.1	9.1	Energy Assistance, Homeownership Stabilization, CASA
Commission on Children and Families	18.2	8.3	(9.9)	Agency eliminated July 2012; funds moved to Gov's Office
Total	15,358.9	15,695.4	336.5	
Federal Funds Change Components				
Dept. of Human Services	5,515.5	5,806.5	291.0	Caseloads, cost-per-case, provider rates; also nonlimited FF
Oregon Health Authority	4,984.7	5,137.5	152.8	Grants for electronic health records; high risk pool
Employment Dept.	1,277.1	1,296.6	19.5	UI benefit extensions, grants, administrative reimbursement
Dept. of Veterans' Affairs	0.0	19.4	19.4	Capital construction - second veterans' home
Criminal Justice Commission	12.5	19.5	7.0	Federal grant funding
Housing and Community Services	307.3	312.3	5.0	Federal Neighborhood Stabilization Program grant
Office of the Governor	0.8	4.2	3.4	Early Learning Council, Youth Development Council funds
Parks and Recreation Dept.	12.7	15.8	3.1	USFWS/NOAA grants - land acquisition and heritage programs
Commission on Children and Families	4.3	0.9	(3.4)	Agency eliminated July 2012; funds moved to Gov's Office
Total	12,114.8	12,612.6	497.8	

General Fund and Lottery Expenditures

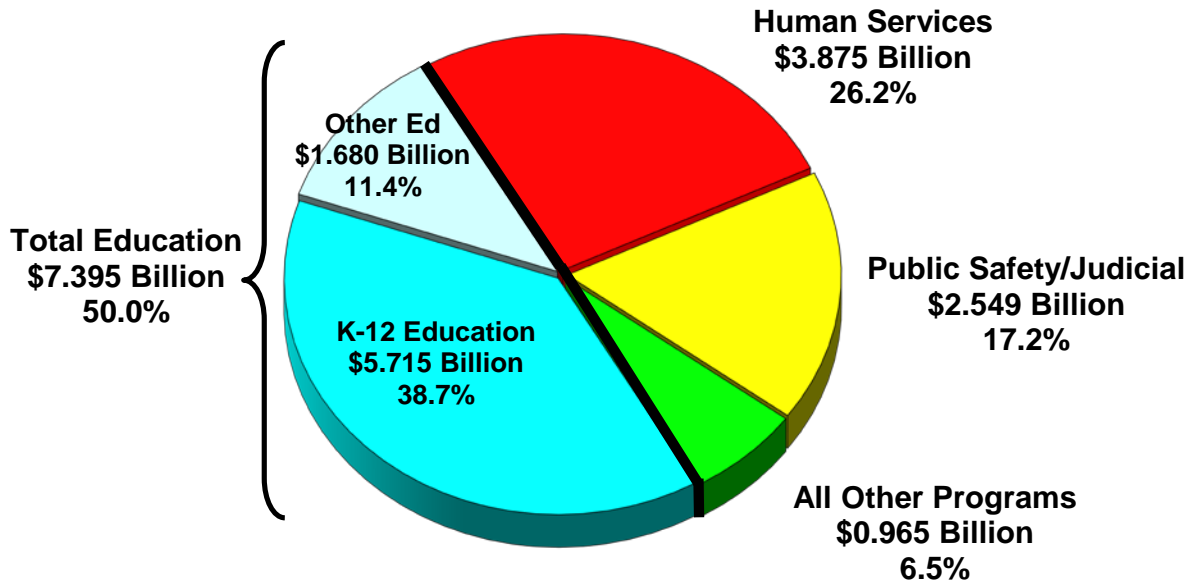
Combined General Fund and Lottery Funds expenditures for the 2011-13 biennium as a result of 2012 session actions total \$14.784 billion, up \$1.184 billion from the legislatively approved budget for the 2009-11 biennium, an increase of 8.7%, and up \$165.3 million from the legislatively adopted budget for the 2011-13 biennium, an increase of 1.1%. Most of this budget growth came from the General Fund as appropriations increased by \$158.6 million from the adopted budget, from \$13.563 billion to \$13.721 billion. Lottery Funds expenditures only increased by \$6.7 million from the adopted budget, from \$1.056 billion to \$1.063 billion. Due to declining lottery receipts, this was only possible by accessing the entire Lottery Funds projected ending balance, most of which was used to fully cover the costs of lottery bond debt service needs.

With the state experiencing an uncertain economic situation, the Co-Chairs of the Joint Committee on Ways and Means were tasked by the presiding officers of the Legislative Assembly with developing a 2011-13 biennium budget rebalance plan for action during the 2012 session. The plan was necessitated by projected declines in General Fund and Lottery Funds resources from the economic and revenue forecasts in September and December 2011. From the forecast used to develop the legislatively adopted budget during the 2011 session, combined General Fund and Lottery Funds resources declined by about \$306 million by December 2011. Given the trend, there were concerns that the next forecast (the March 2012 forecast to be released early in the 2012 session) would show further signs of declining resources for the state's budget.

The Co-Chairs began their budget rebalancing planning in December 2011 by engaging the Joint Committee's subcommittee co-chairs in reviewing state agency supplied reduction option lists with the assistance of Legislative Fiscal Office staff. The subcommittee co-chairs reviewed agency options for addressing the 3.5% supplemental ending balance holdback from the adopted budget and also looked at additional options supplied by agencies for budgetary reductions. In certain cases such as human services and public safety, the subcommittee co-chairs identified the need to restore a portion of the proposed actions to address the 3.5% supplemental ending balance holdback due to the potential effects on the safety and health of Oregonians. The subcommittee co-chair recommendations were presented to the Co-Chairs in early January.

After release of the March 2012 revenue forecast, which declined by another \$35 million from the December 2011 forecast, the Co-Chairs agreed to a total rebalance problem of slightly over \$200 million that would need to be addressed during the 2012 session. Although the state was never in an actual deficit fiscal position, the need to add funding to certain programs to offset the effects of actions proposed to accommodate the supplemental ending balance holdback and to address other budget assumptions and problems that materialized since the close of the 2011 session led to the calculation of the \$200 million problem. Through a combination of proposed actions including selected program and service reductions, the reappropriation of certain account balances, accessing additional resources provided to the state through three unanticipated legal settlements, and engaging the executive branch in a governmental reform action to reduce administrative middle management positions and effectuate other business operational changes, the budget rebalance plan was developed. Details of the plan as enacted are identified in the program area summaries that follow.

2011-13 General Fund & Lottery Funds Total \$14.784 Billion
8.7% Increase from 2009-11 Legislatively Approved



Other actions taken by the Legislature during the 2012 session towards rebalancing the 2011-13 budget included the following:

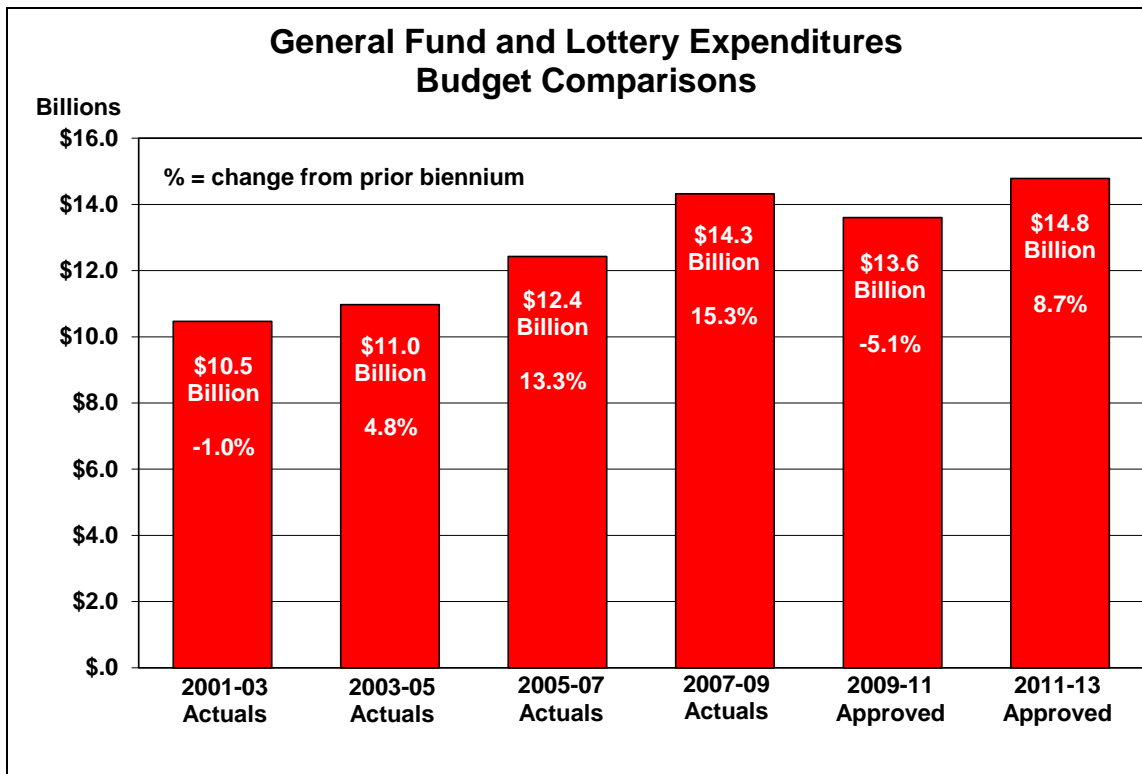
- a transfer of \$56.2 million from the Department of Justice Criminal Injuries Compensation Fund to the General Fund from the Philip Morris settlement;
- a series of reappropriations of existing Other Funds account balances totaling about \$46.2 million;
- disappropriation of several special purpose appropriations to the Emergency Board established in the adopted budget totaling \$38.2 million; and
- the assumption of net General Fund resource increases of \$31.1 million from the direct deposit of \$25.2 million from the mortgage settlement (\$25.2 million), lower interest costs for Tax Anticipation Notes (\$5 million), and reductions to programs funded with Criminal Fines Account resources resulting in higher transfers to the General Fund (\$0.9 million).

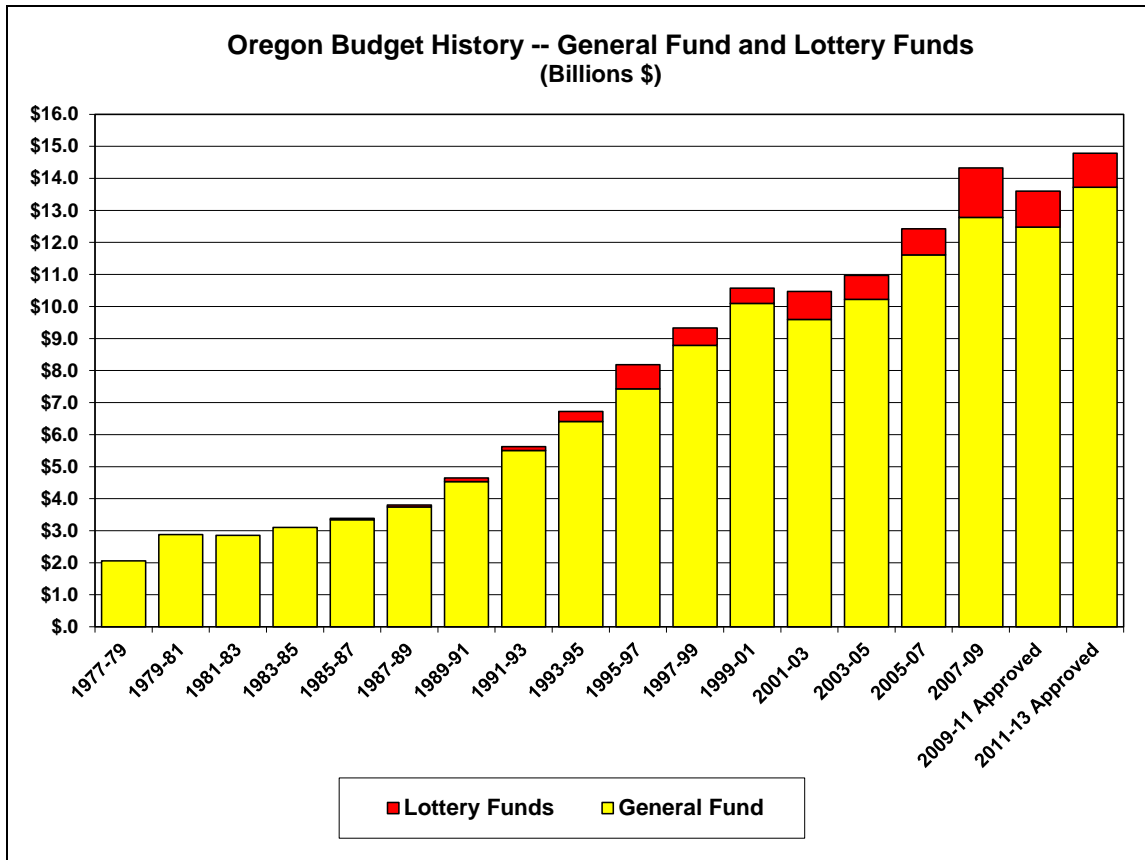
Most of these actions resulted in either resource additions to the General Fund or reductions in General Fund expenditures. Details of the majority of these actions can be found in the following table and in the program area descriptions included later in this document.

February 2012 Rebalance Plan - Reappropriations and Transfers to the General Fund

Actions Taken in SB 1579		
DOJ - Criminal Injuries Compensation Fund	56,200,000	Philip Morris Settlement
SOS - Operating Account	1,057,904	Corporate Filing Fees
OBDD - Building Opportunities for Oregon Small Business	3,692,500	BOOST
OHA - Tobacco Use Reduction Account	1,500,000	TURA for use in health programs
OHA - Community Housing Trust Account	0	\$5.7 million Dammasch OF for health programs
OED - Special Administrative Fund	1,100,000	Employment Penalties and Interest
OED - Supplemental Employment Depart. Administration Acct	9,000,000	Employment SEDAF
DOR - Tax Amnesty Fund	3,000,000	
OJD - State Court Facilities and Security Account	6,552,125	Used to restore Judicial reductions
DEQ - Motor Vehicle Pollution Account	3,000,000	Vehicle Inspection Program
DOJ - Protection and Education Revolving Account	4,000,000	Related to Mortgage Settlement plan
DAS - Insurance Fund	13,300,000	
	102,402,529	
Forecast Changes		
DOJ - General Fund Deposit of Mortgage Settlement	25,200,000	Federal Court Order directs deposit straight to GF
TANS - Interest Savings	5,000,000	Lower interest costs than assumed in LAB
SB 5702 - CFA Allocation Change	873,897	CFA allocation reductions = higher GF (RIS)
HB 4005-C - Wolf Predation Tax Credit	(10,000)	Max of \$37,500/year, effective January 1, 2012 (RIS)
	31,063,897	

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





As a result of the March 2012 revenue forecast and the actions taken during the 2012 session, the 2011-13 budget rebalance plan assumed the following amounts as potential revenues or reserves for the remainder of the biennium:

- General Fund projected 2011-13 ending balance of \$115 million
- Emergency Fund balance of \$109 million (\$27 million general purpose and \$82 million special purposes)
- Rainy Day Fund projected 2011-13 ending balance of \$46 million (plus potentially another approximately \$10 million from executive branch agency 2009-11 General Fund reversions)
- Education Stability Fund projected 2011-13 ending balance of \$10 million
- Lottery Funds projected 2011-13 ending balance of zero

Lottery Revenues and Expenditures

The Legislature rebalanced the allocation of Lottery Funds to the resource level projected by the Office of Economic Analysis in the March 2012 revenue forecast. The March 2012 forecast projected total lottery resources of \$1.095 billion for the 2011-13 biennium, a \$35.6 million (or 3.1%) decline from the May 2011 forecast level used during the 2011 session for the legislatively adopted budget. At this revised lottery resource forecast level, current biennium lottery resources are practically unchanged from the prior biennium – a \$6.9 million (or 0.6%) increase over the 2009-11 biennium level.

Lottery Resources				
(\$ in millions)				
	2009-11 Legislatively Approved	2011-13 Legislatively Adopted	2011-13 Legislatively Approved	Change from 2011 Session
Net Lottery Proceeds	\$1,056.8	\$1,120.3	\$1,084.7	(\$35.6)
Beginning Balance	1.4	0.2	0.2	(0.0)
Admin Savings and Contingency Transfers	29.3	8.0	8.0	0.0
Reversions	0.0	1.4	1.4	0.0
Interest Earnings	1.1	1.1	1.1	0.0
Total Lottery Resources	\$1,088.6	\$1,131.0	\$1,095.4	(\$35.6)

During the 2011 session, the Legislature anticipated \$1.131 billion of total lottery resources, and adopted a budget that authorized \$1.103 billion of these resources for transfer and allocation, thereby retaining a \$27.5 million ending balance in the Administrative Services Economic Development Fund (EDF). This budgeted ending balance included \$15 million to address potential future lottery resource reductions, plus \$12.5 million to restore, if needed, the 3.5% allocation reductions that were approved in the 2011 session to provide a supplemental statewide ending balance reserve.

During the 2012 session, the Legislature had to reduce program lottery allocations to rebalance the lottery budget at the new forecast resource level. The \$27.5 million in total EDF ending balance budgeted in 2011 was insufficient to address the \$35.6 million decline in EDF resources, leaving an \$8.1 million deficit. Any decline in lottery resources, however, reduces transfers to the Education Stability Fund and to the Parks and Natural Resources Fund without legislative action, because the transfer amounts to these two funds are established by the Oregon Constitution. The constitution dedicates 18% of net lottery proceeds and administrative savings to the Education Stability Fund, and another 15% to the Parks and Natural Resources Fund. At the March 2012 revenue forecast level, the transfers to the Education Stability Fund and to the Parks and Natural Resources Fund are reduced by \$6.5 million and by \$5.3 million, respectively, (or by \$11.8 million total) without any statutory adjustments. After these constitutionally-mandated reductions in transfers to the Education Stability Fund and to the Parks and Natural Resources Fund are considered, the current lottery budget changes from an \$8.1 million deficit to a \$3.7 million surplus.

Lottery allocations for debt service, however, needed to be increased to fully cover debt service costs. The increases were necessary because these allocations had been reduced by 3.5% (equal to \$9.6 million) in the 2011 session as part of the action to create a supplemental statewide ending balance. The 2012 session legislatively approved budget authorized \$1.47 million of additional Other Funds (lottery bond proceeds and interest earning on proceeds) in lieu of Lottery Funds to pay debt service, but even allowing for this, an additional \$8.1 million of lottery allocations were needed to pay

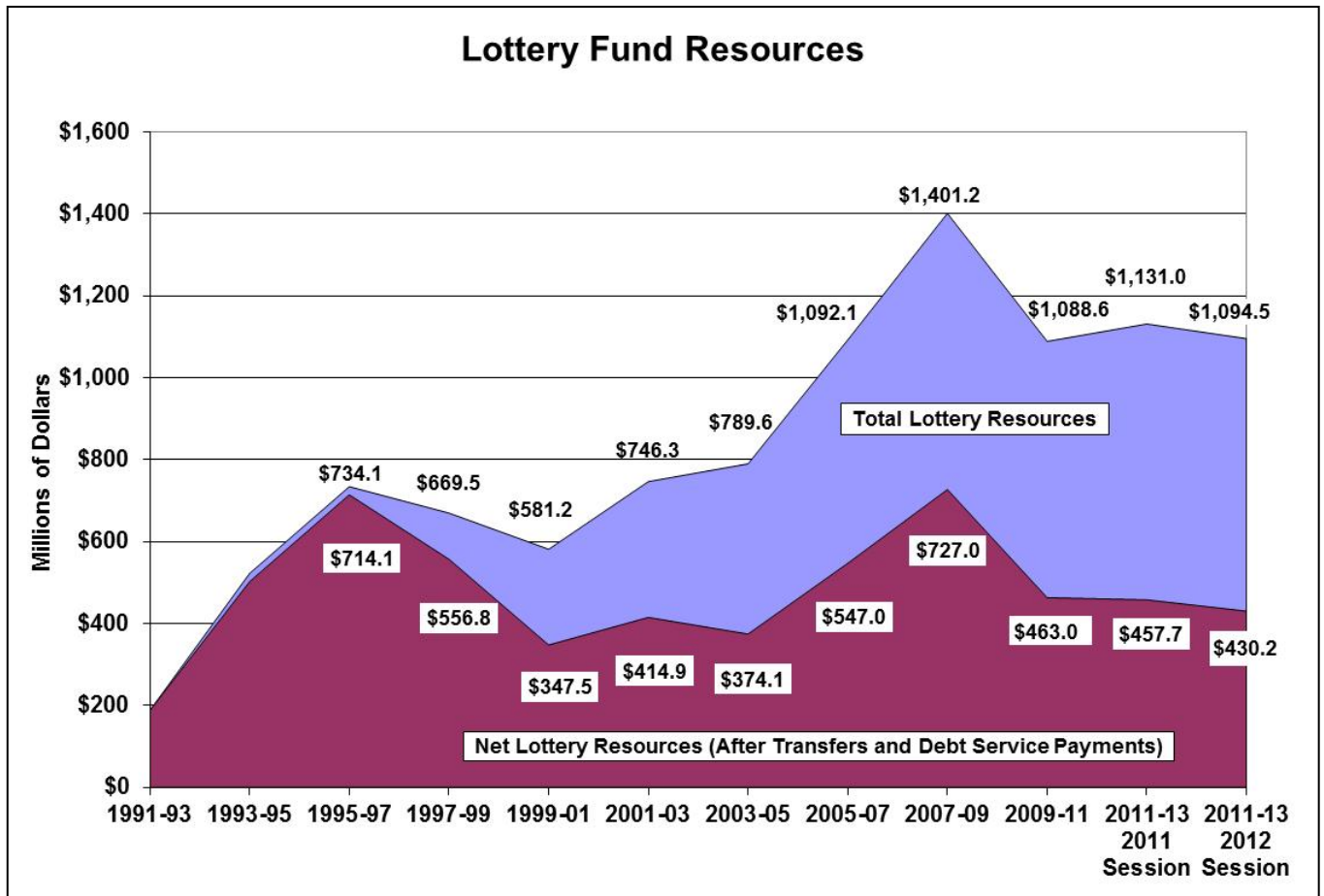
debt service costs. The \$3.7 million lottery budget surplus was not sufficient to finance this. Program allocations needed to be reduced by \$4,442,310 to fund debt service and rebalance the lottery budget.

The Legislature approved \$4,442,310 in lottery allocation reductions to rebalance the lottery budget, as follows:

- Delay the issuance of certain lottery bonds – The Legislature delayed the issuance of Housing and Community Services Department lottery bonds, approved during the 2011 session for a Spring 2012 issuance, to Spring 2013. As a result, there now will be no debt service costs associated with these bonds during the 2011-13 biennium. This action allowed the allocations for debt service to be reduced by \$323,486.
- Reductions in program allocations – As part of the 2012 session budget reconciliation, program allocations were reduced as follows:
 - Oregon Business Development Department – decreased the allocation for Shared Services operations by \$139,171.
 - Oregon Business Development Department – decreased the allocation for Business, innovation, and trade by \$293,896.
 - Oregon Business Development Department – decreased the allocation for the Oregon Film and Video Office by \$81,315.
 - Office of the Governor – decreased the allocation to the Office of the Governor by \$943 as a technical correction to the allocation amount approved in the 2011 session.
 - Oregon University System – decreased the allocation to the Sports Lottery Account by \$232,960.
 - Oregon Health Authority – decreased the allocation to the Problem Gambling Treatment Fund by \$390,969.
- State School Fund – An additional \$2,979,570 allocation reduction was still required to rebalance the Lottery Funds budget, after taking all of the allocation reductions identified above. The Legislature reduced the allocation to the State School Fund by this amount; however, this reduction was offset by an equal General Fund appropriation increase. There was, therefore, no impact to the State School Fund from this action.

After these actions, lottery transfers and allocations from the Administrative Services Economic Development Fund equal the level of lottery resources in the March 2012 revenue forecast. If resources fall short of forecast, the Department of Administrative Services will make equal-proportional reductions to all non-debt service statutory allocations, as needed, to rebalance the lottery allocations to available resources. If resources exceed the March 2012 forecast, the excess will be retained in the EDF ending balance, and will be available as a resource for the 2013-15 biennium budget. In 2009, legislation was passed to transfer the EDF ending balance to the School Capital Matching Fund to finance school district capital costs. In 2011, however, (in SB 939) the Legislature suspended the transfer of the 2011-13 biennium ending balance, so therefore for this biennium any ending balance will be retained.

The chart below includes data on lottery resource levels since the 1991-93 biennium.



The table on the following page compares the 2011 session legislatively adopted budget with the legislatively approved budget after the 2012 session actions to rebalance the Lottery Funds budget.

LOTTERY FUNDS CASH FLOW SUMMARY

	2011-13 Legislatively Adopted Budget	2011-13 Legislatively Approved Budget	2011 Session Changes	Percent Change
ECONOMIC DEVELOPMENT FUND				
RESOURCES				
Beginning Balance	\$244,821	\$244,736	(\$85)	0.0%
REVENUES				
Transfers from Lottery				
Net Proceeds	\$1,120,295,553	\$1,084,706,659	(\$35,588,894)	-3.2%
Administrative Savings	\$8,000,000	8,005,456	5,456	0.1%
Other Revenues				
Interest Earnings	\$1,100,000	1,100,000	0	0.0%
Reversions	\$1,361,248	1,361,248	0	0.0%
Total Revenue	1,130,756,801	1,095,173,363	(35,583,438)	-3.1%
TOTAL RESOURCES	1,131,001,622	1,095,418,099	(35,583,523)	-3.1%
DISTRIBUTIONS / ALLOCATIONS				
Distribution of Video Revenues to Counties	\$37,118,584	37,118,584	0	0.0%
Distribution to OUS Sports Lottery Account	\$8,825,680	8,592,720	(232,960)	-2.6%
Distribution to Education Stability Fund	\$203,093,200	196,688,181	(6,405,019)	-3.2%
Distribution to Parks and Natural Resources Fund	\$169,244,333	163,906,817	(5,337,516)	-3.2%
Distribution for Gambling Addiction Treatment Programs	\$10,972,521	10,581,552	(390,969)	-3.6%
Allocation to State School Fund	\$374,741,287	371,761,717	(2,979,570)	-0.8%
Department of Administrative Services				
For Department of Agriculture County Fairs Admin.	\$18,354	18,354	0	0.0%
Distribution to County Fairs	\$3,600,135	3,600,135	0	0.0%
Oregon Business Development Department				
Shared Services	\$6,822,694	6,683,523	(139,171)	-2.0%
Business, Innovation, Trade	\$45,534,264	45,240,368	(293,896)	-0.6%
Film and Video	\$1,207,893	1,126,578	(81,315)	-6.7%
Office of the Governor				
Economic Revitalization Team	\$1,856,674	1,855,731	(943)	-0.1%
Debt Service Allocations	\$240,443,627	248,243,839	7,800,212	3.2%
TOTAL DISTRIBUTIONS / ALLOCATIONS	1,103,479,246	1,095,418,099	(8,061,147)	-0.7%
ENDING BALANCE	\$27,522,376	\$0	(\$27,522,376)	-100.0%
EDUCATION STABILITY FUND (not including the OGA or ORTDF)				
RESOURCES				
Beginning Balance	0	5,061,518		N/A
Revenues				
Transfer from the Economic Development Fund	192,938,540	187,035,590		-3.1%
Interest Earnings	1,466,342	392,747		-73.2%
Total Revenue	194,404,882	187,428,337		-3.6%
TOTAL RESOURCES	194,404,882	192,489,855		-1.0%
DISTRIBUTIONS				
Interest Distributions	(1,466,463)	(431,799)		-70.6%
Transfers to the State School Fund	(182,239,000)	(182,239,000)		0.0%
TOTAL DISTRIBUTIONS	(183,705,463)	(182,670,799)		-0.6%
ENDING BALANCE	\$10,699,419	\$9,819,056		-8.2%

Other Funds Expenditures

The 2011-13 legislatively approved budget provides for the expenditure of \$29.1 billion in Other Funds resources, an increase of 1.2% over the 2011-13 legislatively adopted budget. Other Funds consist of revenue received by a state agency other than General Fund, Lottery Funds, or Federal Funds, and is generally restricted by law to defined purposes. Examples include revenue from licenses and fees; charges for services; fines, rents and royalties; interest earnings; bond sale proceeds; sales income; donations and contributions; loan repayments; and certain funds received from the federal government.

The 2012 legislative session increased the 2011-13 Other Funds budget by \$351.7 million. Just over half of the change was due to capital construction projects, bond refinancing, and debt service payments. The most significant changes since the close of the 2011 legislative session include:

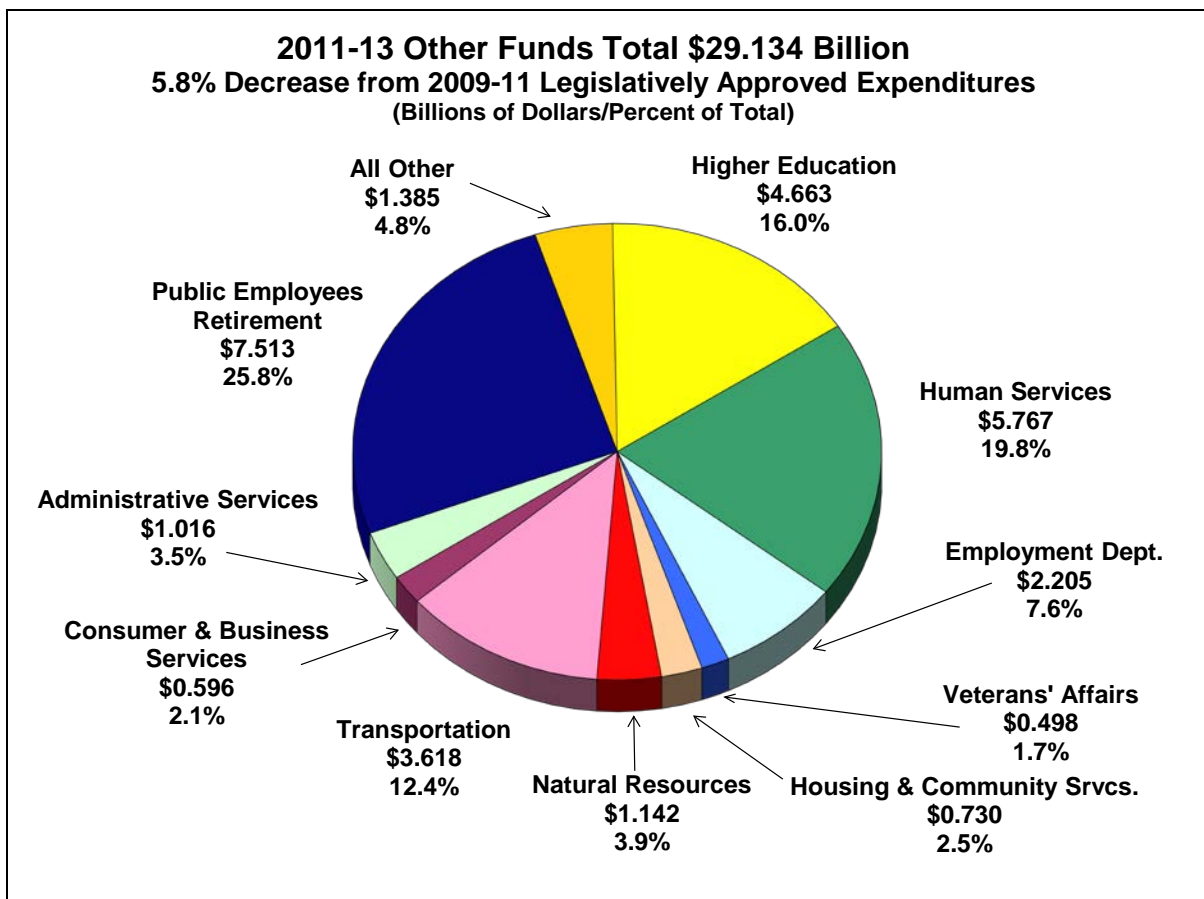
- \$81.9 million for four Oregon University System capital construction projects, all funded with Article XI-F (1) general obligation bonds. Debt service on the bonds will be paid with student fees, housing and dining revenues, and other campus funds.
- \$23.4 million for the Judicial Department for the continued development of the Oregon eCourt Program.
- \$22.3 million for the Department of Human Services (DHS). The most significant components of the increase are \$6.2 million in federal child care funds transferred from the Employment Department and spent in DHS as Other Funds, \$5.6 million for purchases budgeted in 2009-11 but delayed into the 2011-13 biennium for the Self Sufficiency Modernization project, \$4 million for increased local matching funds for transportation services for individuals with developmental disabilities, \$2.6 million in nursing facility provider tax revenues associated with the partial restoration of nursing facility provider rate reductions anticipated in the legislatively adopted budget, and \$1.5 million in other revenues used to offset General Fund in the Seniors and People with Disabilities budget.
- \$15.97 million for debt service payments on the Oregon Wireless Interoperability Network shifted from General Fund to Highway Funds in the Department of Transportation.
- \$10.1 million in additional Other Funds Capital Construction limitation for the Oregon Department of Veterans' Affairs for construction of a 150-bed facility in Linn County scheduled for completion in 2014. The source of funding is local government special property tax levy proceeds that are being used as state matching funds against a federal grant for the project.
- \$10 million for previously unallocated insurer tax revenues at the Oregon Health Authority.
- \$9.2 million for Department of Transportation highway repair of damage sustained during winter storms in 2009 and 2011.
- \$9.6 million Other Funds (Lottery Bonds) were approved for capital construction projects at all 17 community colleges. Projects will support various Career Technical Education (CTE) and Science, Technology, Engineering and Mathematics (STEM) programs at the colleges. However, the Lottery Bonds to fund these projects cannot be issued if the State Treasurer, after considering a report from the State Debt Policy Advisory Commission (SDPAC) on lottery backed debt capacity, determines that lottery-backed debt capacity is not sufficient to support issuance of the bonds. The SDPAC report is to be received no later than February 1, 2013.
- \$9.1 million for the Oregon Department of Housing and Community Services (HCS), consisting of \$5 million attributable to additional collections and payments authorized by SB 863 (2011) for low income energy assistance, \$2.7 million for the Homeownership Stabilization Initiative to help Oregonians at risk of foreclosure, and \$1.4 million is due to the transfer of the Court Appointed Special Advocates (CASA) program from the Oregon Commission on Children and Families to the Oregon Volunteers! Commission for Voluntary Action and Service within HCS.

- \$5.7 million Other Funds consisting of Dammasch Housing Trust Fund revenues that will be spent for Oregon Health Authority programs this biennium.
- \$5.6 million for the long-term care and treatment program in the Oregon Department of Education. The increase supports an additional 271 slots for the implementation of SB 170 (2011) and \$1.6 million Other Funds for a high-cost reserve and inflation in the average net operating expenditures.
- \$4.7 million for the Judicial Department for transfer to local court security accounts.
- \$4 million for the Military Department related to the Oregon Local Disaster Assistance Grant Account.
- \$3.2 million for the Department of Corrections for grants to local jails funded by criminal court fees. This limitation was inadvertently left out of HB 2712 (2011).
- \$2 million for the Department of Administrative Services to complete court facilities projects supported by lottery bond proceeds from bonds issued in the 2009-11 biennium.
- \$1.8 million Other Funds and \$1.7 million Federal Funds expenditure limitation and 10 limited duration positions (6.63 FTE) for the Department of Geology and Mineral Industries to accommodate increased contract workload.
- \$1.8 million Other Funds Capital Construction expenditure limitation increase to remodel the Driver and Motor Vehicles offices in Bend.
- \$1.7 million for the Judicial Department for funding of new and existing Specialty Courts.
- \$1.4 million for the Public Defense Services Commission for trial-level public defense.
- \$1.3 million for the Public Defense Services Commission for its Application Contribution Program.
- \$1.3 million for the State Marine Board for local law enforcement contracts and for boater facility maintenance and improvements.
- \$436,875 for the Oregon State Police for the use of ending balance resources to offset the need to lay off up to five Fish and Wildlife enforcement troopers due to falling Ballot Measure 76 Lottery revenues.
- \$250,000 for the State Treasurer related for expenditures of grant funds received from the Rockefeller Foundation for the purpose of designing and launching a West Coast Infrastructure Exchange.

Several agencies also had significant decreases in Other Funds expenditure limitation:

- The Oregon Business Development Department Other Funds expenditure limitation was reduced by \$3.7 million; \$377,500 was a reduction in Other Funds expenditure limitation and \$3.3 million was a reduction in Other Funds Nonlimited expenditures due to elimination of the Building Opportunities for Oregon Small Business Today (BOOST) program. The \$3.7 million of BOOST program Other Funds were transferred to the General Fund. The agency will honor its existing BOOST program commitments, however, no new BOOST program grants or loans will be provided.
- A decrease in Other Funds expenditure limitation of \$873,897 for criminal justice training at the Department of Public Safety Standards and Training (DPSST) resulting from a decrease in allocation of Criminal Fines Account resources.
- A reduction of \$5.4 million Other Funds expenditure limitation for the Employment Department, primarily due to utilization of available Federal Funds for administration of the unemployment insurance program.

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



Federal Funds Expenditures

The 2011-13 legislatively approved budget authorizes expenditure of \$14.9 billion Federal Funds. Federal Funds comprise revenue from the federal government sent to state agencies to pay for specific programs and activities. Examples include competitive grants, matching funds, block grants, pass-through funds, or special payments.

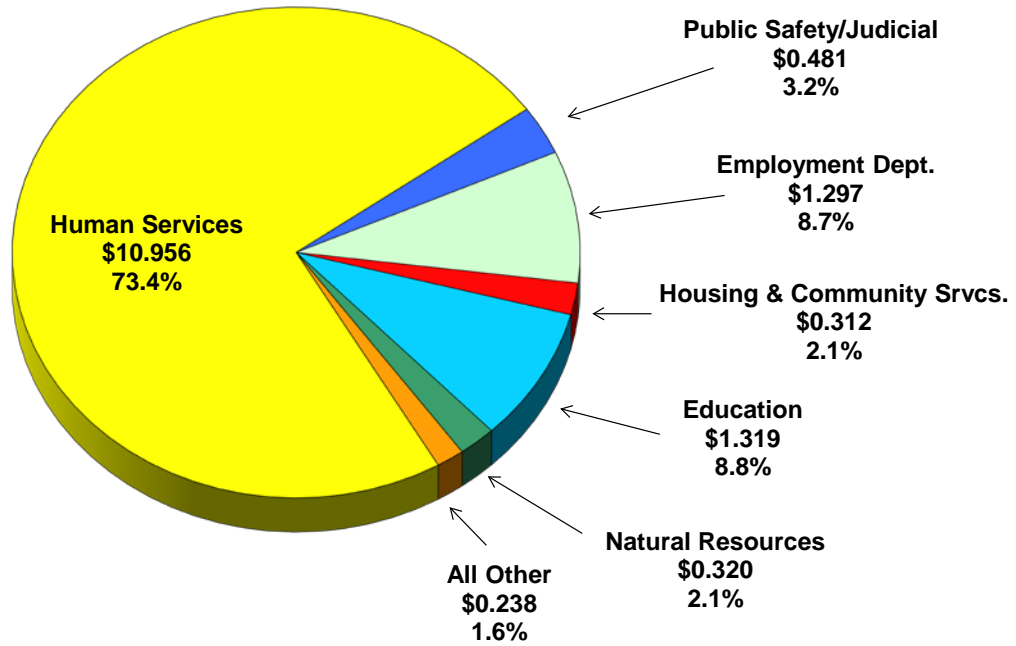
The 2012 legislative session and other administrative actions since the end of the 2011 regular session increased the 2011-13 Federal Funds budget by \$0.5 billion, an increase of 3.5% from the legislatively adopted budget. Of the \$0.5 billion, \$0.13 billion is attributed to an increase in nonlimited authority for the Department of Human Services for benefit increases in the Supplemental Nutrition Assistance Program (SNAP, previously known as Food Stamps). The remaining increase of \$0.37 billion is credited to receipt of federal grants and carry-forward of unspent federal grants received in the prior biennium. The most significant changes since the close of the regular session include:

- \$160.7 million Federal Funds expenditure limitation for the Department of Human Services, primarily in the Seniors and People with Disabilities programs. The total includes one-time SNAP program bonus awards, federal Temporary Assistance to Needy Families (TANF) funds carried forward from the 2009-11 biennium, and additional federal TANF contingency funds; matching federal funds for caseload and cost increases in the Department's budget rebalance; and matching federal funds for General Fund actions to restore or mitigate reductions in provider reimbursement rates for programs serving seniors and people with physical and developmental disabilities.
- \$80 million Federal Funds expenditure limitation for the Oregon Health Authority for the Federal Medical Insurance Pool (FMIP), a new federal program to provide insurance coverage for high risk individuals.

- \$80 million Federal Funds expenditure limitation for the Oregon Health Authority for projects supported by the Office of Health Information Technology (OHIT); the majority of the funding will be passed through to health care professionals and hospitals in Oregon as incentives to develop electronic health record systems.
- \$19.4 million Federal Funds capital construction expenditure limitation for construction costs for a second Veterans' home located in Linn County.
- \$12.3 million Federal Funds expenditure limitation in the Employment Department for benefits administration and public employment offices and \$6.2 million for allowable child care expenditures to be transferred to the Department of Human Services.
- \$6.9 million Federal Funds expenditure limitation in the Oregon Criminal Justice Commission's budget reflecting the amount of federal funds through the Byrne/Justice Assistance Grant that must be spent by the end of the 2011-13 biennium.
- \$5 million Federal Funds expenditure limitation in the Housing and Community Services Department to expend grant funds received for phase three of the Neighborhood Stabilization Program to provide grant funds to local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight.
- \$3.1 million Federal Funds expenditure limitation in the State Parks and Recreation Department to support disbursement of grant funds received from the U.S. Fish and Wildlife Service and the National Oceanic and Atmospheric Administration program.
- \$2.4 million Federal Funds expenditure limitation in the Department of Consumer and Business Services for a U.S. Department of Health and Human Services Health Insurance Rate Review-Cycle II grant to enhance review of health insurance premium rate filings.
- \$1.8 million Federal Funds expenditure limitation in the Department of Geology and Mineral Industries to accommodate increased demand for contract services for LIDAR data collection and FEMA flood hazard mapping.
- \$7.2 million Federal Funds expenditure limitation *decrease* due to lower caseloads in the Oregon Health Authority Aid to the Blind and Elderly programs.
- \$1.4 million Federal Funds expenditure limitation *decrease* in the Child Support program of the Department of Justice resulting from reductions in the General Fund match budget.

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

2011-13 Federal Funds Total \$14.923 Billion
15.8% Decrease from 2009-11 Legislatively Approved Expenditures
(Billions of Dollars/Percent of Total)



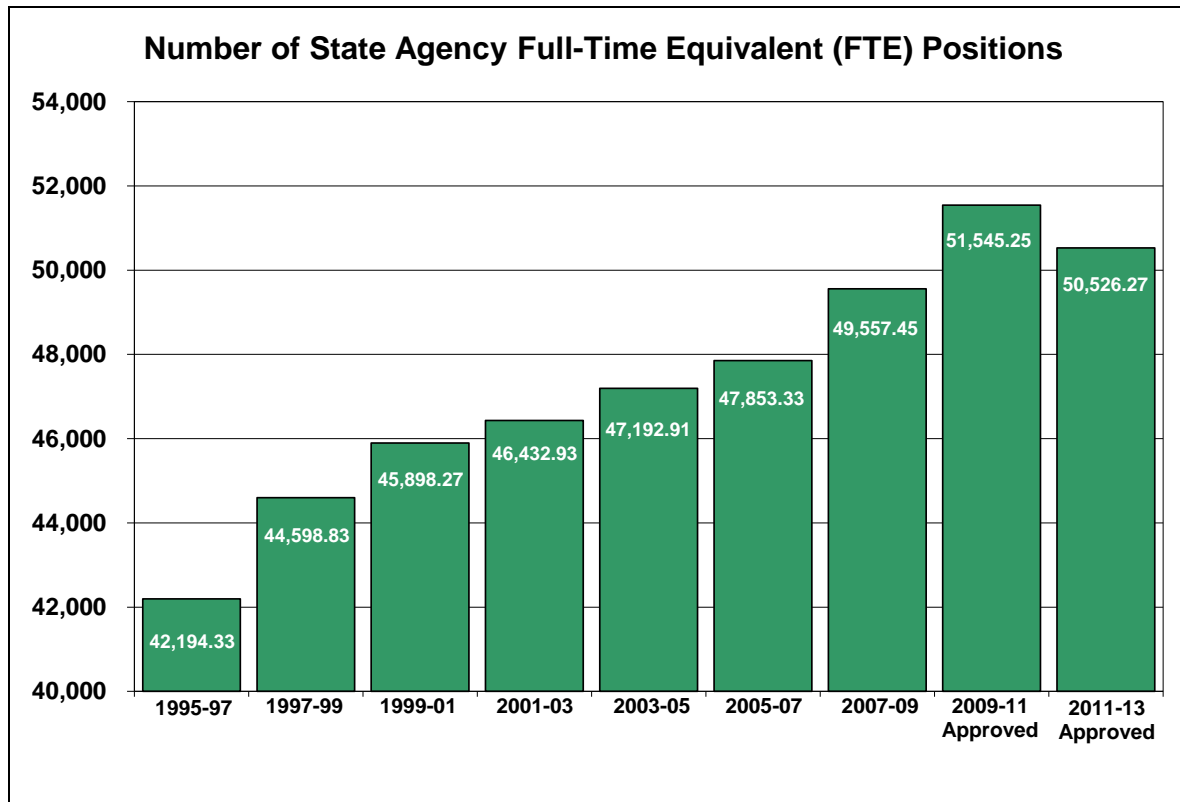
Summary of 2012 Session Legislative Actions Affecting the 2011-13 Budget

State Employees

The legislatively approved total funds budget as adjusted by the Legislature in the 2012 session and by other administrative actions taken since the adoption of the budget in June 2011 supports 58,317 positions (or 50,526.27 Full-Time Equivalent (FTE) positions). An FTE represents the number of months for which each position is budgeted during the 24-month biennium. This represents a net decrease of 1,259 positions from the 2009-11 legislatively approved budget, or a decline of 2.1%. Over the same period, the number of FTE declined by 1,018.98, a drop of 2%. The only program areas with increases in FTE between the 2009-11 approved and 2011-13 approved budgets were human services and the legislative branch. Increases in human services came exclusively from the Oregon Health Authority, primarily due to staffing requirements at the Oregon State Hospital. The increase in the legislative branch was due to a technical change in the way FTE is calculated in the Legislative Assembly; the total number of actual positions, not FTE, declined between the two biennia.

State law (ORS 240.185) limits the number of state FTE positions to 1.5% of the state's population in the previous year. As of July 1, 2011, the state's population was estimated at 3,856,800. The FTE limit at the mid-point of the biennium is therefore 57,840, substantially higher than the number included in the legislatively approved budget. In addition, ORS 240.185 also provides for certain FTE exclusions, including employees in the legislative and judicial branches, the Offices of the Secretary of State, the Governor, and the Treasurer, and some positions in the Employment Department and the Oregon University System.

A complete list of 2009-11 and 2011-13 positions and FTE by agency can be found in Appendix A.



Legislation and Budget Actions Affecting State Employees

As part of the legislative plan to rebalance the 2011-13 biennium budget, the Legislature included a reduction of \$28 million in combined General Fund and Lottery Funds as part of an effort to restructure state government business operations designed to make permanent changes to the management of agency programs and services. This effort is complementary to the Executive Branch interest in studying and modifying the state's compensation and classification systems to potentially realign the relative balance of management service and represented employees in state government.

Based on this decision, the personal services budgets of selected state agencies were reduced by targeted amounts. The following budget note was included to indicate the Legislature's intent for the \$28 million in reductions.

The budget rebalance plan developed by the Co-Chairs of the Joint Committee on Ways and Means included the elimination of targeted amounts from adopted budgets through actions to be taken to reduce the number of middle managers and public affairs positions in state government and to reduce the amount currently planned for advertising and personal services contracts. In order to make these targeted reductions primarily to personal services appropriations, the Legislative Fiscal Office is directed to work with agencies to identify specific management and other positions to be eliminated as part of a restructuring of business operations aimed at making permanent changes to the management of agency programs and services. Affected agencies are directed to report on the status of this effort, with the assistance of the Legislative Fiscal Office, to the Emergency Board in May 2012. Since these reductions are intended to be permanent, it is expected that no positions recommended for elimination as a result of this plan will be included in the Governor's proposed 2013-15 budget.

HB 4131 was also approved by the Legislature and directs certain Executive Branch agencies with 100 or more employees that have not attained an 11 to 1 ratio of non-supervisory employees to supervisory employees, to increase the ratio of non-supervisory employees to supervisory employees by at least one non-supervisory employee by no later than October 31, 2012. If the ratio of an agency remains less than 11 to 1 after that date, the agency is prohibited from filling supervisory employee positions until the agency has increased the ratio by at least one additional non-supervisory employee. The agency must then increase the ratio by one additional non-supervisory employee each year until the 11 to 1 ratio is reached.

The bill provides for an exception to the ratio attainment requirements if a state agency demonstrates that an exception is warranted due to unique or emergency circumstances. If an exception is approved by the Department of Administrative Services, it is to be reported to the Joint Committee on Ways and Means, the Joint Interim Committee on Ways and Means, or to the Emergency Board.

It is assumed that, as the \$28 million in reductions are made to agency budgets, these reductions will also assist in getting agencies to the 11 to 1 ratio goal of HB 4131.

Program Area Summaries

SB 5701 – the omnibus budget reconciliation bill, SB 1579 – the non-appropriation bill implementing budgetary changes, and HB 5202 – the capital construction bill, made various adjustments to agency budgets, as described by program area and agency below.

Education Program Area

Department of Community Colleges and Workforce Development

The Legislature approved \$9.6 million Other Funds (Lottery Bonds) for capital construction projects at all 17 community colleges. Projects will support various Career Technical Education (CTE) and Science, Technology, Engineering, and Mathematics (STEM) programs at the colleges. However, the Lottery Bonds to fund these projects cannot be issued if the State Treasurer, after considering a report from the State Debt Policy Advisory Commission (SDPAC) on lottery-backed debt capacity, determines that lottery-backed debt capacity is not sufficient to support issuance of the bonds. The SDPAC report is to be received no later than February 1, 2013.

As part of the statewide budget rebalance and efforts to restructure state government business operations and management of agency programs and services, the budget for Department of Community Colleges and Workforce Development was increased by \$560,890 all funds (\$99,453 General Fund, \$261,437 Lottery Funds, and \$200,000 Other Funds) for the following programs:

- Skill Centers – (\$19,250) General Fund
- Trucking Solutions Consortium – (\$17,500) General Fund
- National Career Readiness Certificate and on-the-job training programs – (\$119,000) General Fund
- Debt service – \$351,965 General Fund, \$261,437 Lottery Funds, and \$200,000 Other Funds
- Personal Services – (\$95,768) General Fund
- E-Government savings – (\$994) General Fund

State School Fund

The overall funding level for the State School Fund was increased by \$2.5 million to cover the cost of extending the sunset for the Small School District Supplement Fund until June 30, 2013 (one additional year). Further, the Legislature modified the funding sources to address a forecasted decline in Lottery Funds revenues. The General Fund appropriation is increased by \$5,479,570; the Lottery Funds allocation and expenditure limitation is decreased by \$2,979,570 million.

Department of Education

As part of the statewide budget rebalance and efforts to restructure state government business operations and management of agency programs and services, the budget for Department of Education was decreased by \$812,129 all funds ((\$2,722,234) General Fund \$1,848,887 Lottery Funds, and \$61,218 Other Funds) for the following programs:

- School District Collaboration – (\$175,000) General Fund
- Career and Technical Education – (\$70,000) General Fund
- Accelerated College Credit – (\$8,750) General Fund
- For Inspiration and Recognition of Science and Technology – (\$5,250) General Fund
- Farm-to-School – (\$7,000) General Fund
- After School Meal and Snack – (\$6,300) General Fund
- Savings from lawsuit appropriation – (\$2 million) General Fund

- Debt service – \$1,848,887 Lottery Funds and \$61,218 Other Funds
- Personal Services – (\$431,521) General Fund
- E-Government savings – (\$18,413) General Fund

The Legislature also approved resources to enhance two programs. An increase of \$5,610,036 Other Funds expenditure limitation was approved for the long-term care and treatment program. The increase supports an additional 271 slots from the implementation of SB 170 (2011) and \$1.6 million Other Funds for a high-cost reserve and inflation in the average net operating expenditures. Further, the Legislature added \$587,015 General Fund for the Early Head Start Program. With this additional funding, the Department is expected to maintain 59 enrollment slots for the balance of the biennium.

Oregon University System

The Legislature approved three new capital construction projects for Oregon State University including \$42.7 million to construct a new building to house student organizations and accommodate student events, replacing the Memorial Union/Snell Hall facility, \$29 million for a new 150 student residence hall, and \$9.2 million to renovate space in the student union currently occupied by the OSU Bookstore. In addition, the Legislature approved \$1 million Other Funds to supplement \$7.2 million in Lottery Bonds and \$2.5 million in Other Revenues for construction of a new natural science teaching laboratory at Western Oregon University. Details of these actions can be found in the Capital Construction and State Bonding sections of this document.

To ensure sufficient Lottery Funds were available to pay outstanding debt obligations, the Legislature increased Other Funds debt service by \$344,054 to reflect the redirection of lottery bond proceeds issued in 2007 for capital repair projects that will now be used to pay for debt service on existing lottery bonds instead. In addition, Sports Lottery was reduced by \$232,960 to make Lottery Funds available to meet debt service obligations, with direction that this reduction from athletics support be split between the University of Oregon (\$118,613) and Oregon State University (\$114,347). Finally, General Fund support of debt service payments was adjusted with the net effect of saving \$892,900 General Fund.

Other Education Program Area Agencies

The Legislature also authorized budget adjustments for the Oregon Student Access Commission, Oregon Health and Science University, and Teacher Standards and Practices Commission with total decrease of \$62,676 all funds [(\$148,131) General Fund and \$85,455 Federal Funds].

Human Services Program Area

Oregon Health Authority

Budget adjustments for the Oregon Health Authority reduced the 2011-13 legislatively adopted budget by \$24.6 million General Fund and \$390,969 Lottery Funds, but increased the budget by \$18.6 million Other Funds and \$152.8 million Federal Funds. In addition, 53 positions were eliminated.

General Fund is reduced by \$25.9 million as a result of caseload savings and federal match rate changes. In addition, one-time revenues are used in place of General Fund including \$16.8 million insurer's tax that is redirected to help ensure access to health care for children by preventing program reductions in the Oregon Health Plan. Federal Children's Health Insurance Program Reauthorization Act (CHIPRA) bonuses totaling \$23.5 million are also used to maintain programs.

Other budget highlights include the following:

- Funding for the Oregon Health Plan (OHP) is maintained at current levels. Services were maintained for dental benefits, mental health benefits, addiction services, and prescription drug benefits. Payments for Graduate Medical Education are also maintained. An additional \$1 million General Fund is added to mitigate the earlier reductions to the reimbursement rates for durable medical equipment.
- Four wards in the new Oregon State Hospital will not be opened until the beginning of the 2013-15 biennium, resulting in one-time savings of \$19.6 million General Fund.
- \$5.7 million Other Funds from the Community Mental Health (Dammach) Housing Trust Fund are used to support program services. This amount is equal to one-half of the current principal in the Fund. The Other Funds will be used to continue to provide community services to children and adults with mental illness. With this funding, community mental health services are maintained at current levels. A budget note was included that stated, if revenue should substantially increase in the current biennium, the Legislature will restore these funds to their full amount.
- The budget includes administrative reductions totaling \$15.3 million General Fund. This includes \$8.3 million of personal services underfunding, as well as \$5.1 million as part of the statewide effort to restructure state government business operations and management of agency programs and services.

The Federal Funds expenditure limitation increase includes \$80 million for the Federal Medical Insurance Pool (FMIP), a new federal program to provide insurance coverage for high risk individuals. It also includes \$80 million of federal grant resources for projects supported by the Office of Health Information Technology. Most of this funding will be passed through to Oregon health care professionals and hospitals as incentives to develop electronic health record systems.

Department of Human Services

The 2011-13 legislatively adopted budget for the Department of Human Services (DHS) was increased by \$103.5 million General Fund, \$22.3 million Other Funds, and \$160.7 million Federal Funds. In addition, 13 positions (13.00 FTE) were moved from the Oregon Health Authority to DHS.

The net \$103.5 million General Fund increase reflects updated program caseload, cost-per-case and revenue projections; management actions to offset unfunded personnel costs and address DHS' assigned share of the statewide effort to restructure business operations and manage state agency programs and services; funding added by the Legislature to mitigate reductions in certain provider reimbursement rates; and other management actions to help balance the budget.

The most significant components of the \$22.3 million Other Funds increase are federal child care funds transferred from the Employment Department and spent in DHS as Other Funds, purchases for the Self Sufficiency Modernization project budgeted earlier but delayed into the current biennium, and increased local matching funds for transportation services for individuals with developmental disabilities. Adjustments were also made for other revenues and recoveries used to offset General Fund in the Seniors and People with Disabilities budget.

The \$160.7 million Federal Funds increase includes one-time Supplemental Nutrition Assistance Program (SNAP) bonus awards; one-time federal Temporary Assistance to Needy Families (TANF) funds carried forward from the 2009-11 biennium and additional federal TANF contingency funds; matching federal funds for caseload and cost increases in the agency's budget rebalance; and matching federal funds for General Fund actions to restore or mitigate reductions in provider reimbursement rates for programs serving seniors and people with physical and developmental disabilities. The

\$160.7 million Federal Funds adjustment does not include a separate \$130.4 million Federal Funds Nonlimited added earlier, in December 2011, to DHS' legislatively adopted budget for SNAP benefits.

Notable elements of the legislatively approved budget after the adjustments are listed below:

- In the TANF program, basic cash assistance payment levels and income eligibility criteria are unchanged. However, adults who meet the federal 60-month time limit in- or out-of-state will not be eligible for TANF in Oregon. The current "job quit" ineligibility period is extended from 60 to 120 days. Post-TANF payments to working families are ended May 1, 2012, two months earlier than originally budgeted. There continues to be high risk in TANF caseloads, which are running higher than the Fall 2011 forecast level.
- \$9 million in unallocated JOBS funding is maintained for job placement, contracted slots, and client support services such as child care and transportation.
- Employment Related Day Care caseloads are funded at an expected 8,500 average cases, with a continued mix of General Fund and federal Child Care and Development Fund moneys. Client co-payments are increased by 10%, an average of \$5 to \$10 monthly.
- Child welfare services are maintained, including funding for SB 964 (2011) community-based, family preservation and reunification programs. A new initiative to contract for domestic violence advocates in program offices is scaled back, and new infrastructure grants to domestic violence shelters are eliminated. Foster care, adoptions assistance, and other child welfare provider reimbursement payments are unchanged.
- Vocational Rehabilitation Services are continued without reduction.
- The Legislature added \$40 million General Fund for reimbursement for providers of long-term care for seniors and people with physical disabilities. This eases the potential reduction from \$53.4 million General Fund in the legislatively adopted budget to only \$13.4 million General Fund. The legislative intent is that the Governor's Office, the Oregon Health Authority, and DHS will pursue more federal Medicaid funding or other federal revenue to mitigate or eliminate the reduction. Also, as part of the Ways and Means Co-Chairs' budget rebalance plan, an agreement was made to consider using the Emergency Fund to cover the remaining amount if more federal funds are not obtained and the June 2012 Oregon Economic and Revenue Forecast of 2011-13 biennium General Fund revenues, excluding the impact of 2012 legislative session adjustments, exceeds the amount of General Fund revenues in the March 2012 forecast by at least \$25 million.
- The approved budget makes no reductions in Oregon Project Independence services, Medicaid adult day services, or Medicaid home-delivered meals programs.
- Alternatives to Employment Services, Sheltered Employment, Supported Employment, the Family Support Program, and Family-to-Family network for people with developmental disabilities and their families continue with no further reductions. Reimbursement rates for brokerages and community developmental disability programs continue at current levels. In other developmental disability programs, funding was added to bring reimbursement rates for 24-hour residential providers, for supported living providers, and for children's residential providers including children's foster care group homes, to no more than 6% below the 2009-11 level.
- Managing positions to offset unfunded personal services costs is expected to reduce staffing by the equivalent of about 490 positions across DHS and its local partners. DHS also preliminarily identified over 50 positions to be eliminated as its part of the statewide effort to restructure business operations and manage state agency programs and services. Together, these actions are about a 7% reduction overall in DHS' budgeted staff capacity.

State Commission on Children and Families

The budget for this Commission was adjusted for HB 4082, which transfers the Court Appointed Special Advocates (CASA) program from the Commission to the Oregon Volunteers Commission for

Voluntary Action and Service in the Housing and Community Services Department, and for HB 4165, which transfers all remaining funding from the Commission to the Governor's Office for the Early Learning Council and the Youth Development Council. The CASA program transfer reduced the Commission's legislatively adopted budget by \$1.2 million General Fund. The expected remainder of the Commission's budget at July 1, 2012 – \$17.5 million General Fund, \$9.9 million Other Funds, and \$3.4 million Federal Funds – moved to the Governor's Office with the Commission's 16 positions (13.75 FTE) to support the work of the Early Learning Council and the Youth Development Council. It is expected that funding for existing programs and the local commissions on children and families will continue through June 2013, although state-level staff positions may be modified or abolished once the organization and operational needs of the two councils has been determined.

Other Human Services Program Area Agencies

No changes were made to the legislatively adopted budgets for the Commission for the Blind, the Long Term Care Ombudsman, or the Psychiatric Security Review Board.

Public Safety and Judicial Branch Program Areas

Department of Corrections

A net total of \$38.1 million General Fund was added to the Department of Corrections (DOC) budget restoring a portion of the \$48.2 million adjustment included in the 2011-13 legislatively adopted budget for the supplemental ending balance. This amount factors in a \$1.6 million reduction in the \$12.2 million dedicated for the reimbursement of county jail costs of incarcerating Ballot Measure 73 offenders, a \$315,352 fund shift which replaces General Fund with federal State Criminal Alien Assistance Program (SCAAP) funds, and \$81,641 in savings generated through refinancing of existing certificates of participation (COPs). In addition, the adjusted budget reflects a \$7.9 million General Fund reduction as DOC's share of the statewide effort to restructure state government business operations and management of agency programs and services. A budget note was included instructing the agency not to close or deactivate any facility or unit for the purposes of this \$7.9 million reduction without consulting the Legislature or Emergency Board.

The Legislature also approved an agency-wide rebalance of appropriation and expenditure limitations affecting most of the DOC divisions. Overall, this rebalance reflects no net increase in General Fund, a \$98,019 increase in Other Funds expenditure limitation, and a \$7,989 decrease in the Federal Funds expenditure limitation. Also established is an Other Funds expenditure limitation for Capital Improvements of \$413,449 for the replacement of components of the Eastern Oregon Correctional Institution's (EOCI) water heating system utilizing solar panels. The Other Funds expenditure limitation is increased by \$3.2 million for grants to local jails funded by criminal court fees. This limitation was inadvertently left out of HB 2712 (2011). The Federal Funds expenditure limitation is also increased by \$600,000 for a federal grant (three positions, 0.81 FTE) that the agency has received relating to the Prison Rape Elimination Act (PREA).

Criminal Justice Commission

An increase in the Federal Funds expenditure limitation was approved for the Criminal Justice Commission (CJC) of just under \$7 million reflecting the amount of federal resources that must be spent by the end of the 2011-13 biennium. At the time final action on CJC's 2011-13 budget was taken during the 2011 legislative session, the amount of available federal funding through various grants was not finalized. These funds will mostly be used for programs similar to drug courts for Ballot Measure 57 offenders. It should be noted that the amount of federal grant funds available for

distribution through CJC for the 2013-15 biennium will be substantially less than is available for the current biennium.

District Attorneys and Their Deputies

A total of \$359,976 General Fund was added to the budget of the District Attorneys and Their Deputies restoring nearly all of the reduction for the supplemental ending balance in the 2011-13 legislatively adopted budget. A reduction of \$2,078 General Fund was made for the adjustment to the amount charged to the agency for e-government related services. The only significant option for adjusting this budget is to reduce the compensation of the 36 locally elected District Attorneys.

Department of Justice

A net reduction of \$160,840 General Fund was made in the Department of Justice's (DOJ) budget. The resulting 2011-13 legislatively approved budget will mean the following General Fund program adjustments will have to be made:

- The Defense of Criminal Convictions (DCC) program is reduced by \$600,652. At this time the agency believes this reduction will not significantly affect the DCC program as long as the target savings from management actions are met and the resources in a special purpose appropriation to the Emergency Board are available for the program.
- The Division of Child Support will use mostly vacancy savings to save \$785,156 General Fund, also resulting in a decrease of \$1.4 million in federal matching funds.
- A total of \$270,831 (2 positions/1.00 FTE) is reduced from the Criminal Justice Division's District Attorney Assist and Organized Crime programs.
- The grant to the Project Clean Slate program is reduced by \$10,000.
- The Civil Enforcement Division's General Fund budget was reduced by a \$50,000 cut in the Civil Rights unit and the use of \$348,950 Other Funds in penalties and other resources collected through the Medicaid Fraud unit to offset an equivalent amount of General Fund.

Resources were added to continue the development of the replacement of the Division of Child Support's major information management and processing system necessary to keep pace with changing program and federal requirements. A total of \$600,000 Federal Funds was included for this, but the matching \$300,000 General Fund was inadvertently left out of the budget and will have to be addressed in the near future. In addition, the DOJ budget was reduced by \$600,000 Other Funds as its share of the statewide effort to restructure state government business operations and management of agency programs and services.

Financial settlements involving the work of DOJ's legal staff resulted in over \$90 million in additional resources for the state. The first case provided \$56.2 million as the state's share of the punitive damages related to the Williams vs. Philip Morris tobacco case. SB 1579 transfers \$56.2 million to the General Fund to assist in the overall balance of the state's budget. The second case involved a settlement between the Attorneys General in 49 states, including Oregon, and major private mortgage lenders. Direct payments to states (\$29.2 million for Oregon) are part of this settlement as well as over \$200 million in resources to assist distressed homeowners in Oregon. It is assumed a portion of the \$29.2 million will be used to address mortgage foreclosure issues and the remaining will be available for assisting in balancing the state's overall budget. At the time of the close of 2012 session, no integrated plan was in place to utilize these funds. The agency was instructed through a budget note to formulate a plan with other agencies and entities on how to use a portion of the \$29.2 million for mortgage issues. The agencies are to return to the Emergency Board to request funds for the plan from the \$60 million special purpose appropriation to the Emergency Board set aside in part for this purpose.

Military Department

The Oregon Military Department's (OMD) budget increased by a total of \$4.3 million General Fund and \$4.7 million Other Funds above its 2011-13 legislatively adopted budget. This included \$4.5 million General Fund for the Oregon Local Disaster Assistance Loan and Grant Account for school districts that have raised at least 50% of the cost from local resources and donations for the replacement and relocation of school buildings damaged or destroyed by a flood that is declared a federal disaster. The Account's Other Funds expenditure limitation was increased by \$4 million.

OMD's Operations program was reduced by \$35,046 in General Fund vacancy savings; however, \$71,937 in General Fund Debt Service savings was transferred to the program to support armory maintenance activities. The Emergency Management program was reduced by \$120,897 General Fund. A portion of this reduction was from vacancy savings in the Director of Emergency Management position (\$11,816) with the remainder from the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services (\$109,081).

OMD's Capital Debt Service Other Funds expenditure limitation was increased by \$548,167 and is funded with residual cash balances from prior Seismic Rehabilitation Grant bond issuances and previously issued certificates of participation used to fund various armory capital improvements. The Community Support program's Other Funds expenditure limitation is increased by \$118,339 for 2011 fire season expenditures.

Department of State Police

The General Fund 2011-13 budget for the Oregon State Police (OSP) was increased by a net \$5.3 million including the restoration of the entire amount reduced in the legislatively adopted budget for the supplemental ending balance. As a result, there are no reductions at this time to statewide services such as criminal background checks, forensics analysis, and medical examiner services. There are no reductions in the number of patrol troopers or criminal detective positions. OSP's share of the statewide effort to restructure state government business operations and management of agency programs and services is \$2.5 million, which may affect position and service levels in the future. Other changes include the adjustment of General Fund appropriations for each division based on updated projected spending for the remainder of the biennium. This "rebalance" of resources generally transfers General Fund from the Forensics and Information Management divisions to the Patrol and Criminal divisions. To rebalance, the agency has had to keep a number of sworn and non-sworn positions vacant as a result of gaps in their budgets in part due to negotiated settlements with bargaining units costing more than the amount assumed in the budget, increasing fuel costs, and the need to replace obsolete equipment.

The combination of reductions due to the supplemental ending balance, compensation issues, and increased fuel costs left the agency with a gap in the Lottery Funds programs of over \$700,000. To avoid further staffing reductions, funding for up to five Fish and Wildlife trooper positions (\$436,875 Other Funds increase) will be transferred from Ballot Measure 76 Lottery Funds to Other Funds resources available from carry-forward of Oregon Department of Fish and Wildlife revenues and vacancy savings. A \$521,944 increase in the Federal Funds expenditure limitation for OSP was approved to execute a spending plan for the use of forfeiture and seizure funds to purchase equipment to increase the productivity and safety of troopers and "confidential" funds for Criminal Division detectives.

Department of Public Safety Standards and Training

The General Fund budget for the Department of Public Safety Standards and Training (DPSST) was increased by \$315,518 to fully fund the amount required to pay for debt service payments for the certificates of participation issued for the construction of the agency's Salem facility. An \$873,897 decrease of Other Funds expenditure limitation for the Criminal Justice Training program was also made corresponding to a decrease in the allocation of Criminal Fines Account (CFA) resources to the agency. This allocation adjustment increases the amount of CFA resources available for the General Fund. This reduction in training funding will result in the discontinuation of the child abuse training program and the elimination of six positions (3.75 FTE) including a Training Support Specialist, two Range Masters, a Training Development Coordinator, a Health and Fitness Coordinator and a general trainer position. These reductions are not expected to affect the number of basic law enforcement training classes planned for this biennium.

Oregon Youth Authority

To restore county programs affected by the supplemental ending balance reduction applied in the Oregon Youth Authority (OYA) 2011-13 legislatively adopted budget, the Legislature added \$910,596 General Fund. As part of the county funding discussion, state support for the East Metro Gang Enforcement Team (EMGET) was confirmed to be \$1.7 million General Fund for the 2011-13 biennium. This amount consists of \$566,753 in state General Fund from Multnomah County's gang funding grant along with \$1.1 million in designated EMGET General Fund.

The Legislature used \$186,988 General Fund from OYA's operations budget to restore debt service. The budget was also reduced by \$64,628 General Fund to capture statewide e-government savings.

To generate additional program savings to meet the amount included in the resulting legislatively approved budget, \$1 million General Fund was eliminated from the budget based on lower utilization of about 25 foster care and residential beds. The personal services budget was also reduced by \$1.3 million as part of the statewide effort to restructure state government business operations and management of agency programs and services.

Judicial Department

The General Fund for the Oregon Judicial Department (OJD) was increased by \$7.4 million and its Other Funds expenditure limitation by \$30.9 million above its 2011-13 legislatively adopted budget. The resulting General Fund budget fully funds constitutionally and legally mandated programs, including adding \$1.9 million for judicial compensation, \$472,922 for jury services, and \$345,207 for Oregon eCourt Program Debt Service. OJD also received \$2.4 million General Fund to support its Third Party revenue collection activities through the Department of Revenue and the private collection agencies. A budget note was adopted related to quarterly reporting of revenue activities and collection rates (please see the Budget Notes section). A \$1.1 million General Fund special purpose appropriation to the Emergency Board is available in the event that the Department requires additional funding for court operations. General Fund pass-through payments for County Law Libraries and Conciliation and Mediation Services were each reduced by \$259,000.

OJD received an additional \$2.9 million in General Fund Debt Service for the Oregon eCourt Program to support \$13.7 million in new bonding authority. The operations and maintenance budget for the program, however, was reduced by \$93,643 General Fund. Two budget notes were adopted relating to completing the agreement between the Chief Justice and the Co-Chairs of the Joint Committee on Ways and Means (SB 5516 [2011]), and the implementation and evaluation of planned program activities this biennium (please see the Budget Notes section).

The Other Funds expenditure limitation for the Oregon eCourt Program was increased by a total of \$23.4 million – for new bonding authority (\$13.7 million), previously authorized bonds (\$6 million), available cash balance from previously issued debt (\$3.5 million), and for a \$134,116 fingerprint grant from the Oregon State Police. OJD’s Other Funds expenditure limitation was increased for the following purposes:

- \$4.7 million for the State Court Facilities and Security Account for Special Payment transfers to local court security accounts
- \$1.7 million for the new and existing Specialty Court grants, which included a 13.46 FTE increase
- \$670,203 for new and existing grants for pre-trial release programs and the Citizen Review Board
- \$226,592 for Debt Service to support the issuance costs of an additional \$13.7 million in bonding
- \$97,460 for Capital Improvement to conduct emergency repairs to the Supreme Court Building
- \$77,860 for a Special Payment to Tri-County Metropolitan Transportation District of Oregon (TRIMET)

Public Defense Services Commission

The Public Defense Services Commission’s (PDSC) General Fund budget remained unchanged with the exception that \$112,000 General Fund was transferred from the Appellate Division to the Contract and Business Services program in order to balance the agency’s budget based on current spending patterns. A \$3.5 million General Fund special purpose appropriation was made to the Emergency Board in event that the Commission requires additional funding for the trial-level public defense services during the remainder of the biennium.

PDSC’s Other Funds expenditure limitation was increased by \$1.4 million for trial-level public defense and by \$1.3 million for the Application and Contribution Program. The Application and Contribution program is now budgeted as a special payment rather than as a revenue transfer.

Commission on Judicial Fitness and Disability

The Commission on Judicial Fitness and Disability’s Administration program budget was increased by \$6,228 General Fund. The Extraordinary Program’s budget was reduced by \$12,647 General Fund, leaving a balance of \$6,200 for any potential prosecutions. The Commission has not prosecuted a case of judicial misconduct in the last two biennia and its total Extraordinary budget has been disappropriated each of the last two biennia.

Economic and Community Development Program Area

Oregon Business Development Department

The Legislature reduced the agency’s General Fund appropriation by \$8,729; reduced Lottery Funds expenditures for operations by \$493,653; reduced Other Funds expenditures for operations by \$277,500; and increased Lottery Funds debt service expenditures by \$2,830,159 and Other Funds debt service expenditures by \$321,885 to restore reductions and fully finance debt service costs on lottery revenue bonds. These modifications will limit the Lottery Funds reduction to the Strategic Reserve Fund to \$700,000; increase the Lottery Funds reduction to Oregon InC by \$357,000; increase Lottery Funds for the Government Contract Assistance Program with the understanding that the Department will provide a total of \$290,000 Lottery Funds to that program; and increase the Lottery Funds reduction to the Oregon Film and Video Office by \$81,125.

The Legislature also approved budget adjustments that eliminate any new grant or loan commitments in the Building Opportunities for Oregon Small Business Today (BOOST) program, though they allow

the agency to honor its existing BOOST program commitments. The Business, Innovation and Trade Division's Other Funds expenditure limitation was reduced by \$377,500 for the reduction in BOOST program grant expenditures, and Other Funds Nonlimited were reduced by \$3,315,000 for the reduction in BOOST program loan expenditures. SB 1579 transferred the combined reduction of \$3,692,500 in uncommitted BOOST program account Other Funds to the General Fund.

Lottery Funds were also reduced by \$3,547 for the e-government funding model change. Expenditures were reduced by \$9,006 General Fund and \$432,802 Lottery Funds for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services. Finally, a \$100,000 Other Funds increase in the Business, Innovation and Trade Division, and one position (0.50 FTE), were approved to implement SB 817 (2011), which established the Oregon Low Income Community Jobs Initiative.

The Joint Committee on Ways and Means also received a report on plans for the operational sustainability of Oregon InC initiatives. The Committee received this report with the understanding that any request for funding for Oregon InC initiatives in the 2013-15 biennium budget will include specific and identified plans and timelines for each initiative to reduce reliance on state funding and gain independence from state support. If Oregon InC finds that any initiative cannot ultimately become independent of state support, an explanation of those findings will be included in the funding request, along with plans for the initiatives so identified to generate increased outside support for operations.

Employment Department

The Legislature reduced General Fund expenditures to the Employment Department's child care division by \$436,868. Of this amount, \$86,868 was attributable to the statewide effort to restructure state government business operations and management of the programs and services; \$100,000 was related to the transfer of the child care commission to the Early Learning Council, and \$250,000 was due to delays in child care-related contracts, and elimination of specialized reports for child care providers.

Additional Federal Funds expenditure limitation in the amount of \$7.2 million was approved from Child Care and Development Funds the Department receives for child-care related expenditures. These funds were carried forward from previous biennia and out of them, \$6.2 million will be used for Employment-Related Day Care and other child care expenses, and \$1 million to begin development of a Tiered Quality Rating and Improvement System.

Federal Funds limitation was also increased an additional \$18.5 million for:

- Administration of benefits and administrative hearings generated by the federal extensions of an expanded federal trade act and unemployment insurance benefit extensions (\$2.9 million)
- A federal grant to fund Information Technology improvements that will provide for more efficient collection of benefit overpayments (\$447,958)
- The utilization of \$9 million in unanticipated federal administrative reimbursement, in place of Other Funds

The Department's Other Funds expenditure limitation was reduced by net \$5.4 million, the combined impact of four specific adjustments: a) a \$250,000 Other Funds reduction as part of the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services, b) a \$9 million Other Funds reduction for administrative costs that was offset with \$9 million of Federal Funds (see above), c) an additional \$2.4 million in expenditure limitation

necessary to handle increased caseloads in the Office of Administrative Hearings, and d) \$1.4 million in grant funding to create a model national workforce registration system.

Housing and Community Services Department

The Legislature increased General Fund for the General Fund Food Program by \$75,956 to provide food aid and capacity for the Oregon Food Bank network. A \$5 million Other Funds expenditure limitation increase was approved for additional Oregon Energy Assistance Payment pursuant to SB 863 (2011). The Low Income Housing Rental Fund program was reduced by \$16,450 General Fund, and General Fund and Other Funds expenditure limitation in the amount of \$1,384,075 was provided to accommodate the transfer of the Court Appointed Special Advocates program from the State Commission on Children and Families to the Department's Oregon Volunteers! Commission on Voluntary Action and Service.

The budget was increased by 20 additional positions (15.35 FTE) and \$2,697,087 Other Funds expenditure limitation to accelerate assistance provided to homeowners through the Homeownership Stabilization Program, which provides mortgage payment assistance and other services to qualifying homeowners. The program is funded with Troubled Asset Relief Program (TARP) dollars.

The Legislature approved \$5 million in Federal Funds expenditure limitation associated with the receipt of a federal grant for the third round of funding for the Neighborhood Stabilization Initiative, which provides grant funding to local governments to acquire and redevelop foreclosed properties that might otherwise become sources of abandonment and blight.

The Legislature also approved \$80,919 in Lottery Funds to ensure sufficient debt service payments associated with lottery bonds issued for housing programs.

Department of Veterans' Affairs

The Legislature approved a total \$92,536 General Fund increase for the Oregon Department of Veterans' Affairs (ODVA). This figure is the net of an increase in General Fund of \$115,656 – with the intention that remaining program delivery reductions for the 2011-13 biennium come from veterans' disabled transportation in lieu of other direct services provided by or through the Oregon Department of Veterans' Affairs – offset by a reduction of \$23,120 that is attributable to the statewide effort to restructure state government business operations and management of agency programs and services. The Legislature also approved an increase in fees associated with the Department's Conservatorship Program, to reduce the program's reliance on operating subsidies from ODVA bond program revenue.

The capital construction expenditure limitation was increased by \$10,126,096 Other Funds and a Federal Funds capital construction expenditure limitation in the amount of \$19,362,748 was established to facilitate completion of a second Veterans' Home in the city of Lebanon in Linn County. Local government funds from Linn County provide approximately 35% of project funding for this 150-bed facility expected to be completed in the fall of 2014.

Natural Resources Program Area

Legislative actions during the 2012 session in the Natural Resources Program area included a \$3 million reappropriation from the vehicle inspection program at the Department of Environmental Quality to the state General Fund for general governmental uses. The Legislature increased the Natural Resources program area budgets by approximately \$1.8 million General Fund, or 1.4%, over the 2011-

13 legislatively adopted budget. The increase is partially explained by shifts of \$2.1 million General Fund from the Emergency Fund to the Department of Forestry for fire suppression resources out of a special purpose appropriation for that purpose and \$0.7 million to the Department of State Lands for payment of expenses related to Portland Harbor legal expenses. Other budget-related actions:

- Restored \$307,867 General Fund and \$177,840 Lottery Funds to ensure all debt service payments can be made over the course the biennium.
- Rebalanced the supplemental ending balance reductions in the Department of Forestry to restore funding to the Fire Protection program.
- Reduced General Fund by \$1.3 million for the Natural Resource agencies' share of the statewide effort to restructure state government business operations and management of agency programs and services.
- Used carry forward Lottery Funds to replace General Fund, vacancy savings, and other actions to make over \$400,000 General Fund available to the statewide rebalance plan.
- Added \$350,000 General Fund to the Department of Land Conservation and Development for distribution to Jackson, Josephine, and Douglas counties to complete technical studies, mapping, and preparation of materials required for preparing a petition to the Land Conservation and Development Commission for rulemaking to consider regional definitions of agricultural and forest lands.
- Added \$200,000 General Fund to the Department of Forestry to fund a position in the Governor's Office to support forest policy issues.
- Provided \$4.2 million Other Funds and \$109,164 Federal Funds expenditure limitation, and one position (5.50 FTE), to administer energy incentive programs created or modified by the passage of HB 3672 (2011).
- Provided \$1.8 million Other Funds and \$1.7 million Federal Funds expenditure limitation and added 10 limited duration positions (6.63 FTE) to the Department of Geology and Mineral Industries.
- Added \$1.3 million Other Funds expenditure limitation to the Oregon State Marine Board primarily to maintain law enforcement contracts at historical levels of activity.

Consumer and Business Services Program Area

Bureau of Labor and Industries

The Legislature reduced the Bureau's General Fund personal services expenditures by a total of \$210,205, for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services. The budget was also reduced by \$3,610 General Fund for the e-government funding model change.

Department of Consumer and Business Services

The Legislature approved a \$2,434,040 Federal Funds expenditure limitation increase and established four limited-duration positions (2.22 FTE) relating to expenditures financed from a U.S. Department of Health and Human Services Health Insurance Rate Review-Cycle II grant. The agency was awarded a \$4,040,777 grant, but only a portion of these funds will be spent this biennium. It is anticipated that the agency will request that the positions be continued, again on a limited-duration basis for the remainder of the Cycle II grant, and request Federal Funds expenditure limitation for the remaining \$1.6 million of grant funds, in its 2013-15 biennium budget request.

Other Funds expenditures were increased by \$100,326, and a full-time Insurance Examiner position was established (0.50 FTE in the 2011-13 biennium budget), in conjunction with SB 1547, which

authorizes the Department to approve and regulate captive insurance operations. The expenditures for regulating the program will be generated from application and licensing fees paid by the captive insurers.

Health Licensing Agency

The Other Funds expenditure limitation for the agency was reduced by \$20,751, to reflect the net effect of fee changes approved for Body Art Practitioners, Respiratory Therapists and Polysomnographic Technologists, Direct Entry Midwives, Nursing Home Administrators, and Licensed Dietitians with one exception. The licensing and renewal fees for the State Board of Direct Entry Midwifery were established at \$1,200 rather than \$1,800.

Transportation Program Area

Legislative actions during the 2012 session in the Transportation program area included a fund shift of \$15.4 million from General Fund to Other Funds for debt service on the Oregon Wireless Interoperability Network in the Department of Transportation. The Legislature also approved:

- \$9.2 million Other Funds expenditure limitation for highway repair of damage sustained during winter storms in 2009 and 2011
- \$1.8 million Other Funds Capital Construction expenditure limitation to remodel the Driver and Motor Vehicles (DMV) offices in Bend
- \$500,000 Other Funds expenditure limitation in the DMV operating program to evaluate information system needs
- \$2.9 million Lottery Funds for debt service payments during the biennium

Administration Program Area

Department of Administrative Services

To complete Court Facilities projects started in the 2009-11 biennium, the Legislature added just over \$2 million Other Funds expenditure limitation. Debt service was increased by \$238,488 General Fund and \$258,838 Lottery Funds to cover obligations that were originally reduced as part of the supplemental ending balance in the 2011 legislative session.

Personal services were reduced by \$2 million Other Funds to capture the agency's share of the statewide effort to restructure state government business operations and management of agency program. The Legislature also approved a technical adjustment to eliminate a position and \$145,000 Other Funds from the State Controller's Division. The position was added to the budget in the 2011-13 biennium due to a federal requirement that on January 1, 2012, state governments begin to withhold 3% on vendor payments; however, that federal law was repealed in November 2011.

Due to an upcoming change in the state's e-government funding model, the budget was reduced by \$2,232,000 Other Funds. Effective July 2012, e-government services will be self-funded with convenience fees through a contract with NICUSA. The program was previously supported by state agency assessments that were based on the number of an agency's full-time equivalent positions. The statewide budget rebalance also captures associated General Fund savings in those agencies.

The Legislature also approved a \$1 Other Funds expenditure limitation as a placeholder for potential expenditures from the Fiscally Distressed Counties Fund established in HB 4176 (2012).

Oregon Historical Society

Debt service was increased by \$8,165 Lottery Funds to cover obligations that were originally reduced as part of the supplemental ending balance in the 2011 legislative session.

Oregon Public Broadcasting

Debt service was increased by \$65,729 Lottery Funds to cover obligations that were originally reduced as part of the supplemental ending balance in the 2011 legislative session.

Employment Relations Board

To support local government services in the second year of the biennium, the Legislature added \$1 million General Fund to the agency's budget. A budget note regarding several aspects of the Board's processes and work products was also adopted (please see the Budget Notes section).

Office of the Governor

The Legislature increased the Governor's Office budget by \$17,818,126 General Fund, \$9,905,401 Other Funds and \$3,363,974 Federal Funds. The majority of the increases reflect the transfer of the second-year funding for the Commission on Children and Families to the Office of the Governor in HB 4165. Those funds, along with \$100,000 General Fund from the Employment Department, are for the Early Learning Council and the Youth Development Council.

The Office also received restoration of the 3.5% supplemental ending balance reduction from the 2011 legislative session, a reduction of \$105,000 to the Oregon Education Investment Board, and a decrease of \$2,972 to reflect a change in the state's e-government funding model.

A \$1 Other Funds expenditure limitation was established as a placeholder for future increases to support spending any donations that the Office may receive.

Oregon Liquor Control Commission

The Legislature increased the Commission's budget by a net \$507,973 Other Funds. This change consists of a technical budget correction adding \$707,973 Other Funds expenditure limitation and a reduction of \$200,000 Other Funds to capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services.

Public Employees Retirement System

The agency's personal services budget was reduced by \$750,000 Other Funds to capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs.

Department of Revenue

The agency's budget was reduced by \$48,504 General Fund to reflect savings from a change in the state's e-government funding model. To capture the agency's share of the statewide effort to restructure state government business operations and management of agency programs, personal services were reduced by \$1,126,687 General Fund.

Secretary of State

Two adjustments were made to the Secretary of State's budget. The first reduced General Fund appropriations for personal services expenditures by \$128,650, for the agency's share of the statewide effort to restructure state government business operations and management of agency programs and

services. The second made a \$4,670 General Fund reduction for the e-government funding model change.

Oregon State Library

As part of the statewide effort to restructure state government business operations and management of agency programs and services, the General Fund personal services budget for the agency was reduced by \$19,886. A budget note directing the agency to report on the Government Research and Electronic Services program was adopted (please see the Budget Notes section).

State Treasurer

The Other Funds expenditure limitation was increased by \$250,000, to support the expenditure of one-time grant funds received from the Rockefeller Foundation for the purpose of designing and launching a West Coast Infrastructure Exchange.

Legislative Branch

Budgets for the legislative branch agencies were adjusted for a number of issues, including a change in the way that General Fund reversions are handled for the Legislative and Judicial Branches (see SB 1579), a reduction in legislative members' budgets, restoration of some supplemental ending balance budget reductions including debt service, and changes in the state's e-government funding model. The net adjustments are as follows:

- The Legislative Assembly was reduced by \$128,160 General Fund
- The Legislative Administration Committee was reduced by \$134,851 General Fund
- The Legislative Counsel Committee was increased by \$400,043 General Fund
- The Legislative Fiscal Officer was increased by \$29,973 General Fund
- The Legislative Revenue Officer was reduced by \$14,531 General Fund
- The Commission on Indian Services was reduced by \$26,451 General Fund

Emergency Fund

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

During the 2012 session, several changes affecting the Emergency Fund and Emergency Board were made:

General Purpose Adjustments:

- \$2.9 million was appropriated to the General Purpose Emergency Fund from the General Fund
- \$681,266 was disappropriated from the General Purpose Emergency Fund and appropriated to the Department of State Lands as General Fund for costs associated with the Portland Harbor Superfund site

Special Purpose Disappropriations:

- The following amounts were disappropriated from special purpose appropriations to the Emergency Board and appropriated to the General Fund (and generally used toward General Fund appropriation increases for the original purpose):
 - \$17.6 million for various state agencies for early learning programs and services
 - \$8 million for the Department of Human Services and the Oregon Health Authority for caseload and costs for programs and services
 - \$5.7 million for various agencies for employment-related day care or services for children and families
 - \$5 million for the Department of Human Services for child welfare differential response services
 - \$1.7 million for the Oregon Youth Authority for education related expenses
- \$2.1 million from a \$4.8 million special purpose appropriation for the Department of Forestry for forest fire suppression and fire insurance premium costs was disappropriated from the Emergency Board and then directly appropriated to the Department as General Fund for 2011 fire season costs

Special Purpose Appropriation Establishment:

- \$60 million for various agencies to address potential future allotment reduction mitigation, for home foreclosure issues, or for human service caseload increases
- \$10 million for various agencies to address potential future allotment reduction mitigation for the Community College Support Fund, Department of Education Grant-in-Aid programs, and Oregon Health and Science University General Fund supported programs
- \$3.5 million for the Public Defense Services Commission for trial level public defense expenses
- \$1.1 million for the Oregon Judicial Department for court operation costs

With these changes, the Emergency Fund consists of \$27.2 million for general purposes and \$82.1 million for specified purposes. Any special purpose appropriation not used by December 1, 2012 is available to the Emergency Board for any lawful use. Unused Emergency Fund resources become available to the Legislature in the 2013 session or revert to the General Fund ending balance if not accessed during the next session.

Additional 2012 Session Legislative Actions

Program Change Measure

SB 1579 is a substantive, non-appropriation measure that makes statutory changes to support the legislatively approved budget, clarify the application of statutes, and modify provisions relating to the use of public funds. A measure similar to SB 1579 is generally enacted each legislative session. Such bills are commonly referred to as “Program Change” bills. The budgetary effect of any program change is included in either an omnibus budget bill or the capital construction bill.

In order to balance the statewide General Fund budget, SB 1579 provides for the transfer of a portion of Other Funds balances from 11 accounts and subaccounts to the General Fund (\$102.4 million). The Other Fund transfers provided in this measure are one-time in nature and affect only the 2011-13 biennium.

During the interim, the Legislative Fiscal Office identified several existing, statutory reporting requirements for agencies that were either outdated or did not permit submission of reports to the Joint Interim Committee on Ways and Means. SB 1579 updates these reporting requirements, and clarifies that certain quasi-independent agencies are exempt from statutes relating to financing agreements.

Further programmatic changes in SB 1579 are described below, by program area and agency. The fiscal impact is noted, and where necessary, a reference to either the omnibus budget reconciliation bill (SB 5701) or the capital construction bill (HB 5202) is provided.

Education Program Area

To reflect changes in the most recent General Fund/Lottery Funds revenue forecast, the transfer date for the \$100 million from the Education Stability Fund to the 2011-2012 School Year Subaccount was changed to September 1 from June 1, 2012. This change does not affect the overall funding level for schools. SB 1579 also extends the sunset on the Small School District Supplement Fund for one year, until June 30, 2013. Additional General Fund of \$2.5 million was appropriated in SB 5701 to cover the cost of this extension.

For the Oregon University System, the bill permits previously issued Lottery Revenue Bond proceeds to be utilized for debt service payments during the 2011-13 biennium. Other Funds expenditure limitation is provided in SB 5701.

Human Services Program Area

The bill ratifies fee increases for the Oregon Environmental Laboratory Accreditation Program within the Oregon Health Authority. These fees were administratively established following the close of the 2011 legislative session and are expected to have a minimal fiscal impact.

The Housing and Community Services Department will transfer \$5.7 million from the Community Housing Trust Account to the Oregon Health Authority to maintain services in the community mental health programs.

Within the Department of Human Services, eligibility requirements are modified for the Temporary Assistance to Needy Families (TANF) program by denying support to families who met the 60-month federal benefit limit; ending post-TANF payments beginning May 1, 2012, or two months earlier than

originally budgeted; and increasing the ineligibility period to 120 days from 60 days for caretakers separated from employment without good cause (i.e., “job quit”). The bill permits the Department to further limit reimbursement paid to Medicaid-certified long-term care facilities for the period beginning April 1, 2013 through June 30, 2013.

Public Safety Program Area

The bill modifies the Oregon Local Disaster Assistance Loan Account within the Military Department to allow non-matching grants or loans to local governments and school districts for projects associated with federally declared emergencies.

Economic and Community Development Program Area

The bill ratifies fee increases for the Conservatorship Program within the Department of Veterans’ Affairs. These fees were administratively established following the close of the 2011 legislative session and are expected to have a minimal fiscal impact.

Consumer and Business Services Program Area

The bill ratifies fee increases for the Oregon Health Licensing Agency. These fees were administratively established following the close of the 2011 legislative session. The Legislature modified the licensing fee for the State Board of Direct Entry Midwifery to \$1,200 from \$1,800. The fee changes are expected to generate approximately \$212,000 in the 2011-13 biennium.

Administrative and Legislative Branch Program Areas

The bill requires the Department of Administrative Services to report to the Legislative Fiscal Officer and Legislative Revenue Officer, rather than the Emergency Board, on the close-of-session revenue forecast and the collection of revenues from personal and corporate income taxes. Beginning with the 2009-11 biennium, the Legislative Branch will be able to retain any unexpended General Fund balances, with a one-time fiscal impact of approximately \$2 million.

The allotment provisions requiring the Department of Administrative Services to permit agencies to expend up to 54% of the 2011-13 General Fund appropriations in the first year of the biennium is repealed.

The State Treasurer and the Department of Administrative Services are required to report to the presiding officers and the Legislative Fiscal Officer when a bond sale is cancelled.

An Operating Fund for the Governor’s Office is established to receive gifts, grants, and contributions. A \$1 Other Funds expenditure limitation was established in SB 5701.

Judicial Branch Program Area

The League of Oregon Cities and Association of Oregon Counties are required to report to the Legislative Fiscal Officer on caseload, revenue, and expenditure information related to municipal and justice courts. SB 1579 also permits counties to allocate funding for conciliation and mediation services in circuit courts and county law library services.

The bill authorizes the use of the State Court Facilities and Security Account for circuit court expenses, but limits use of the account for non-personnel related expenditures.

For the Public Defense Service Commission, SB 1579 codifies existing practice to separate the Public Defense Services Account from the General Fund.

The bill also requires the Judicial Department to report to the Legislature on its changes to compensation plans prior to implementation. Beginning with the 2009-11 biennium, the Judicial Department will be able to retain any unexpended General Fund balances, with a one-time fiscal impact of less than \$500,000.

Revenue Measures Approved in the 2012 Session

Shifts from Other Fund accounts were the primary revenue mechanism used to rebalance the 2011-13 General Fund budget. These shifts, which totaled \$102.4 million, were specified in SB 1579, the budget program change bill. In addition, SB 5702 included a General Fund increase of \$874,000 due to Criminal Fines Account redistributions. The rebalance plan also assumed two other General Fund revenue impacts not specifically included in any measure – \$25.2 million from a direct deposit to the General Fund due to a Department of Justice mortgage lawsuit settlement and \$5 million from lower than anticipated interest costs for the issuance of Tax Anticipation Notes. No revenue raising measures were approved during the 2012 session.

However, the Legislature did pass a series of adjustments to property and income tax laws. HB 4039 modified changes in the Senior and Disabled Property Tax Deferral program approved in 2011 by granting participants with a reverse mortgage two additional years in the program. HB 4039 will increase the state's obligations to make property tax payments for the 2011 and 2012 tax years by an estimated \$6 million but the program is expected to remain self-funding over the next 3 biennia. Other significant property tax changes were a clarification that data warehouse property located in enterprise zones was not subject to central assessment (SB 1532), a requirement for the Department of Revenue to establish a separate assessment class for machinery and equipment (SB 1529), and an exemption for tribally owned property that is used to provide governmental services (HB 4041). The latter two measures are expected to have a small impact on property tax collections.

The Legislature modified state income tax law through the passage of HB 4005, HB 4079, and SB 1531. HB 4005 established a new personal income tax credit designed to compensate owners with loss of livestock due to wolf depredation. The credit is capped at \$37,500 for any tax year but the revenue impact for the 2011-13 biennium is estimated at \$10,000. HB 4079 makes a number of technical clarifications to several energy related tax credits. SB 1531 updates Oregon's connection date to certain federal income tax laws through December 31, 2011. HB 4079 and SB 1531 are not expected to have an impact on General Fund revenue.

Capital Construction

During the 2012 session, the Legislature approved \$123.4 million in capital construction projects. Of that amount, \$103.4 million was Other Funds and \$20 million was Federal Funds. Of the Other Funds increase for the 2011-13 biennium, \$81.9 million was for Article XI-F Bond Expenditures and \$9.6 million was from lottery bond proceeds. The remainder of the Other Funds increase was from miscellaneous other sources. In addition, an increase in capital construction expenditure limitation was provided for a project previously authorized in the 2007-09 biennium for the Department of Aviation. Details on these actions can be found below.

Oregon University System

The Legislature approved a budget of \$81.9 million Other Funds for four projects, all funded with Article XI-F (1) general obligation bonds. Debt service on the bonds will be paid with student fees, housing and dining revenues, and other campus funds.

Oregon State University: The Legislature approved the following three projects, totaling \$80.9 million.

- Student Experience Center: \$42,700,000 Other Funds (Article XI-F (1) bonds) to construct a new building to house student organizations and accommodate student events, replacing the Memorial Union/Snell Hall facility. Expenditure of bond proceeds for furnishings, fixtures, and equipment was not approved, reducing incurred debt by \$900,000. Debt service will be paid with increased student incidental fees approved by a student referendum in 2010.
- Memorial Union Renovation: \$9,177,500 Other Funds (Article XI-F (1) bonds) to renovate space currently occupied by the OSU Bookstore. Expenditure of bond proceeds for furnishings, fixtures, and equipment was not approved, reducing incurred debt by \$400,000. Debt service will be paid with increased student incidental fees approved by a student referendum in 2010.
- New Residence Hall: \$29,000,000 Other Funds (Article XI-F (1) bonds) to construct a new 150-student residence hall. Expenditure of bond proceeds for furnishings, fixtures, and equipment was not approved reducing incurred debt by \$1,000,000. Debt service will be paid with housing and dining revenues.

Western Oregon University: The Legislature approved an adjustment to a previously approved project, totaling \$1 million Other Funds.

- Natural Sciences Laboratory Annex: \$1,000,000 Other Funds (Article XI-F (1) bonds) to supplement \$7.2 million in Lottery Bonds and \$2.5 million in Other Revenues for construction of a new natural science teaching laboratory. Debt service on the bonds will be paid with campus revenues.

Department of Community Colleges and Workforce Development

The Legislature approved \$9,604,450 in Other Funds (Lottery Bonds) for projects at all 17 community colleges. Projects support various Career Technical Education (CTE) and Science, Technology, Engineering, and Mathematics (STEM) programs at the colleges. The lottery bonds to fund these projects cannot be issued if the State Treasurer, after considering a report from the State Debt Policy Advisory Commission (SDPAC) on lottery-backed debt capacity, determines that lottery-backed debt capacity is not sufficient to support issuance of the bonds. The SDPAC report is to be received no later than February 1, 2013. The Department of Administrative Services is requested to unschedule the

\$9,604,450 capital construction expenditure limitation for the 17 community college projects until the bonds are sold. Debt service on the bonds would be paid with Lottery Funds.

Blue Mountain Community College: \$465,037 Other Funds (Lottery Bonds) to add a veterinary examination room to an existing animal science building and construct an adjacent building with a general purpose classroom and animal science wet laboratory to support a veterinary assistant certificate program.

Central Oregon Community College: \$500,000 Other Funds (Lottery Bonds) to renovate and expand the mathematics and science laboratory on the Redmond campus.

Chemeketa Community College: \$1,000,000 Other Funds (Lottery Bonds) to contribute towards the purchase of equipment to support the machining program and renovation of part of Building 4 for the visual communications, drafting and civil technologies, and engineering programs.

Clackamas Community College: \$800,000 Other Funds (Lottery Bonds) to upgrade and purchase equipment and improve facilities to support industrial technology and science programs.

Clatsop Community College: \$281,785 Other Funds (Lottery Bonds) to purchase equipment and upgrade a ventilation system in an existing building in support of the welding and fabrication certificate program.

Columbia Gorge Community College: \$297,193 Other Funds (Lottery Bonds) to replace and upgrade equipment for the nursing program.

Klamath Community College: \$300,000 Other Funds (Lottery Bonds) to expand Building 1 to add kitchens, a dining room, and related space to support the Culinary Arts program and provide faculty office space.

Lane Community College: \$1,000,000 Other Funds (Lottery Bonds) to add four classrooms to Building 18 for science, technology, engineering, and mathematics (STEM) classes.

Linn-Benton Community College: \$800,000 Other Funds (Lottery Bonds) to construct or renovate part or all of an advanced transportation technology center to support automotive and heavy equipment diesel programs.

Mt. Hood Community College: \$800,000 Other Funds (Lottery Bonds) for laboratory and classroom additions and upgrades to support CTE and STEM programs.

Oregon Coast Community College: \$273,235 Other Funds (Lottery Bonds) to renovate and furnish the Waldport Center to house nursing assistant, emergency medical technician, home health aide, and other allied health programs.

Portland Community College: \$1,000,000 Other Funds (Lottery Bonds) to renovate surplus State of Oregon property owned by the college to house the facilities maintenance technology program.

Rogue Community College: \$500,000 Other Funds (Lottery Bonds) for construction of a flexible technology building with shop, storage, support, and classroom space to support manufacturing and fabrication programs.

Southwestern Oregon Community College: \$387,200 Other Funds (Lottery Bonds) to purchase equipment and upgrade facilities supporting CTE and STEM programs.

Tillamook Bay Community College: \$300,000 Other Funds (Lottery Bonds) to construct a learning laboratory for agricultural and natural resource programs.

Treasure Valley Community College: \$500,000 Other Funds (Lottery Bonds) to construct an agricultural arena as part of the ongoing Science Center construction project; the arena will support equine science, renewable energy, and viticulture program.

Umpqua Community College: \$400,000 Other Funds (Lottery Bonds) to renovate existing facilities in Roseburg and Drain and construct a new facility in the tri-cities area to enhance tele-education capacity in support of welding, construction, manufacturing, engineering, and other programs.

Department of Veterans' Affairs

Lebanon Veterans' Home: \$10,126,096 Other Funds and \$19,362,748 Federal Funds for construction of a veterans' home in Lebanon, a U.S. Veterans Administration priority project selected in June 2010. Local government funds from Linn County provide approximately 35% of project funding for this 150-bed facility expected to be completed in the fall of 2014.

Department of Transportation

OWIN – State Radio Project: \$591,920 Federal Funds to provide additional construction funding for the Statewide Radio Project (formerly referred to as the Oregon Wireless Interoperability Network). A grant from the U.S. Department of Justice, under the Integrated Wireless Network grant program, is the source of the funds which will be used for radio tower construction at a specified site.

DMV Bend Office: \$1,838,489 Other Funds for renovation of the existing Driver and Motor Vehicles (DMV) field offices in Bend. Cost of construction will be paid from Highway Fund revenues.

State Bonding

In January 2012, the State Debt Policy Advisory Commission (SDPAC) updated its recommended capacity limits for General Fund and Lottery Funds debt based upon the December 2011 revenue forecast for the 2011-13 biennium. The revised limits came with a recommendation from the Commission that “the Legislature and Governor refrain from authorizing new General Fund supported debt” for the 2011-13 biennium. The Commission did recognize that there were some projects that had begun in previous biennia and some debt might be needed to continue those projects.

The Commission also recommended a “considered, phased approach” for Lottery bonds given declining lottery revenues.

The Legislature authorized \$81,877,500 in additional Article XI-F bond issuance authority for the Oregon University System. The bond proceeds will fund four projects including a Student Experience Center (Oregon State University), Memorial Union Renovation (Oregon State University), a new residence hall (Oregon State University), and partial funding for the Natural Sciences Laboratory Annex (Western Oregon University). For more details of these projects, see the Capital Construction section.

Article XI-Q authority was increased by \$13,960,000 to fund further development of the Judicial Department’s e-Court system.

Lottery Revenue Bond authority was increased by \$10,625,000 to provide funding for the community college capital projects. The additional Lottery Revenue Bonds cannot be issued if the State Treasurer, after considering a report from the State Debt Policy Advisory Commission on lottery-backed debt capacity, determines that lottery-backed debt capacity is not sufficient to support issuance of the bonds. The SDPAC report is to be received no later than February 1, 2013. For more details of these projects, see the Capital Construction section.

Authority for Certificates of Participation and Other Financing Agreements was increased by \$2,500,000 based on projected use of capital leases.

Information Technology in the 2011-13 Legislatively Approved Budget

Starting with the 2009-11 legislative session, the Legislative Fiscal Office (LFO) has included a section in the “Budget Highlights” report to provide the Legislature with analytical support and advice related to the state’s information technology (IT) budget, staffing, projects, expenditures, and challenges. This section of the budget summary document for the 2011 session focused broadly on these IT related areas for the entire 2011-13 biennium. This section of the 2012 session budget highlights update report focuses specifically on IT budget information related to five major IT projects/initiatives that are under direct legislative oversight during the 2011-13 biennium.

Legislative Fiscal Office Focus

During the 2012 session, the state’s challenging economic condition once again required LFO to focus on agency IT budgets and on areas where IT could be utilized to contribute to cost savings for the state. These areas of LFO focus during the 2012 session included:

- Verifying agency IT budget reasonableness
- Minimizing redundancies within and between agency IT budgets
- Reviewing proposed law and policy changes related to IT
- Identifying IT expenditures that could be delayed
- Initiating efforts for leveraging IT to deal with the state’s economic situation
- Reviewing and providing oversight for already approved IT Policy Option Packages (POP) packages exceeding \$1 million
- Evaluating business case, value, and foundational work for any new POPs
- Identifying cost savings IT-related opportunities
- Reviewing and providing oversight of major new, and ongoing, IT initiatives
- Identifying projects requiring “budget note” directives
- Assuring subcommittee review of major IT project statuses, budget notes, and issues
- Assuring subcommittee review of any required Secretary of State (SOS) audit findings

During the one-month 2012 session, LFO focused on five key IT projects and initiatives that were of special interest to the Legislature. A majority of these projects/initiatives had an associated budget note developed to make sure that agencies proceeded consistently with the Legislature’s direction during the 2011-13 biennium. A summary of the major highlights for each of these projects/initiatives during the 2012 session follows.

Budget Notes and Reports

Of the major projects and related efforts included in the 2011-13 legislatively approved budget, several were of particular interest to the Legislature and LFO due to their overall cost, their complexity and risk, their importance to public safety and health, and/or their cross-biennium timeframes. These projects included:

- Oregon Judicial Department’s eCourt Program (\$30+ million in 2011-2013 – including \$2 million General Fund)
- Oregon Department of Transportation’s OWIN Project – recently renamed the “State Radio Project” (\$121.4 million in 2011-13)
- Department of Revenue’s Core System Replacement Project (proposed \$13+ million in 2011-2013)
- Oregon Health Authority’s HIX Project (\$48 million in federal grants and \$7+ million for internal related projects in 2011-2013)

During the 2011 session, budget notes and/or reporting language was developed by LFO for each of these projects and initiatives. In each case, the owning agency was requested to return throughout the 2011 interim and to the 2012 session and report on budget note status and progress. A summary of agency progress on each of the budget notes initiated in the 2011 session for each of these four projects (and one additional administrative direction), and a summary of any additional budget notes from the 2012 session follows:

- OJD's eCourt Program – The budget note for SB 5516 (2011) included the requirement for OJD's eCourt Program leadership to sign an "agreement" with Legislative Leadership requiring OJD to remediate 37 key program deficiency areas as part of its 2011-13 eCourt Program budgetary process. These 37 deficiencies included shortfalls in program/project management and the need for addressing 200+ findings and recommendations identified by OJD's quality assurance vendor, InfoSentry. The purpose of the eCourt Program agreement between the Chief Justice and Legislative Leadership was to correct existing eCourt Program deficiencies and to provide clear guidance on how the eCourt Program is to be managed, controlled, funded, and overseen during the 2011-13 biennium. The focus of this direction was to make sure that eCourt Program leadership followed best practices in the management and execution of this highly complex and expensive project, and to help guide legislative decisions on any future funding decisions related to the eCourt Program.

In addition to the 37 agreement remediation items, two to three legislators were also to be identified to provide independent legislative oversight for the eCourt Program. OJD was also directed to report program progress and status during the 2011 interim to the Joint Committee on Legislative Audits and Information Management & Technology (JCLAIMIT). OJD's readiness to proceed with the eCourt Program was to be re-evaluated during the 2012 session. Any future funding was also scheduled to be re-evaluated at that time.

During the 2012 session, JCLAIMIT received reports from both LFO and OJD on OJD's progress on the eCourt Program budget note for SB 5516 (2011). OJD reported that it had worked closely throughout the past year with LFO and had made very good progress on the budget note and related agreement. It further reported, however, that it had not completed all of the 37 agreement deliverables (only 11 out of 37 were actually finalized and approved), but that it had made significant progress on the most important agreement deliverables, and asked that it be allowed to proceed with the Yamhill Pilot Court implementation while finishing up the remaining agreement work. LFO concurred with OJD's report of budget note progress, and recommended to JCLAIMIT that OJD be allowed to continue work on its initial implementation of the Odyssey software product in Yamhill, while simultaneously continuing to work with LFO to complete all remaining SB 5516 (2011) budget note requirements.

In addition, during the 2012 session, an additional budget note and reporting language was developed by LFO for the eCourt Program for the remainder of the 2011-13 biennium. The budget note for SB 5701 (2012) included the requirement for OJD to continue to work with LFO to complete all remaining budget note requirements for SB 5516 (2011). The budget note for SB 5701 (2012) further required OJD to develop a series of implementation and evaluation plans to manage each of the five pilot and early adopter Oregon eCourt implementations scheduled to be started during the biennium. In addition, this budget note required OJD to develop a comprehensive implementation and evaluation plan for the Multnomah County Circuit Court, including a comprehensive post implementation review and lessons learned report that could be

utilized to verify readiness for the remaining 30+ trial court implementations (for the text of the budget note, please see the Budget Notes section).

- ODOT's State Radio Project (formerly, the OWIN Project) – The budget note for HB 5046 (2011) provided OWIN Project leadership with direction on scaling back the OWIN Project to goal #1 of the original HB 2101 (2005), which required the OWIN Project team to simply upgrade all existing state radios and infrastructure to assure the continued proper operation of an “integrated statewide radio network.”

During the 2012 session, ODOT's State Radio Project (SRP) leadership reported that it had completed all requirements related to the budget note for HB 5046 (2011). ODOT further reported on the overall status of the SRP Project, including its efforts to incorporate existing statewide private systems into its final wireless network solution. The agency also reported on the status of partnership agreements, and future plans to deal with both technology and interoperability challenges. LFO concurred that ODOT had completed all requirements related to the budget note for HB 5046 (2011). ODOT was directed to report to the Emergency Board in the fall 2012 on a more detailed plan on a structure for ongoing operation and maintenance of the state radio system and a strategy to achieve interoperability across the state.

- DOR's Core System Replacement Project (renamed the Technology and Process Reengineering Project, or TaPR) – The budget note for HB 5040 (2011) required the Department of Revenue to complete key foundational business and project planning work prior to coming to the 2012 session with a request for funding DOR's Core System Replacement Project. This foundational work included the development of a business case/options analysis, defining the high-level requirements for the proposed project, clearly defining the scope of the proposed project, developing architectural and business models, reviewing available commercial-off-the-shelf (COTS) software packages, reviewing industry “best practices” related to replacing “core revenue systems,” analyzing key project strategies and risks, developing and processing an RFP for the requested products and services, and developing a high-level plan, schedule, and budget for the proposed replacement option. These materials were to be provided to LFO for its review. DOR's findings and budget request for replacing its core information technology systems were to be presented to the Legislature during the 2012 session.

During the 2012 session, DOR reported that due to state budget challenges, it was slowing down its TaPR Project efforts, and that it would use the balance of 2012 to further prepare for coming back to the 2013 session with its finalized preparations and justification for startup funding and approval to proceed with the project. LFO concurred with this recommendation and reported that it would be working with DOR throughout 2012 to help verify that the TaPR Project and DOR are properly prepared for making a funding request during the 2013 session.

- OHA's/DHS's HIX Project – the budget note for HB 5053 (2011) provided the Oregon Health Authority (OHA) and the Department of Human Services (DHS) with legislative direction on how they were to proceed with the expenditure of both federal grant and state resources (approximately \$55 million) between then and the 2012 session. Due to the complexity of this project and the short federal timeframes for completing the work required by the \$48 million in federal grant money, the Legislature required the HIX Project team to develop a detailed plan for proceeding in a manner that would assure the success of the project. A key component of this planning was the requirement to develop an “oversight plan” for the project that would provide the Legislature with a clear picture of the planned vs. actual progress of OHA/DHS efforts. OHA/DHS was also

directed to immediately hire a quality assurance (QA) vendor and to regularly report project status and progress to the Legislature and appropriate committees.

During the 2012 session, JCLAIMT received reports from both LFO and the Oregon Health Authority on progress on the requirements of the HIX Program budget note for HB 5053 (2011). OHA reported that it had completed all budget note requirements except a limited number of key project management documents (which were in progress and near completion). LFO concurred with OHA's report of budget note progress and recommended to JCLAIMT that OHA be allowed to continue work on the HIX program (both program and IT components), and to work with LFO to finalize the remaining budget note project management related deliverables for HB 5053 (2011). OHA was directed to report back to JCLAIMT during the 2012 interim on the remaining budget note work, and overall HIX Program progress.

- Department of Administrative Services Cost Savings Plan – The budget note for SB 5502 (2011) required the Department of Administrative Services (DAS) to develop a plan for reducing 2013-15 costs by 10% for key administrative services (including information technology).

DAS provided an update on the plan required under the budget note to the Joint Committee on Ways and Means during the 2012 session. The agency reported that criteria for the plan have been established, scope definition and measurement work was underway, and the Department is making sure the plan fits into the newly established budget process. Specific information technology-related actions have yet to be identified.

Committee Oversight Activities

During the 2012 session, LFO worked with agency staff, individual legislators, the Joint Committee on Ways and Means General Government Subcommittee, the Joint Committee on Legislative Audits and Information Management & Technology (JCLAIMT), and the House Rules Committee on a wide-range of key IT-related initiatives. A brief summary of each key activity follows:

- OJD's eCourt Program funding request, status, and progress on its budget note and related remediation efforts were reviewed.
- OHA's/DHS's HIX Program status and progress on its budget note were reviewed.
- DOR's TaPR Program status and progress on its budget note were reviewed.
- ODOT's OWIN/SRP Project status and progress on its budget note were reviewed.
- JCLAIMT received an update on progress on the Oregon Transparency Website as presented by DAS and the state's Chief Information Officer.
- JCLAIMT received an update on progress on the ePortal Efforts for state agency websites as presented by DAS and the state's Chief Information Officer.
- JCLAIMT received an update on the status of DAS's Oversight of Major (>\$1 million) IT Projects as presented by the Enterprise Information Strategy and Policy Division of DAS and the State's Deputy Chief Information Officer.
- JCLAIMT received a Post Implementation Review Report on the Retirement Information Management System (RIMS) Project that was successfully implemented in 2011.

2012 Session Budget Notes

A budget note is a directive to a state agency on the legislative intent of a particular budget measure and is typically technical in nature, directing administrative and managerial actions relating to the agency's execution of its biennial budget.¹ A budget note is found in a budget report, which is the measure summary that accompanies most measures passed by the Joint Committee on Ways and Means (JWM). The budget reports may also provide the context for a specific note.

The Legislature adopted a total of 17 budget notes during the 2012 legislative session, all but one of which are contained in the budget report for SB 5701.² The following is a list of budget notes, by program area, agency, and measure.

Statewide

The budget rebalance plan developed by the Co-Chairs of the Joint Committee on Ways and Means included the elimination of targeted amounts from adopted budgets through actions to be taken to reduce the number of middle managers and public affairs positions in state government and to reduce the amount currently planned for advertising and personal services contracts. In order to make these targeted reductions primarily to personal services appropriations, the Legislative Fiscal Office is directed to work with agencies to identify specific management and other positions to be eliminated as part of a restructuring of business operations aimed at making permanent changes to the management of agency programs and services. Affected agencies are directed to report on the status of this effort, with the assistance of the Legislative Fiscal Office, to the Emergency Board in May 2012. Since these reductions are intended to be permanent, it is expected that no positions recommended for elimination as a result of this plan will be included in the Governor's proposed 2013-15 budget.

Human Services Program Area

Oregon Health Authority #1

The Oregon Health Authority is instructed to convene a stakeholder work group consisting of all eight health insurers domiciled in Oregon to review whether there is a future for the health insurance premium tax. Further, by December 2012, the work group shall make recommendations on how to address the funding gap that will arise after the September 30, 2013 sunset of the existing tax authority and how to allocate any surplus premium tax revenue in the remaining months of the 2011-13 biennium to health care programs, especially for Oregon's children. The Oregon Health Authority is instructed to memorialize discussions in writing, as well as to provide updates on the work group discussions to the interim health care policy committees.

Oregon Health Authority #2

The Oregon Health Authority is directed to pursue a competitive bidding process for the purchase of lowest cost generic drugs within the Medicaid program. The agency shall report back to the Emergency Board by December 2012 on the status and results of this initiative.

Oregon Health Authority #3

Funds from the Dammasch Trust Fund in the 2011-13 budget are being used due to the severe revenue shortfall the state has experienced. Dammasch funds are being used exclusively for vital mental health

¹ For a more complete discussion of what budget notes are, their origin, legal standing, and use, please refer to Budget Information Brief 2007-3, Budget Note at www.leg.state.or.us/comm/lfo/2007-3%20Budget%20Note.pdf

² Additional information for each measure can be found in the measure's budget report or fiscal impact statement. This information is available at www.leg.state.or.us/comm/sms/SMS11Frameset.html

services. If revenue should substantially increase in the current biennium, the Legislature will restore these funds to their full amount.

Department of Human Services

The Department of Human Services is to report to the Emergency Board in September 2012 on the outcome of the negotiations for the adult foster care programs. If the negotiations result in a reduction that is more than 6% below the 2009-11 reimbursement rate, DHS is to identify options for bringing reimbursement for adult foster care programs to no more than a 6% reduction for the balance of the biennium, and include its preferred option in the agency's next budget rebalance plan.

Public Safety Program Area

Department of Corrections

The Department of Corrections is instructed not to close or deactivate any facility or units for the purposes of the \$7.9 million reduction related to the agency's share of the statewide effort to restructure state government business operations and management of agency programs and services without consulting the Emergency Board or the Legislature.

Department of Justice

The Department of Justice may request funding for activities related to mortgage fraud and similar issues from the special purpose appropriation established for this purpose. These activities may include investigation and prosecution of mortgage fraud cases, efforts to assist distressed homeowners access funding made available by the recent multi-state settlement with private mortgage lenders, housing counseling, and other activities relating to possible foreclosures. The Department of Justice shall work with the Department of Consumer and Business Services, the Housing and Community Services Department, and other agencies and entities in formulating a plan for the best use of these funds for presentation to the Emergency Board as part of its request for these funds.

Military Department

The Military Department is directed to prepare a statewide information technology plan for upgrading Oregon's 9-1-1 system(s) to Next Generation technology. The plan shall include a detailed component to consolidate the state's Public Safety Answering Points based upon the 2012 L.R. Kimball Consolidation Analysis and Next Generation 9-1-1 Implementation Report. The plan is to be submitted through the normal budget review process for an information technology project and be reviewed by the Department of Administrative Services, Information Enterprise Strategy and Policy Division.

Natural Resources Program Area

Department of Land Conservation and Development

The Department of Land Conservation and Development shall prepare a report that identifies which counties and cities with a population over 10,000 people have completed or not completed the following:

- The requirement of urban service agreements contained in ORS 195
- Approved facilities plans

The report shall include the date the county and city's comprehensive plan was approved by the Land Conservation and Development Commission. The report shall include options to bring counties and cities into compliance with the ORS and shall be presented to the Joint Committee on Ways and Means prior to the 2013 legislative session.

Transportation Program Area

Department of Transportation

The Department of Transportation shall provide a report to the Joint Committee on Ways and Means and the appropriate legislative policy committees by February 2013 on the criteria used for selecting ConnectOregon projects, and the public benefits derived from investments made by ConnectOregon.

Consumer and Business Services Program Area

Health Licensing Agency

There was concern with the fee changes for the Board of Direct Entry Midwifery. The agency is directed to report during the 2013 Legislative Assembly on the status of the revenues, expenditures, and current ending balance forecast for the board, including proposals for fee decreases or other regulatory options for the board.

Administration Program Area

Employment Relations Board

The Employment Relations Board is directed to undertake the following items and then report to the appropriate policy committee and the Joint Committee on Ways and Means during the 2013 legislative session:

- Review its administrative processes and procedures and make any necessary changes to improve the timely disposition of hearing and mediation cases
- Propose to the 2013 Legislature an expedited hearings process as well as any statutory changes that will improve the timely disposition of its hearing and mediation cases
- Conduct a review of recent opinions issued by the Board and its administrative law judges to evaluate the quality of opinions issued and how they can be improved upon
- Report on the number of frivolous claims received and recommendations for reducing the number of any such claims

Oregon State Library

The State Library is to report to the May 2012 Joint Interim Committee on Joint Ways and Means or the Emergency Board with an analysis of the requests and response received by the Government Research and Electronic Services program. The report shall include the total number of requests received, the nature of requests, and from what entity the request was made, the number of requests that were responded to, and the cost associated with providing responses.

Office of the Governor

The Legislature intends that the appropriations, expenditure limitations, and position authority established for the Oregon Education Investment Board, the Early Learning Council, and the Youth Development Council for the 2011-13 biennium be part of the budget for the Office of the Governor for the 2011-13 biennium only. The Governor's 2013-15 recommended budget should be developed with the Oregon Education Investment Board's budget, including the Early Learning Council and the Youth Development Council, established as a separate entity or entities outside of the Governor's Office.

Judicial Branch Program Area

Judicial Department #1

The Oregon Judicial Department is requested to report to the Legislative Fiscal Office on a quarterly basis on the Department's overall revenue activities, including the cost of collection, amounts collected, and collection rates.

Judicial Department #2

The Judicial Department is requested to work with the Legislative Fiscal Office to prepare a revised schedule for completing the deliverables that were defined in the Agreement between the Chief Justice and the Co-Chairs of the Joint Committee on Ways and Means in the SB 5516 (2011) budget report. The Judicial Department and the Legislative Fiscal Office are also requested to establish a regular meeting schedule to review the deliverables and the status of Oregon eCourt. The parties will report to the Chief Justice and the Co-Chairs of the Joint Committee on Ways and Means periodically on the status of the deliverables and the Oregon eCourt program. The Judicial Department will also report as requested to the Joint Committee on Legislative Audits and Technology on the deliverables and the status of the Oregon eCourt program.

Judicial Department #3

The Oregon Judicial Department (OJD) is requested to develop, by no later than April 1, 2012, a detailed implementation and evaluation plan to manage the pilot court and early adopter court Oregon eCourt implementations. For each trial court, the plan must include a clear definition of the implementation goals & objectives, processes, timelines, and costs; success evaluation criteria and measures for proving successful execution of each plan; and a plan to incorporate the lessons learned after each trial court implementation into subsequent implementations. If OJD determines that the implementation goals & objectives, schedule, or costs should be revised or rebaselined, OJD must immediately provide documentation of any adjustment to the Legislative Fiscal Office (LFO) so that the impact can be calibrated to the affected trial court implementation plan.

LFO will work with OJD to evaluate the success of each pilot and early adopter implementation against the plan. Factors that will be considered will be agreed upon by LFO and OJD and will be documented in each trial court implementation plan. The plan for the initial trial court will specifically include an initial evaluation of the usability of the Odyssey product. Each of the subsequent four early adopter implementations will further test the scalability of the product, and additional components of Oregon eCourt that may have been added; the configurations that have been established; the business functions that have been integrated with the Odyssey product; the system interfaces; and the data conversion plan and implementation.

LFO will request that OJD report after the pilot court and each early adopter implementation on its implementation including a post implementation review of outcomes, success measures and costs, and the lessons learned analysis. OJD should provide recommendations based on these reviews for the next early adopter court. Once all four of the first early adopters are completed, OJD should conduct a major review to verify that the product(s) and all the methods involved in the implementation for the first five pilot and early adopter courts are sufficient for a successful implementation in Multnomah County. Because Multnomah County is being implemented via a 'by case-type' methodology, rather than all case types at once, like the first five trial courts, OJD should provide a Multnomah County-specific implementation and evaluation plan to guide the Oregon eCourt product(s) implementation. Upon completion of this implementation, LFO and OJD will review the Multnomah County implementation against the detailed implementation plan and the OJD assessment to evaluate the success of this implementation. This review will provide the basis for determining readiness of OJD and the contractor for implementing Oregon eCourt in the remaining trial courts.

2012 Session Fiscal Impact Statements

The following is a brief summary of fiscal impact statements, process, and statistics for the 2012 session.

Fiscal Impact Statement

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

There are five general types of fiscal impact statements:

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

2012 Process and Duration

The 2012 session was the first even year session since the voters approved annual sessions. House and Senate substantive committees, by model committee rule(s), continued the practice initiated during the 2009 regular session requiring a fiscal impact prior to a measure being reported out of committee. This rule applied to most substantive measures, including those with subsequent referrals to the Committees on Finance and Revenue and/or Joint Ways and Means. The purpose of the rule was to inform substantive committee decision-making on the fiscal implications of a particular measure.

The 2012 session was 34 (calendar) days in duration with legislative actions occurring on 24 of those days.

The Legislature established 23 standing substantive committees, separate House and Senate revenue committees, and the Joint Committee on Ways and Means.

Fiscal Impact Statistics

The fiscal impact process is affected by a number of factors including: the volume of measures introduced, the number of substantive committees, committee model rules, committee scheduling of a measure, whether the measure is amended, the number of amendments, the fiscal nature and complexity of the measure and/or amendment, the duration of the session, and Legislative Fiscal

Office and state and local government staffing and their experience with the legislative and fiscal impact processes.

There were 302 measures introduced during the 2012 session. There were a total of 133 bills that passed both chambers and were enrolled. While not every measure introduced or amendment drafted, advanced legislatively and a fiscal impact prepared, the Legislative Fiscal Office did produce a total of 278 fiscal impacts on introduced, amended, and engrossed measures and minority reports during the session. Of this amount, 121 (44%) were Written analyses, 69 (25%) were Minimal, and 88 (32%) were No Fiscal. This compares to the six biennia historic average (regular legislative sessions) where 35% of fiscals were Written analyses, 19% were Minimal, and 46% were No Fiscal.

Substantive Bills Enacted into Law with a Budget Effect

In addition to appropriation measures, the Legislature approved a number of substantive measures that had a budgetary or fiscal impact. Except as noted under the Program Change section, these are measures which passed through the Joint Committee on Ways and Means (JWM) and became law or were referred to voters.³

Subsequent Referrals to the Joint Committee on Ways and Means

During the 2012 session, 302 measures were introduced. A total of 56 (18.54%) measures were referred to JWM by legislative leadership. Of the 56 measures referred to JWM, 9 (16.07%) measures were directly referred to the Committee and 47 (83.93%) were subsequent referrals after being heard in policy committees. Of the referred measures, 52 were substantive in nature, including SB 1579/Program Change, and 4 were budget measures (i.e., 5000 series bills).⁴

Of the 56 measures referred directly or subsequently to JWM, 41 (73.21%) were reported out of the Committee. Fifteen (26.79%) of the measures did not receive a JWM hearing and remained in Committee upon adjournment.

Substantive Measures with a Budget Effect

The following is a brief summary, by program area, detailing the 19 most noteworthy substantive measures reported out of JWM.

Health Care and Human Services Program Area

HB 4023 allows the court to appoint a community guardian and establish a community guardianship as a permanent planning option for youths 16 years of age or older in the custody of the Department of Human Services (DHS). The bill defines community guardian to include private child-caring agencies, and homes established and maintained by fraternal organizations. Passage of this bill is anticipated to result in potential savings for DHS. However, at this time, the savings are indeterminate. As a point of reference, the Department reports that the cost of foster care during the 2009-11 biennium averaged approximately \$26,605 total funds a year per child. DHS anticipates only a small number of children will meet the eligibility requirements for community guardianship specified by this bill (over 16 years of age, has spent 3 or more years in substitute care, and the proposed community guardian has provided care or services to the ward in the 12 months immediately preceding the filing for community guardianship). Assuming an average of two children diverted out of DHS care per year as a result of passage of this bill, the Department could realize a savings of \$106,420 total funds per biennium. Note that these savings assume that the appointed community guardian will not receive guardianship assistance costs from DHS.

HB 4077 requires school district boards to adopt a policy stating that teen dating violence is unacceptable, and is prohibited, and that each student has the right to a safe learning environment, and to incorporate age-appropriate education about teen dating violence for students in grades 7 through 12, and for school employees responsible for receiving reports related to harassment, intimidation, and bullying. The bill permits the Department of Justice (DOJ) to use moneys in the Oregon Domestic and

³ Additional information for each measure can be found in the measure's budget report or fiscal impact statement. This information is available at www.leg.state.or.us/comm/sms/SMS11Frameset.html

⁴ Also see the Capital Construction section (HB 5202) and the Additional 2012 Session Legislative Actions (SB 1579) section of this Highlights document for a more detailed discussion of these bills

Sexual Violence Services (ODSVS) Fund to support services, programs, and curricula to educate and inform students in grades 7 through 12 about teen dating violence. The bill also allows the Department of Human Services (DHS) to use the Domestic Violence Fund to make grants and enter into contracts to prevent teen dating violence. Currently, the Domestic Violence Fund and the Oregon Domestic and Sexual Violence Services Fund are used to subsidize crisis lines, shelters, and support services for survivors of domestic violence and sexual assault. The bill expands allowable uses of these funds to teen dating violence programs and services. Passage of this bill will have no bottom line budgetary impact on DOJ and DHS.

HB 4082 transfers the Court Appointed Special Advocates Volunteer (CASA) Programs from the State Commission on Children and Families to the Oregon Commission for Voluntary Action and Service. The bill requires each CASA Volunteer Program to report biannually to a standing and interim committees of the Legislative Assembly related to the provision of court appointed special advocate services. The bill directs the Judicial Department, the Housing and Community Services Department, and the Oregon Volunteers Commission to study the appropriate structure and operation for funding and administration of the CASA Volunteer Programs, and make recommendations to the Legislative Assembly. To administer the program, the Oregon Commission for Voluntary Action and Service anticipates establishing one position (0.67 FTE) to manage the CASA program for the 2011-13 biennium. The bill includes a General Fund appropriation to the Housing and Community Services Department, equivalent to the funds to be transferred from the State Commission on Children and Families, plus \$122,799. The bill also reduces the General Fund appropriation to the State Commission on Children and Families by \$1,184,366, the expected amount of the CASA fund balance at the date of transfer.

HB 4084 provides a six-year statute of limitations for certain felonies when the victim is 65 years of age or older. The bill requires health care providers and financial institutions to allow law enforcement access to certain protected health information and financial records without the consent of the person if there is an investigation into abuse being conducted. The bill establishes a six-member Resident Safety Review Council charged with reviewing information from abuse cases investigated by the Department of Human Services and/or law enforcement agencies. The Council is directed to perform root cause analysis of the information to determine whether the occurrences of alleged abuse should be classified as acts of abuse or adverse events. The bill includes a \$300,000 Other Funds expenditure limitation from the Quality Care Fund to the Department of Human Services to support the work of the Council.

HB 4164 (Chapter 38, 2012 Laws) acknowledges approval of the ORHIX business plan (health insurance exchange), and includes technical and conforming changes to provide ORHIX with the financial infrastructure to operate as an independent entity. In addition, the bill permits school districts and eligible employees of districts to participate in plans offered through ORHIX on or after October 1, 2015. Because of this start date, this ORHIX option would not take effect until the 2015-17 biennium, therefore there is no fiscal impact on the Oregon Educators Benefit Board (OEBB) for the 2011-13 and 2013-15 biennia. At this time, the 2015-17 biennium fiscal impact on OEBB cannot be determined.

Education Program Area

HB 4061 establishes a ten-member Special Committee on University charged with reviewing, discussing, and analyzing issues of governance within the higher education system. The committee is required to begin work no later than April 15, 2012, and to submit a report of its findings and recommendations to the Governor and the Legislative Assembly by November 1, 2012. The task force

sunset on the date the 77th Oregon Legislative Assembly convenes. The Legislative Administration Committee is required to provide staff support to the task force.

HB 4165 removes the sunset on the Early Learning Council (ELC) and establishes the Youth Development Council (YDC). The bill also abolishes the State Commission on Children and Families (SCCF) and transfers the SCCF's authority related to children ages zero through six to the ELC and authority for school aged children through 20 years of age to the YDC effective July 1, 2012. The Commission for Child Care, currently supported by the Child Care Division of the Employment Department, is also abolished and all functions are transferred to the ELC. With this transfer of authority, all remaining General, Other, and Federal Fund revenues related to the Commission and the Commission for Child Care are transferred to the ELC and YDC, within the Governor's Office.

The measure appropriates \$18,735,130 General Fund, establishes a \$9,905,400 Other Funds expenditure limitation, and establishes a \$3,363,974 Federal Funds expenditure limitation to the ELC and the YDC within the Office of the Governor for the implementation of the bill. This reflects the transfer of all remaining General Fund, Other Funds, and Federal Funds expenditure limitation from the SCCF and \$100,000 General Fund appropriation from the Employment Department (see below). The ELC and YDC will continue payments to local commissions as currently budgeted in the SCCF budget for the 2011-13 biennium. The remaining budget for Personal Services and Services and Supplies for the SCCF and the Commission for Child Care will be used as resources to complete the work of the ELC and YDC. Additionally, 16 positions (13.75 full time equivalent positions) are included in the transfer from SCCF to the ELC and YDC. The ELC and YDC will review funding levels and position authority once the directors of the ELC and YDC are in place; positions may be modified or abolished.

The measure abolishes the Commission on Child Care and transfers \$100,000 General Fund to the ELC. This amount represents the current yearly budget for the Commission on Child Care. The measure includes \$1,000,000 Federal Funds expenditure limitation and one permanent full time position (0.67 full time equivalent position) for the Employment Department to initiate development of a Tiered Quality Rating and Improvement System (TQRIS) for child care facilities. The start-up costs for the project in this biennium will be paid for with federal Child Care and Development Funds. The system is expected to cost about \$9 million when complete, and include three positions. The Department will request the use of current federal Child Care and Development Fund moneys and funds budgeted for the ELC for comprehensive children's early learning services, and intends to seek public private partnerships for project completion in future biennia.

SB 1581 requires public education entities to enter into achievement compacts with the Oregon Education Investment Board. Further, the bill identifies the education positions under the direction and control of the Chief Education Officer. The fiscal impact is indeterminate but expected to be absorbed within existing resources.

SB 1538 expands and clarifies the duties of the Higher Education Coordinating Commission (HECC) within the Oregon Education Investment Board (OEIB). The HECC is under direction and control of OEIB until March 15, 2016. The measure transfers authority over dual credits and transfer credits from the Joint Boards of Education to the HECC. The measure also transfers licensing authority of career schools from the State Board of Education to HECC and clarifies Oregon University System provisions related to borrowing through the State Treasurer or holding moneys in State Treasury. The transfer of the dual credit authority is operative July 1, 2012 and the transfer of the career schools authority is operative July 1, 2013. No additional personal services costs will be incurred as an OEIB

member will function as the interim HECC director during the first year and any additional staff support will be provided by the OEIB, Department of Community Colleges and Workforce Development, Oregon University System, and Oregon Student Access Commission to carry out the duties of the HECC. The Department of Education states that five permanent positions and two limited duration positions totaling 2.59 FTE currently work in the Private Career School program. Program related funding, positions, and the unexpended balances of the Private Career School program would be transferred to the HECC July 1, 2013.

Public Safety Program Area

None.

Consumer and Business Services Program Area

SB 1547 allows the Director of the Department of Consumer and Business Services (DCBS) to authorize captive insurers in Oregon and provides for the regulation of captive insurers. Captive insurers are entities that provide insurance coverage for their parent or affiliate companies. DCBS is supported by fees for the services it provides. DCBS estimates that there are approximately ten captive insurers in Oregon that would be charged an application and annual renewal fee, increasing Other Fund revenue by \$100,326. To oversee the financial condition of captive insurers, DCBS will establish one permanent full-time Insurance Examiner position (0.50 full time equivalent) for the remainder of the 2011-13 biennium to conduct this financial oversight, funded by the application and licensing fees paid by the captive insurers.

Economic and Community Development Program Area

HB 4176 describes what constitutes fiscal distress and permits a county to request declaration of fiscal emergency from Governor. The bill lays out a process for review and action upon the declaration of fiscal emergency. These include county responsibilities, along with the establishment of a fiscal assistance board and tools available to the board in developing a county recovery plan. Reallocating county funds, reducing services, and entering into intergovernmental agreements are some of the tools identified. A county must pay at least one-half of the costs of administering a fiscal assistance board and must deposit its moneys in a special fund established in the bill for this purpose (the Fiscally Distressed Counties Fund); that fund has been attached to the Department of Administrative Services along with \$1 Other Funds expenditure limitation as a placeholder. The fund may also receive contributions from other public or private sources. The fiscal impact associated with the work of a fiscal assistance board is indeterminate as it will vary based on several factors, including the county affected and specific services at risk. The bill contemplates that state General Fund will also be used to cover board costs, through either a direct appropriation or an Emergency Board allocation.

Natural Resources Program Area

HB 4003 removes the statutory license fees for certain food-related establishments and occupations and permits the Department of Agriculture to adopt rules establishing license fee schedules based upon annual gross dollar volume of sales and services. The measure stipulates that the Department may not adopt a rule to establish a license fee that is more than 3% higher than the fee charged during the preceding year for establishments that maintain the same volume of sales and services. Additionally, the fees may not change more frequently than once each year. The measure requires the Department to adopt initial rules for establishing license fees to take effect no later than July 1, 2013 and stipulates that the current fees remain in effect until the adoption of new fees by rule. The revenue impact to the Department of Agriculture is indeterminate. The measure provides the Department with more flexibility to adjust fees administratively by removing them from statute.

HB 4005 establishes a credit against income taxes for the current market value of any livestock that belongs to taxpayer and is killed by a wolf. The total annual tax credit compensation is limited to \$37,500. The measure requires the taxpayer to submit evidence that includes finding by the Department of Fish and Wildlife (ODFW) or by a peace officer that a wolf was the probable cause of loss. The measure also stipulates that the tax credit be reduced by any amount a taxpayer has already received as compensation for killed livestock. The new tax credit applies to tax years beginning on or after January 1, 2012, and sunsets January 1, 2019.

SB 1582 establishes a process for a person to request an independent review of a determination made by the Department of State Lands (DSL) that wetlands are present on a land parcel owned by the person. The independent review must be conducted by a panel of three individuals experienced in wetland identification and delineation. One reviewer will be selected by DSL, one by the requestor, and the third will be selected by the other two reviewers. The costs of the review would be split between DSL and the requestor. The number of reviews that will be initiated is unknown. DSL estimates that consultant costs would range from \$100 to \$155 per hour, not including per diem, and that each review would take approximately 64 hours from start to finish. Depending on the hourly wage and number of hours to complete a review, the costs to DSL could range from \$55,800 to \$83,520 General Fund for a biennium. There is no appropriation or expenditure limitation increase included in the bill.

Transportation Program Area

SB 1543 (Chapter 55, 2012 Laws) specifies that unspent bond funds from certain transportation projects must be reallocated to other projects. The bill also establishes piloting conditions related to tug and assist vessels in Coos Bay. The bill includes an increase of \$14,500,000 Other Funds expenditure limitation for the Oregon Department of Transportation in the 2011-13 biennium. The Department will distribute the increase in special payments to Multnomah County for the construction of State Highway 43 at the Sellwood Bridge Interchange (\$5,000,000) and for project development and construction of Cornelius Pass Road (\$9,500,000).

SB 1591 (Chapter 63, 2012 Laws) transfers the responsibility for selected rest areas from the Department of Transportation (ODOT) to the Travel Information Council (OTIC) for operation and maintenance phased in over the next two years. The measure requires ODOT to transfer additional state highway funds out of the state share of the Highway Fund to OTIC for the operation and maintenance of 13 rest areas. The bill reduces ODOT's Other Funds expenditure limitation by \$691,963. This is the amount ODOT estimated it would spend in the remainder of the 2011-13 biennium to operate and maintain the rest areas that are being identified for transfer to the OTIC. For the 2011-13 biennium, the revenue transfer from the State Highway Trust Fund to OTIC will increase from \$3 million to \$5.4 million. For the 2013-15 biennium and for future distributions, the increase is \$7.1 million. The total annual distribution is \$6.55 million, or \$13.1 million per biennium. Revenue for the additional distribution is anticipated to come out of the additional new revenue ODOT expects to receive from an interagency agreement with the Department of Administrative Services to purchase the Driver and Motor Vehicle records. The measure makes provisions to suspend or proportionally reduce the amount of the allocation to the council and modify requirements for OTIC's responsibility to manage rest areas should the collection of the convenience fee be suspended or reduced. The measure also requires a financial audit be performed by the Secretary of State and findings reported to the Joint Legislative Audit Committee and transportation and interim legislative committees.

Administration Program Area

HB 4091 directs the Oregon Department of Administrative Services (DAS) to convene a work group comprised of appropriate state agencies, law enforcement, privacy advocates, local governments, concerned organizations, and others to make recommendations regarding a system for performing criminal records checks. The bill requires DAS to report to the appropriate interim committee of the Legislative Assembly on the workgroup's recommendations on or before November 30, 2012. The Department of Administrative Services estimates that there will be legal services costs totaling \$16,773 related to the work group's activities. No appropriation or expenditure limitation increase was included in the bill.

HB 4131 directs certain executive branch agencies with 100 or more employees that have not attained an 11 to 1 ratio of non-supervisory employees to supervisory employees to increase the ratio of non-supervisory employees to supervisory employees by at least one non-supervisory employee by no later than October 31, 2012. If the ratio of an agency remains less than 11 to 1 after this date, then the agency is prohibited from filling supervisory employee positions until the agency has increased the ratio by at least one additional non-supervisory employee, and by October 31st of each subsequent year must lay off or reclassify the number of supervisory employees needed to increase the agency's ratio by at least one non-supervisory employee. The bill provides for an exception to the ratio attainment requirements if, upon application to and determination by the Department of Administrative Services, a state agency demonstrates that an exception is warranted due to unique or emergency circumstances. The bill requires that the exceptions granted are to be reported to the Joint Committee on Ways and Means, the Joint Interim Committee on Ways and Means, or to the Emergency Board.

HB 4175 allows Coos, Curry, Douglas, Josephine, Klamath, Lane, and Linn counties to set aside the statute limiting the uses of monies in their respective county road funds for the purpose of patrolling the roads by law enforcement. The measure applies these provisions to any year before, on, or after the effective date of the measure, thereby allowing these counties to back-fill prior year expenditures made with other funds for the patrolling activities from the county road fund. A sunset date of January 2, 2016 is included in the bill for these provisions. The measure also contains provisions that allow any county to make inter-fund loans from a county's road fund to any other county fund for law enforcement patrolling and requires the repayment of those loans within three years following the end of the budget period the loans were made.

Appendix A

Number of Positions and Full-Time Equivalency (FTE) by Program Area and Agency

	2009-11	2009-11	2011-13	2011-13
	LEG	LEG	LEG	LEG
	APPROVED	APPROVED	APPROVED	APPROVED
	Positions	FTE	Positions	FTE
PROGRAM AREA: EDUCATION				
COMMUNITY COLLEGES & WORKFORCE DEV, DEPT	61	60.00	62	61.45
EDUCATION, DEPT OF	393	375.22	377	358.79
OREGON UNIVERSITY SYSTEM	18,527	13,067.02	18,650	13,015.02
OREGON STUDENT ACCESS COMMISSION	30	26.66	28	26.33
TEACHER STANDARDS & PRACTICES COMMISSION	25	25.00	24	24.00
EDUCATION TOTAL	19,036	13,553.90	19,141	13,485.59
PROGRAM AREA: HUMAN SERVICES				
BLIND, COMMISSION FOR THE	51	47.60	48	44.60
CHILDREN & FAMILIES, COMMISSION ON	28	25.67	0	0.00
HUMAN SERVICES, DEPT OF	7,719	7,544.27	7,405	7,311.44
LONG TERM CARE OMBUDSMAN	11	10.50	11	10.75
OREGON HEALTH AUTHORITY	3,897	3,511.80	4,036	3,980.27
PRIVATE HEALTH PARTNERSHIPS, OFFICE OF	82	76.08	0	0.00
PSYCHIATRIC SECURITY REVIEW BOARD	8	6.89	12	11.76
HUMAN SERVICES TOTAL	11,796	11,222.81	11,512	11,358.82
PROGRAM AREA: PUBLIC SAFETY				
CORRECTIONS, DEPT OF	4,734	4,618.20	4,509	4,416.55
CRIMINAL JUSTICE COMMISSION	10	9.50	10	9.00
DISTRICT ATTORNEYS & THEIR DEPUTIES	36	36.00	36	36.00
JUSTICE, DEPT OF	1,348	1,328.28	1,290	1,268.55
MILITARY DEPARTMENT	540	487.60	493	448.30
PAROLE & POST PRISON SUPERVISION, BOARD OF	15	15.00	14	14.00
PUBLIC SAFETY STANDARDS & TRAINING, DEPT. OF	146	143.87	137	132.04
STATE POLICE, DEPT OF	1,301	1,289.15	1,220	1,216.63
YOUTH AUTHORITY, OREGON	1,195	1,142.30	1,152	979.76
PUBLIC SAFETY TOTAL	9,325	9,069.90	8,861	8,520.83
PROGRAM AREA: JUDICIAL BRANCH				
JUDICIAL DEPARTMENT	1,864	1,833.14	1,878	1,752.66
JUDICIAL FITNESS AND DISABILITY, COMM. ON	1	0.50	1	0.50
PUBLIC DEFENSE SERVICES COMMISSION	69	69.00	76	75.40
JUDICIAL BRANCH TOTAL	1,934	1,902.64	1,955	1,828.56
PROGRAM AREA: ECONOMIC & COMMUNITY DEVELOPMENT				
BUSINESS DEVELOPMENT DEPARTMENT	129	127.26	132	129.87
EMPLOYMENT DEPARTMENT	1,660	1,609.15	1,515	1,450.95
HOUSING & COMMUNITY SERVICES DEPT.	193	162.42	211	184.39
VETERANS' AFFAIRS, DEPT OF	110	107.64	94	94.00
ECONOMIC & COMMUNITY DEVELOPMENT TOTAL	2,092	2,006.47	1,952	1,859.21

	2009-11	2009-11	2011-13	2011-13
	LEG	LEG	LEG	LEG
	APPROVED	APPROVED	APPROVED	APPROVED
	Positions	FTE	Positions	FTE
PROGRAM AREA: NATURAL RESOURCES				
AGRICULTURE, DEPT OF	504	357.69	468	343.29
ENERGY, DEPT. OF	122	117.44	128	118.73
ENVIRONMENTAL QUALITY, DEPT OF	814	790.13	725	710.92
FISH & WILDLIFE, DEPT OF	1,387	1,162.20	1,467	1,225.99
FORESTRY DEPARTMENT	1,227	864.07	1,181	852.19
GEOLOGY & MINERAL INDUSTRIES, DEPT OF	38	37.08	53	48.57
LAND CONSERVATION & DEVELOPMENT, DEPT OF	95	80.64	57	55.11
LAND USE BOARD OF APPEALS	6	6.00	5	5.00
LANDS, DEPT. OF STATE	111	108.46	108	106.42
MARINE BOARD	43	41.38	40	39.50
PARKS & RECREATION, DEPT OF	883	600.89	877	602.03
WATER RESOURCES DEPT	148	146.29	146	144.59
WATERSHED ENHANCEMENT BOARD	31	31.00	32	31.50
NATURAL RESOURCES TOTAL	5,409	4,343.27	5,287	4,283.84
PROGRAM AREA: TRANSPORTATION				
AVIATION, DEPT OF	17	16.38	12	11.50
TRANSPORTATION, DEPT OF	4,644	4,546.08	4,613	4,521.79
TRANSPORTATION TOTAL	4,661	4,562.46	4,625	4,533.29
PROGRAM AREA: CONSUMER AND BUSINESS SERVICES				
ACCOUNTANCY, BOARD OF	7	7.00	7	7.00
CHIROPRACTIC EXAMINERS, BOARD OF	5	4.50	5	4.50
CONSTRUCTION CONTRACTORS BOARD	80	76.50	76	76.00
CONSUMER & BUSINESS SERVICES, DEPT OF	1,078	1,065.95	935	922.40
COUNSELORS AND THERAPISTS, BOARD OF LICENSED	4	3.00	4	3.50
DENTISTRY, BOARD OF	7	7.00	7	7.00
HEALTH LICENSING AGENCY	33	33.00	33	33.00
<i>HEALTH RELATED LICENSING BOARDS</i>				
LICENSED DIETICIANS	1	0.30	0	0.00
MORTUARY & CEMETERY BOARD	6	6.00	6	5.71
NATUROPATHIC EXAMINERS	3	2.33	3	2.50
OCCUPATIONAL THERAPY LICENSING BOARD	1	1.25	1	1.25
MEDICAL IMAGING	3	3.00	4	3.25
SPEECH PATHOLOGY AND AUDIOLOGY	3	1.63	2	1.40
VETERINARY MEDICAL EXAMINERS BOARD	3	2.75	3	2.75
LABOR & INDUSTRIES, BUREAU OF	110	107.38	102	101.00
MEDICAL BOARD, OREGON	40	38.67	40	38.79
NURSING, BOARD OF	50	47.75	47	46.75
PHARMACY, BOARD OF	20	19.00	18	17.75
PSYCHOLOGIST EXAMINERS, BOARD OF	4	4.00	4	3.50
PUBLIC UTILITY COMMISSION	133	129.83	132	129.00
REAL ESTATE AGENCY	31	30.63	30	30.00
SOCIAL WORKERS, BOARD OF LICENSED	5	4.00	6	5.45
TAX PRACTITIONERS, STATE BOARD OF	4	4.00	4	4.00
CONSUMER & BUSINESS SERVICES TOTAL	1,631	1,599.47	1,469	1,446.50

	2009-11	2009-11	2011-13	2011-13
	LEG	LEG	LEG	LEG
	APPROVED	APPROVED	APPROVED	APPROVED
	Positions	FTE	Positions	FTE
PROGRAM AREA: ADMINISTRATION				
ADMINISTRATIVE SERVICES, DEPT OF	866	852.24	773	769.67
ADVOCACY COMMISSIONS OFFICE	2	2.00	2	2.00
EMPLOYMENT RELATIONS BOARD	13	12.50	13	13.00
GOVERNMENT ETHICS COMMISSION	8	8.00	8	8.00
GOVERNOR, OFFICE OF	71	70.00	73	69.75
LIBRARY, STATE	44	42.26	43	41.26
LIQUOR CONTROL COMMISSION	238	230.72	239	231.72
PUBLIC EMPLOYEES RETIREMENT SYSTEM	368	363.18	364	364.08
RACING COMMISSION	16	14.52	15	13.27
REVENUE, DEPT OF	1,109	1,027.14	1,051	990.84
SECRETARY OF STATE	198	197.30	197	195.60
TREASURER OF STATE	84	83.10	85	83.48
ADMINISTRATION TOTAL	3,017	2,902.96	2,863	2,782.67
PROGRAM AREA: LEGISLATIVE BRANCH				
INDIAN SERVICES, COMM	2	2.00	2	2.00
LEGISLATIVE ADMINISTRATION	145	99.15	143	100.79
LEGISLATIVE ASSEMBLY	443	207.44	422	251.39
LEGISLATIVE COUNSEL	57	45.28	57	45.28
LEGISLATIVE FISCAL OFFICER	21	20.50	21	20.50
LEGISLATIVE REVENUE OFFICER	7	7.00	7	7.00
LEGISLATIVE BRANCH TOTAL	675	381.37	652	426.96
STATE OF OREGON TOTAL POSITIONS/FTE	59,576	51,545.25	58,317	50,526.27

Appendix B

Summary of Budget Actions in 2012 Session						
2011-13						
	GF	LF	OF	FF	Total All Funds	
SB 5701	158,436,384	6,703,657	119,666,559	352,637,495	637,444,095	budget reconciliation
HB 5202			103,446,535	19,954,668	123,401,203	capital construction
HB 4082	122,799				122,799	CASA moved to HCSD
HB 4084			300,000		300,000	DHS - Resident Safety Review
HB 4165				1,000,000	1,000,000	GOV - Early Learning Council
HB 4176			1		1	DAS - Fiscally Distressed Counties
SB 1543				14,500,000	14,500,000	ODOT - Project costs
SB 1547			100,326		100,326	DCBS - Captive insurers
SB 1591			(691,963)		(691,963)	ODOT - Travel Information Council
Total	158,559,183	6,703,657	222,821,458	388,092,163	776,176,461	
2007-09						
	GF	LF	OF	FF	Total All Funds	
HB 5202			115,000	2,185,000	2,300,000	capital construction

Appendix C

Summary of Expenditures by Program Area, Agency, and Fund

Notes:

- Special purpose appropriations to the Emergency Board that were allocated to specific agencies are included within the agency General Fund budgets for the 2009-11 legislatively approved column. Special purpose appropriations for specific agencies are not included within the agency General Fund budgets for the 2011-13 legislatively adopted or legislatively approved amounts, but are included in the amount appropriated to the Emergency Board.
- The 2009-11 legislatively approved amounts represent expenditure authorizations through all 2009-11 Emergency Board actions and all 2009-11 budget adjustments addressed during the 2011 legislative session (including the most recent Department of Human Services rebalance). The 2009-11 legislatively approved budget also includes certain administrative actions taken by the Department of Administrative Services approving increases to Nonlimited Other Funds and Federal Funds and all actions taken by the Legislature during the 2012 session affecting the 2009-11 biennium.
- The 2011-13 legislatively approved budget reflects actions taken by the Legislature during the 2012 session that changed amounts adopted by the Legislature during the 2011 session. The 2011-13 legislatively approved budget also reflects certain administrative actions taken by the Department of Administrative Services to approve increases in Nonlimited Other Funds.
- Non-Add Other Funds represent charges between state agencies; they are listed separately for informational purposes since they reflect double counting of expenditures. The Non-Add Other Funds are included in the Other Fund totals since expenditure limitation is provided.

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
			\$	\$	\$
EDUCATION					
Community Colleges and Workforce Development					
	General Fund	504,017,927	444,669,579	418,390,515	418,489,968
	Lottery Funds	-	8,606,535	6,882,643	7,144,080
	Other Funds	156,201,246	138,756,942	6,869,643	16,674,093
	Federal Funds	120,549,268	163,589,805	117,309,583	117,309,583
	Federal Funds Nonlimited	5,106,785	18,968,832	18,968,832	18,968,832
	Total Expenditures	785,875,226	774,591,693	568,421,216	578,586,556
Early Learning Council					
	General Fund	-	-	-	-
	Other Funds	-	-	-	-
	Federal Funds	-	-	-	-
	Total Expenditures	-	-	-	-
Education, Dept of					
	General Fund	320,128,744	317,579,093	342,972,747	340,837,528
	Lottery Funds	56,415,089	55,232,892	52,311,630	54,160,517
	Other Funds	57,636,020	64,290,613	57,269,145	62,940,399
	Other Funds Nonlimited	140,351,340	106,039,122	107,024,055	107,024,055
	Federal Funds	762,364,823	1,021,115,842	831,354,523	831,354,523
	Federal Funds Nonlimited	283,428,367	327,692,417	285,380,254	285,380,254
	Total Expenditures	1,620,324,383	1,891,949,979	1,676,312,354	1,681,697,276
State School Fund & Other K-12 Grants *					
	General Fund	4,952,161,767	4,798,323,989	5,155,269,981	5,160,749,551
	Lottery Funds	1,061,258,188	609,121,349	556,980,287	554,000,717
	Other Funds	3,247,438	3,637,214	340,252	340,252
	Federal Funds	113,311,579	342,590,524	61,000,000	61,000,000
	Total Expenditures	6,129,978,972	5,753,673,076	5,773,590,520	5,776,090,520
Oregon University System					
	General Fund	791,522,349	729,654,860	669,169,003	668,264,553
	Lottery Funds	23,289,731	23,104,431	22,959,136	22,986,753
	Other Funds	2,125,040,457	2,252,138,746	2,247,259,031	2,329,480,585
	Other Funds Nonlimited	2,179,493,390	2,255,344,882	2,232,952,699	2,232,952,699
	Federal Funds	55,636,352	70,823,654	4,922,075	4,922,075
	Federal Funds Nonlimited	-	1	-	-
	Total Expenditures	5,174,982,279	5,331,066,574	5,177,261,944	5,258,606,665
Oregon Health and Science University					
	General Fund	82,233,539	77,012,357	66,059,636	66,041,261
	Other Funds	31,920,847	32,400,212	31,634,760	31,634,760
	Other Funds Nonlimited	-	66,101,633	-	69,307,022
	Total Expenditures	114,154,386	175,514,202	97,694,396	166,983,043

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
Oregon Student Access Commission					
	General Fund	101,610,245	87,773,980	99,921,326	99,891,570
	Lottery Funds	4,183,739	8,940,885	2,630,172	2,630,172
	Other Funds	5,749,294	7,426,424	21,457,426	21,457,426
	Other Funds Nonlimited	9,546,744	11,883,623	-	-
	Federal Funds	1,783,654	1,791,006	-	-
	Federal Funds Nonlimited	-	-	-	-
	Total Expenditures	122,873,676	117,815,918	124,008,924	123,979,168
Teacher Standards & Practices Comm					
	General Fund	-	-	100,000	-
	Other Funds	5,008,724	5,324,071	5,444,612	5,444,612
	Federal Funds	-	-	-	85,455
	Total Expenditures	5,008,724	5,324,071	5,544,612	5,530,067
EDUCATION PROGRAM AREA TOTAL					
	General Fund	6,751,674,571	6,455,013,858	6,751,883,208	6,754,274,431
	Lottery Funds	1,145,146,747	705,006,092	641,763,868	640,922,239
	Other Funds	2,384,804,026	2,503,974,222	2,370,274,869	2,467,972,127
	Other Funds Nonlimited	2,329,391,474	2,439,369,260	2,339,976,754	2,409,283,776
	Federal Funds	1,053,645,676	1,599,910,831	1,014,586,181	1,014,671,636
	Federal Funds Nonlimited	288,535,152	346,661,250	304,349,086	304,349,086
	Total	13,953,197,646	14,049,935,513	13,422,833,966	13,591,473,295
* 2011-13 FF represents federal ARRA carry forward from 2009-11					

	2007-09 Actual \$	2009-11 Legislatively Approved \$	2011-13 Legislatively Adopted \$	2011-13 Legislatively Approved \$
HUMAN SERVICES				
Blind, Commission for the				
General Fund	1,519,859	1,339,094	1,148,037	1,148,037
Other Funds	2,497,347	2,672,619	2,946,859	2,946,859
Federal Funds	11,358,009	11,651,863	11,532,986	11,532,986
Total Expenditures	15,375,215	15,663,576	15,627,882	15,627,882
Children and Families, Commission on				
General Fund	57,187,292	46,235,047	40,349,129	21,713,999
Other Funds	18,015,377	18,767,467	18,222,473	8,317,073
Federal Funds	3,551,117	4,836,294	4,273,051	909,077
Total Expenditures	78,753,786	69,838,808	62,844,653	30,940,149
Health Authority, Oregon				
General Fund	-	-	1,721,639,876	1,697,058,124
Lottery Funds	-	-	10,779,583	10,388,614
Other Funds	-	-	1,989,328,229	2,007,923,030
Other Funds Nonlimited	-	-	3,294,911,521	3,294,911,521
Federal Funds	-	-	4,877,574,818	5,030,408,569
Federal Funds Nonlimited	-	-	107,103,462	107,103,462
Total Expenditures	-	-	12,001,337,489	12,147,793,320
Human Services, Department of				
General Fund	3,112,374,617	3,215,063,396	2,036,853,446	2,140,339,883
Lottery Funds	12,637,762	10,903,639	-	-
Other Funds	1,253,920,434	1,858,802,877	430,256,781	452,562,224
Other Funds Nonlimited	38,384,054	40,000,000	-	-
Federal Funds	5,967,951,320	8,444,604,711	3,131,478,990	3,292,158,766
Federal Funds Nonlimited	1,351,240,667	2,297,721,966	2,383,981,537	2,514,345,331
Total Expenditures	11,736,508,854	15,867,096,589	7,982,570,754	8,399,406,204
Long Term Care Ombudsman				
General Fund	947,535	1,084,316	1,753,933	1,753,933
Other Funds	1,769,012	1,932,156	583,121	583,121
Total Expenditures	2,716,547	3,016,472	2,337,054	2,337,054
Private Health Partnerships, Office of				
General Fund	22,575,786	19,663,290	-	-
Other Funds	49,832,403	123,025,624	-	-
Total Expenditures	72,408,189	142,688,914	-	-
Psychiatric Security Review Board				
General Fund	1,045,916	1,263,622	2,105,264	2,105,264
Other Funds	-	146,818	176,056	176,056
Total Expenditures	1,045,916	1,410,440	2,281,320	2,281,320

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
HUMAN SERVICES PROGRAM AREA					
General Fund		3,195,651,005	3,284,648,765	3,803,849,685	3,864,119,240
Lottery Funds		12,637,762	10,903,639	10,779,583	10,388,614
Other Funds		1,326,034,573	2,005,347,561	2,441,513,519	2,472,508,363
Other Funds Nonlimited		38,384,054	40,000,000	3,294,911,521	3,294,911,521
Federal Funds		5,982,860,446	8,461,092,868	8,024,859,845	8,335,009,398
Federal Funds Nonlimited		1,351,240,667	2,297,721,966	2,491,084,999	2,621,448,793
Total		11,906,808,507	16,099,714,799	20,066,999,152	20,598,385,929

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
		\$	\$	\$	\$
PUBLIC SAFETY					
Corrections, Dept of					
	General Fund	1,258,729,939	1,208,328,818	1,324,785,417	1,362,844,564
	Other Funds	82,826,944	88,119,943	27,563,757	31,298,404
	Other Funds Nonlimited	-	214,025,379	-	-
	Federal Funds	17,625,085	115,458,346	6,908,809	7,816,182
	Federal Funds Nonlimited	-	598,089	1,262,826	1,262,826
	Total Expenditures	1,359,181,968	1,626,530,575	1,360,520,809	1,403,221,976
Criminal Justice Commission					
	General Fund	6,287,416	4,954,312	4,761,327	4,761,327
	Other Funds	67,003	196,866	299,950	299,950
	Federal Funds	178,872	12,513,937	12,512,069	19,499,190
	Total Expenditures	6,533,291	17,665,115	17,573,346	24,560,467
District Attorneys and Their Deputies					
	General Fund	10,481,366	10,415,578	9,979,285	10,339,261
Justice, Dept of					
	General Fund	49,089,856	51,826,586	53,992,283	53,831,443
	Other Funds	212,129,591	220,351,243	225,622,550	224,899,837
	Other Funds Nonlimited	6,174,218	11,565,355	10,622,670	10,622,670
	Federal Funds	96,755,005	113,790,396	107,968,730	107,173,021
	Federal Funds Nonlimited	15,083,540	15,857,750	15,285,103	15,285,103
	Total Expenditures	379,232,210	413,391,330	413,491,336	411,812,074
Military Department					
	General Fund	24,068,731	22,901,757	24,068,435	28,412,492
	Other Funds	126,912,134	125,248,508	125,448,360	130,114,866
	Other Funds Nonlimited	-	1,172,024	-	-
	Federal Funds	274,234,096	275,814,160	288,377,938	288,377,938
	Federal Funds Nonlimited	-	1	-	-
	Total Expenditures	425,214,961	425,136,450	437,894,733	446,905,296
Oregon Youth Authority					
	General Fund	249,785,623	254,140,592	257,469,820	256,050,831
	Other Funds	28,127,294	14,669,929	13,173,713	13,173,713
	Federal Funds	26,415,309	31,443,386	31,107,231	31,107,231
	Federal Funds Nonlimited	-	1	1	1
	Total Expenditures	304,328,226	300,253,908	301,750,765	300,331,776
Parole & Post Prison Supervision, Bd. of					
	General Fund	3,896,669	3,742,600	3,641,093	3,641,093
	Other Funds	1,424	21,048	10,289	10,289
	Total Expenditures	3,898,093	3,763,648	3,651,382	3,651,382

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
Police, Dept of State*					
	General Fund	215,083,395	216,671,712	216,465,576	221,721,695
	Lottery Funds	6,669,667	7,223,958	6,653,450	6,855,630
	Other Funds	153,784,453	94,772,462	93,439,786	93,876,661
	Federal Funds	18,649,062	9,951,117	9,122,153	9,644,097
	Total Expenditures	394,186,577	328,619,249	325,680,965	332,098,083
Public Safety Standards & Training, Dept of					
	General Fund	10,979,575	11,360,288	10,968,292	11,283,810
	Other Funds	36,677,979	35,479,059	33,836,196	32,962,299
	Federal Funds	54,635	56,165	57,513	57,513
	Total Expenditures	47,712,189	46,895,512	44,862,001	44,303,622
PUBLIC SAFETY PROGRAM AREA					
	General Fund	1,828,402,570	1,784,342,243	1,906,131,528	1,952,886,516
	Lottery Funds	6,669,667	7,223,958	6,653,450	6,855,630
	Other Funds	640,526,822	578,859,058	519,394,601	526,636,019
	Other Funds Nonlimited	6,174,218	226,762,758	10,622,670	10,622,670
	Federal Funds	433,912,064	559,027,507	456,054,443	463,675,172
	Federal Funds Nonlimited	15,083,540	16,455,841	16,547,930	16,547,930
	Total	2,930,768,881	3,172,671,365	2,915,404,622	2,977,223,937
* The OWIN Project was transferred from OSP to ODOT during the Feb. 2010 special session; no budget changes are included in this table					

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
JUDICIAL BRANCH					
Judicial Department					
	General Fund	310,336,253	284,351,512	359,234,028	366,624,674
	Other Funds	44,642,997	84,649,199	24,966,976	55,844,830
	Other Funds Nonlimited	9,721,566	-	-	-
	Federal Funds	829,955	1,119,163	850,613	850,613
	Total Expenditures	365,530,771	370,119,874	385,051,617	423,320,117
Judicial Fitness, Commission on					
	General Fund	160,475	157,988	183,353	176,934
Public Defense Services Commission					
	General Fund	211,417,131	211,391,731	222,524,924	222,524,924
	Other Funds	1,054,057	12,861,974	1,192,555	3,830,055
	Total Expenditures	212,471,188	224,253,705	223,717,479	226,354,979
JUDICIAL BRANCH PROGRAM AREA					
	General Fund	521,913,859	495,901,231	581,942,305	589,326,532
	Other Funds	45,697,054	97,511,173	26,159,531	59,674,885
	Other Funds Nonlimited	9,721,566	-	-	-
	Federal Funds	829,955	1,119,163	850,613	850,613
	Total	578,162,434	594,531,567	608,952,449	649,852,030

	2007-09 Actual \$	2009-11 Legislatively Approved \$	2011-13 Legislatively Adopted \$	2011-13 Legislatively Approved \$
ECONOMIC AND COMMUNITY DEVELOPMENT				
Business Development Department*				
General Fund	4,544,947	8,926,280	3,851,208	3,842,479
Lottery Funds	122,082,119	111,215,883	136,340,722	138,677,228
Other Funds	48,345,537	33,421,791	25,797,923	25,842,308
Other Funds Nonlimited	191,356,719	262,282,996	237,302,188	260,057,850
Federal Funds	24,544,245	41,581,438	50,172,649	50,172,649
Total Expenditures	390,873,567	457,428,388	453,464,690	478,592,514
Employment Department				
General Fund	3,767,711	2,756,283	3,670,948	3,234,080
Other Funds	111,164,368	130,307,965	132,896,829	127,511,698
Other Funds Nonlimited	2,299,142,910	3,087,207,680	2,077,281,096	2,077,281,096
Federal Funds	269,413,795	323,607,099	273,883,188	293,428,387
Federal Funds Nonlimited	148,664,421	3,209,092,327	1,003,167,000	1,003,167,000
Total Expenditures	2,832,153,205	6,752,971,354	3,490,899,061	3,504,622,261
Housing & Community Services Dept				
General Fund	19,514,921	9,524,011	10,018,855	11,462,436
Lottery Funds	5,929,190	8,659,409	10,383,766	10,464,685
Other Funds	111,922,729	142,349,250	140,534,236	149,615,398
Other Funds Nonlimited	1,210,382,469	1,538,987,060	580,486,383	580,486,383
Federal Funds	134,933,782	283,581,340	203,039,554	208,039,554
Federal Funds Nonlimited	101,195,237	107,250,000	104,229,868	104,229,868
Total Expenditures	1,583,878,328	2,090,351,070	1,048,692,662	1,064,298,324
Veterans' Affairs, Department of				
General Fund	6,122,619	5,898,200	6,469,659	6,562,195
Other Funds	37,487,702	47,920,104	45,191,343	55,317,439
Other Funds Nonlimited	345,255,913	626,736,708	443,095,385	443,095,385
Federal Funds	-	1,970,508	-	19,362,748
Total Expenditures	388,866,234	682,525,520	494,756,387	524,337,767
ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA				
General Fund	33,950,198	27,104,774	24,010,670	25,101,190
Lottery Funds	128,011,309	119,875,292	146,724,488	149,141,913
Other Funds	308,920,336	353,999,110	344,420,331	358,286,843
Other Funds Nonlimited	4,046,138,011	5,515,214,444	3,338,165,052	3,360,920,714
Federal Funds	428,891,822	650,740,385	527,095,391	571,003,338
Federal Funds Nonlimited	249,859,658	3,316,342,327	1,107,396,868	1,107,396,868
Total	5,195,771,334	9,983,276,332	5,487,812,800	5,571,850,866
* HB 2152 (2009) changed the name of the Oregon Economic and Community Development Department to the Oregon Business Development Department				

	2007-09 Actual \$	2009-11 Legislatively Approved \$	2011-13 Legislatively Adopted \$	2011-13 Legislatively Approved \$
NATURAL RESOURCES				
Agriculture, Department of				
General Fund	14,147,428	13,012,720	12,917,172	12,108,804
Lottery Funds	9,695,292	10,143,165	6,894,457	7,827,343
Other Funds	46,106,933	49,680,325	52,099,191	52,140,502
Federal Funds	7,635,574	12,287,361	11,944,869	11,944,869
Total Expenditures	77,585,227	85,123,571	83,855,689	84,021,518
Columbia River Gorge Commission				
General Fund	1,022,067	818,084	814,846	814,846
Other Funds	-	73,030	5,000	5,000
Total Expenditures	1,022,067	891,114	819,846	819,846
Energy, Department of				
General Fund	3,100,000	-	-	-
Lottery Funds	-	590,347	2,088,439	2,164,185
Other Funds	20,140,759	33,307,287	31,477,822	35,726,832
Other Funds Nonlimited	111,505,039	217,916,815	171,915,239	171,915,239
Federal Funds	3,551,982	57,739,196	36,736,670	36,845,834
Federal Funds Nonlimited	-	1	1	1
Total Expenditures	138,297,780	309,553,646	242,218,171	246,652,091
Environmental Quality, Department of				
General Fund	36,444,631	30,807,725	25,073,542	25,011,536
Lottery Funds	5,610,171	5,415,717	4,502,197	4,502,197
Other Funds	117,306,094	137,858,403	140,225,902	140,225,902
Other Funds Nonlimited	137,436,517	189,073,148	125,666,802	125,666,802
Federal Funds	26,452,507	37,313,314	30,728,115	30,728,115
Total Expenditures	323,249,920	400,468,307	326,196,558	326,134,552
Fish & Wildlife, Department of				
General Fund	13,849,847	13,284,543	7,067,548	6,779,844
Lottery Funds	11,945,861	6,105,448	5,824,398	5,824,398
Other Funds	131,336,054	153,095,223	197,593,072	197,564,072
Federal Funds	83,303,669	98,206,507	109,794,486	109,934,486
Total Expenditures	240,435,431	270,691,721	320,279,504	320,102,800
Forestry, Department of				
General Fund	46,393,079	43,202,509	47,871,547	50,181,631
Lottery Funds	-	1,374,136	2,453,947	2,542,324
Other Funds	212,418,724	231,738,602	197,855,667	197,855,667
Other Funds Nonlimited	2,050,843	22,144,777	-	-
Federal Funds	16,746,135	46,558,712	44,278,675	44,278,675
Total Expenditures	277,608,781	345,018,736	292,459,836	294,858,297

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
			\$	\$	\$
Geology & Mineral Industries, Dept of					
	General Fund	3,289,957	2,675,265	2,465,906	2,464,702
	Lottery Funds	1,499,224	500,000	-	-
	Other Funds	5,581,580	7,734,026	7,246,479	9,034,864
	Federal Funds	1,690,466	3,811,371	3,558,985	5,268,289
	Total Expenditures	12,061,227	14,720,662	13,271,370	16,767,855
Land Conservation & Development, Dept of					
	General Fund	19,057,084	15,509,125	10,885,017	11,132,225
	Other Funds	686,757	2,193,137	1,457,573	1,457,573
	Federal Funds	5,259,499	6,598,675	5,857,281	5,857,281
	Total Expenditures	25,003,340	24,300,937	18,199,871	18,447,079
Land Use Board of Appeals					
	General Fund	1,506,938	1,414,047	1,295,278	1,295,278
	Other Funds	65,304	80,003	83,620	83,620
	Total Expenditures	1,572,242	1,494,050	1,378,898	1,378,898
State Lands, Department of					
	General Fund	213,075	2,441,534	-	681,266
	Other Funds	37,447,787	25,931,494	26,494,276	27,551,873
	Other Funds Nonlimited	1,242,333	9,812,450	10,054,249	29,054,249
	Federal Funds	2,277,027	6,101,737	5,671,787	6,099,914
	Total Expenditures	41,180,222	44,287,215	42,220,312	63,387,302
Marine Board					
	Other Funds	23,795,485	26,262,518	22,020,102	23,287,102
	Federal Funds	8,032,484	8,091,039	6,683,394	6,683,394
	Total Expenditures	31,827,969	34,353,557	28,703,496	29,970,496
Parks & Recreation Department					
	Lottery Funds	93,331,031	90,870,271	79,815,323	81,546,565
	Other Funds	105,112,829	94,290,268	99,228,158	99,228,158
	Other Funds Nonlimited	215,732	-	-	-
	Federal Funds	5,225,522	16,066,381	12,733,936	15,785,886
	Total Expenditures	203,885,114	201,226,920	191,777,417	196,560,609
Water Resources Department					
	General Fund	25,873,738	19,268,371	20,614,684	20,359,297
	Lottery Funds	-	354,911	706,751	732,384
	Other Funds	4,999,094	13,746,310	29,162,165	29,162,165
	Federal Funds	576,618	1,197,639	1,195,479	1,195,479
	Total Expenditures	31,449,450	34,567,231	51,679,079	51,449,325

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
Oregon Watershed Enhancement Board					
	Lottery Funds	75,662,082	66,667,401	64,796,420	64,012,066
	Other Funds	919,340	2,009,705	1,773,534	1,773,534
	Federal Funds	14,955,720	24,020,144	45,479,276	45,479,276
	Total Expenditures	91,537,142	92,697,250	112,049,230	111,264,876
NATURAL RESOURCES PROGRAM AREA					
	General Fund	164,897,844	142,433,923	129,005,540	130,829,429
	Lottery Funds	197,743,661	182,021,396	167,081,932	169,151,462
	Other Funds	705,916,740	778,000,331	806,722,561	815,096,864
	Other Funds Nonlimited	252,450,464	438,947,190	307,636,290	326,636,290
	Federal Funds	175,707,203	317,992,076	314,662,953	320,101,498
	Federal Funds Nonlimited	-	1	1	1
	Total	1,496,715,912	1,859,394,917	1,725,109,277	1,761,815,544

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
			\$	\$	\$
TRANSPORTATION					
Aviation, Department of					
	Other Funds	8,578,051	9,562,159	5,676,565	5,676,565
	Federal Funds	12,178,345	4,867,696	3,472,055	3,472,055
	Total Expenditures	20,756,396	14,429,855	9,148,620	9,148,620
Transportation, Department of*					
	General Fund	4,504,713	18,860,253	17,416,053	2,000,010
	Lottery Funds	46,559,439	85,445,105	69,700,542	72,614,930
	Other Funds	2,982,159,093	4,138,563,415	3,552,606,464	3,593,935,227
	Other Funds Nonlimited	18,476,509	33,846,562	18,158,214	18,158,214
	Federal Funds	61,841,086	125,883,005	116,553,278	117,145,198
	Federal Funds Nonlimited	-	11,921,871	21,621,528	21,621,528
	Total Expenditures	3,113,540,840	4,414,520,211	3,796,056,079	3,825,475,107
TRANSPORTATION PROGRAM AREA					
	General Fund	4,504,713	18,860,253	17,416,053	2,000,010
	Lottery Funds	46,559,439	85,445,105	69,700,542	72,614,930
	Other Funds	2,990,737,144	4,148,125,574	3,558,283,029	3,599,611,792
	Other Funds Nonlimited	18,476,509	33,846,562	18,158,214	18,158,214
	Federal Funds	74,019,431	130,750,701	120,025,333	120,617,253
	Federal Funds Nonlimited	-	11,921,871	21,621,528	21,621,528
	Total	3,134,297,236	4,428,950,066	3,805,204,699	3,834,623,727
* The OWIN Project was transferred from OSP to ODOT during the Feb. 2010 special session; no budget changes are included in this table					

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
		\$	\$	\$	\$
CONSUMER AND BUSINESS SERVICES					
Accountancy, Board of					
	Other Funds	1,658,890	2,152,239	2,048,572	2,048,572
Chiropractic Examiners, Board of					
	Other Funds	1,112,908	1,243,565	1,261,261	1,261,261
Licensed Social Workers, Board of					
	Other Funds	793,311	1,039,435	1,244,968	1,244,968
Construction Contractors Board					
	Other Funds	14,693,323	15,082,530	15,137,443	15,137,443
Consumer and Business Services, Dept of					
	Other Funds	199,119,398	210,074,625	200,775,789	200,876,115
	Other Funds Nonlimited	508,373,038	608,205,069	197,419,009	197,419,009
	Federal Funds	-	830,000	753,662	3,187,702
	Total Expenditures	707,492,436	819,109,694	398,948,460	401,482,826
Dentistry, Board of					
	Other Funds	1,943,392	2,295,770	2,502,044	2,502,044
Health Licensing Agency					
	Other Funds	6,262,795	6,622,806	6,612,566	6,591,815
Health Related Licensing Boards:					
Licensed Dietitians***					
	Other Funds	71,185	76,354	-	-
Mortuary and Cemetery Board					
	Other Funds	1,032,009	1,256,294	1,320,994	1,320,994
Naturopathic Examiners					
	Other Funds	478,567	543,608	598,123	598,123
Nursing Home Administrators*					
	Other Funds	162,985	-	-	-
Occupational Therapy Licensing Bd					
	Other Funds	256,951	337,191	363,959	363,959
Medical Imaging					
	Other Funds	569,574	612,737	749,594	749,594
Speech-Language Path. and Audio.					
	Other Funds	290,440	373,188	404,495	404,495

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
			\$	\$	\$
Veterinary Medical Examiners Bd					
	Other Funds	557,881	658,855	701,629	701,629
Health Related Licensing Boards Total					
	Other Funds	3,419,592	3,858,227	4,138,794	4,138,794
Labor & Industries, Bureau of					
	General Fund	12,749,264	11,927,913	11,282,811	11,068,996
	Other Funds	5,395,659	8,640,971	8,782,406	8,782,406
	Other Funds Nonlimited	1,832,995	2,403,950	2,200,000	2,200,000
	Federal Funds	1,326,011	1,412,409	1,355,627	1,355,627
	Total Expenditures	21,303,929	24,385,243	23,620,844	23,407,029
Licensed Prof Counselors and Therapists, Bd					
	Other Funds	666,367	925,809	932,509	932,509
Medical Board, Oregon					
	Other Funds	8,614,946	9,532,401	10,028,550	10,028,550
Nursing, Board of					
	Other Funds	10,236,464	12,760,411	13,988,205	13,988,205
Pharmacy, Board of**					
	Other Funds	4,387,662	5,105,407	5,111,603	5,111,603
	Federal Funds	19,360	-	-	-
	Total Expenditures	4,407,022	5,105,407	5,111,603	5,111,603
Psychologist Examiners, Board of					
	Other Funds	995,663	1,041,395	965,662	965,662
Public Utility Commission					
	Other Funds	33,845,411	39,787,023	39,556,887	39,556,887
	Other Funds Nonlimited	96,460,209	94,778,703	75,120,603	75,120,603
	Federal Funds	476,384	2,910,317	4,813,925	4,813,925
	Total Expenditures	130,782,004	137,476,043	119,491,415	119,491,415
Real Estate Agency					
	Other Funds	6,939,595	8,377,812	7,461,430	7,461,430
Tax Practitioners, Board of					
	Other Funds	1,000,861	1,016,527	1,098,646	1,098,646

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively Approved	Legislatively Adopted	Legislatively Approved
		\$	\$	\$	\$
CONSUMER AND BUSINESS SERVICES PROGRAM AREA					
General Fund		12,749,264	11,927,913	11,282,811	11,068,996
Other Funds		301,086,237	329,556,953	321,647,335	321,726,910
Other Funds Nonlimited		606,666,242	705,387,722	274,739,612	274,739,612
Federal Funds		1,821,755	5,152,726	6,923,214	9,357,254
Total		922,323,498	1,052,025,314	614,592,972	616,892,772
* Board of Examiners of Nursing Home Administrators moved into Oregon Health Licensing Agency beginning with the 2009-11 legislatively adopted budget.					
** Board of Pharmacy was included in Health-Related Licensing Boards until the 2007-09 budget; now a separate stand-alone agency.					
*** Board of Licensed Dieticians moved into Oregon Health Licensing Agency beginning with the 2011-13 legislatively adopted budget.					

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
			\$	\$	\$
ADMINISTRATION					
Administrative Services, Dept of*					
	General Fund	8,238,635	12,644,865	8,172,526	8,411,014
	Lottery Funds	-	5,334,247	6,438,013	6,696,851
	Other Funds	1,373,832,273	976,766,908	895,571,789	893,196,846
	Other Funds Nonlimited	227,879,711	2,592,051,458	122,415,320	122,415,320
	Federal Funds	-	47,000	-	-
	Federal Funds Nonlimited	-	1	1	1
	Total Expenditures	1,609,950,619	3,586,844,479	1,032,597,649	1,030,720,032
Citizens' Initiative Review Commission					
	Other Funds	-	-	1	1
County Fairs*					
	Lottery Funds	3,557,141	2,807,758	3,576,453	3,576,453
Historical Society*					
	General Fund	2,609,668	577,215	-	-
	Lottery Funds	-	-	225,133	233,298
	Other Funds	-	-	2,549,322	2,549,322
	Total Expenditures	2,609,668	577,215	2,774,455	2,782,620
Oregon Public Broadcasting*					
	General Fund	-	115,443	-	-
	Lottery Funds	1,725,427	1,882,590	1,501,197	1,566,926
	Other Funds	3,024,167	689,790	-	-
	Total Expenditures	4,749,594	2,687,823	1,501,197	1,566,926
Advocacy Commissions Office					
	General Fund	334,556	387,791	368,932	368,932
	Other Funds	17,728	75,000	40,000	40,000
	Total Expenditures	352,284	462,791	408,932	408,932
Employment Relations Board					
	General Fund	1,781,460	1,623,327	932,803	1,932,803
	Other Funds	1,581,906	1,758,626	1,862,696	1,862,696
	Total Expenditures	3,363,366	3,381,953	2,795,499	3,795,499
Government Ethics Commission					
	General Fund	1,257,474	162,912	-	-
	Other Funds	1,523	1,381,699	1,615,856	1,615,856
	Total Expenditures	1,258,997	1,544,611	1,615,856	1,615,856

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
		\$	\$	\$	\$
Governor, Office of the					
	General Fund	11,223,550	10,071,418	13,339,757	31,157,883
	Lottery Funds	2,049,136	1,941,910	1,855,731	1,855,731
	Other Funds	2,261,593	4,909,229	2,740,911	12,646,312
	Federal Funds	16,734	-	825,616	4,189,590
	Total Expenditures	15,551,013	16,922,557	18,762,015	49,849,516
Oregon Liquor Control Comm					
	Other Funds	120,573,770	134,285,467	133,668,473	134,176,446
Public Employees Retirement System					
	Other Funds	83,094,363	84,685,027	79,429,420	78,679,420
	Other Funds Nonlimited	6,085,705,691	6,781,885,664	7,434,012,310	7,434,012,310
	Total Expenditures	6,168,800,054	6,866,570,691	7,513,441,730	7,512,691,730
Racing Commission, Oregon					
	Other Funds	5,663,042	5,941,351	5,192,629	5,192,629
Revenue, Dept of					
	General Fund	145,212,294	143,053,692	146,373,434	145,198,243
	Other Funds	30,475,737	37,750,575	34,230,088	34,230,088
	Other Funds Nonlimited	240,508	263,830	1,945,006	1,945,006
	Total Expenditures	175,928,539	181,068,097	182,548,528	181,373,337
Secretary of State					
	General Fund	13,964,221	13,386,882	12,040,291	11,906,971
	Other Funds	36,525,613	37,641,052	42,099,026	42,099,026
	Federal Funds	6,421,887	7,505,935	7,559,402	7,559,402
	Total Expenditures	56,911,721	58,533,869	61,698,719	61,565,399
State Library					
	General Fund	3,207,437	3,128,064	2,888,189	2,868,303
	Other Funds	6,862,070	7,176,422	6,325,531	6,325,531
	Federal Funds	4,160,813	4,710,785	4,747,696	4,747,696
	Total Expenditures	14,230,320	15,015,271	13,961,416	13,941,530
Treasury, Oregon State					
	Other Funds	28,820,083	32,541,377	34,998,684	35,248,684
	Other Funds Nonlimited	2,844,712	3,750,000	3,500,000	3,500,000
	Total Expenditures	31,664,795	36,291,377	38,498,684	38,748,684

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
ADMINISTRATION PROGRAM AREA					
General Fund		187,829,295	185,151,609	184,115,932	201,844,149
Lottery Funds		7,331,704	11,966,505	13,596,527	13,929,259
Other Funds		1,692,733,868	1,325,602,523	1,240,324,426	1,247,862,857
Other Funds Nonlimited		6,316,670,622	9,377,950,952	7,561,872,636	7,561,872,636
Federal Funds		10,599,434	12,263,720	13,132,714	16,496,688
Federal Funds Nonlimited		-	1	1	1
Total		8,215,164,923	10,912,935,310	9,013,042,236	9,042,005,590
* Oregon Public Broadcasting, County Fairs, and Oregon Historical Society are included in the budget for the Department of Administrative Services as pass-throughs; they are shown separately in this table for informational purposes.					

	2007-09 Actual \$	2009-11 Legislatively Approved \$	2011-13 Legislatively Adopted \$	2011-13 Legislatively Approved \$
LEGISLATIVE BRANCH				
Indian Services, Commission on				
General Fund	378,980	413,427	395,270	368,819
Other Funds	752	6,280	6,431	6,431
Total Expenditures	379,732	419,707	401,701	375,250
Legislative Administration Committee				
General Fund	30,183,274	24,472,822	28,438,846	28,303,995
Other Funds	35,918,079	5,834,962	4,108,685	4,108,685
Other Funds Nonlimited	502,054	597,932	597,932	597,932
Total Expenditures	66,603,407	30,905,716	33,145,463	33,010,612
Legislative Assembly				
General Fund	31,781,326	32,350,832	35,750,449	35,622,289
Other Funds	125,145	208,653	268,970	268,970
Other Funds Nonlimited	86,682	137,087	91,360	91,360
Total Expenditures	31,993,153	32,696,572	36,110,779	35,982,619
Legislative Counsel Committee				
General Fund	8,359,019	7,794,245	8,127,672	8,527,715
Other Funds	1,044,451	2,320,358	1,311,425	1,311,425
Other Funds Nonlimited	881,044	1,100,000	780,711	780,711
Total Expenditures	10,284,514	11,214,603	10,219,808	10,619,851
Legislative Fiscal Officer				
General Fund	5,433,438	5,760,680	5,596,558	5,626,531
Other Funds	-	97,516	-	-
Total Expenditures	5,433,438	5,858,196	5,596,558	5,626,531
Legislative Revenue Officer				
General Fund	1,783,399	2,084,888	1,903,986	1,889,455
LEGISLATIVE BRANCH PROGRAM AREA				
General Fund	77,919,436	72,876,894	80,212,781	80,338,804
Other Funds	37,088,427	8,467,769	5,695,511	5,695,511
Other Funds Nonlimited	1,469,780	1,835,019	1,470,003	1,470,003
Total	116,477,643	83,179,682	87,378,295	87,504,318

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
		\$	Approved	Adopted	Approved
			\$	\$	\$
MISCELLANEOUS					
Emergency Board					
	General Fund	-	-	25,000,000	27,218,734
	Total Expenditures	-	-	25,000,000	27,218,734
	Special Purpose Appropriations (details below)	-	-	47,743,750	82,145,415
MISCELLANEOUS PROGRAM TOTAL					
	General Fund	-	-	72,743,750	109,364,149
	Total	-	-	72,743,750	109,364,149
Special Purpose Appropriations (SPA)					
	ODF - Fire protection expenses		-	4,781,000	2,660,983
	DHS - Child welfare differential response		-	5,000,000	-
	OYA - Education related expenses		-	1,700,000	-
	DOR - Elderly Rental Assistance		-	2,900,000	2,900,000
	Early learning programs and services		-	17,649,000	-
	Employment related day care and other services		-	5,713,750	-
	DHS/OHA - Caseloads and costs for programs and services		-	8,000,000	-
	DOJ - TMSA defense and Defense of Criminal Convictions		-	2,000,000	2,000,000
	Various - Education programs allotment mitigation		-	-	10,000,000
	Various - Allotment mitigation; home foreclosure; human services caseload		-	-	60,000,000
	PDSC - Trial level public defense		-	-	3,500,000
	OJD - Court operations		-	-	1,084,432
	SPA Totals	-	-	47,743,750	82,145,415

		2007-09	2009-11	2011-13	2011-13
		Actual	Legislatively	Legislatively	Legislatively
			Approved	Adopted	Approved
		\$	\$	\$	\$
STATE OF OREGON TOTAL EXPENDITURES					
General Fund		12,779,492,755	12,478,261,463	13,562,594,263	13,721,153,446
Lottery Funds		1,544,100,289	1,122,441,987	1,056,300,390	1,063,004,047
Other Funds		10,433,545,227	12,129,444,274	11,634,435,713	11,875,072,171
Other Funds Nonlimited		13,625,542,940	18,779,313,907	17,147,552,752	17,258,615,436
Federal Funds		8,162,287,786	11,738,049,977	10,478,190,687	10,851,782,850
Federal Funds Nonlimited		1,904,719,017	5,989,103,257	3,941,000,413	4,071,364,207
Total Expenditures		48,449,688,014	62,236,614,865	57,820,074,218	58,840,992,157
STATE OF OREGON TOTAL EXPENDITURES					
General Fund		12,779,492,755	12,478,261,463	13,562,594,263	13,721,153,446
Lottery Funds		1,544,100,289	1,122,441,987	1,056,300,390	1,063,004,047
Other Funds		24,059,088,167	30,908,758,181	28,781,988,465	29,133,687,607
Federal Funds		10,067,006,803	17,727,153,234	14,419,191,100	14,923,147,057
Total Expenditures		48,449,688,014	62,236,614,865	57,820,074,218	58,840,992,157