

LEGISLATIVE BRANCH

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Analyst: McHugh

Branch Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	89,165,955	127,615,571	127,631,848	142,327,537
Other Funds	11,679,791	33,617,314	12,610,246	18,296,815
Other Funds (NL)	5,943,243	1,170,433	1,477,131	1,527,131
Total Funds	\$106,788,989	\$162,403,318	\$141,719,225	\$162,151,483
Positions	654	660	559	573
FTE	431.77	447.81	446.17	459.00

Overview

The Legislative Branch includes members of the Legislative Assembly and their employees, the costs of five statutory committees or offices, and the Commission on Indian Services. The statutory committees, which provide either administrative and operations support or specialized analysis, include the: 1) Legislative Administration Committee; 2) Legislative Counsel Committee; 3) Legislative Fiscal Office; 4) Legislative Policy and Research Office; and 5) Legislative Revenue Office.

The 2019-21 adopted budget for the Legislative Branch is \$142.3 million General Fund, or 11.5%, more than the 2017-19 legislatively approved budget. Total funds are \$251,835 less than the 2017-19 legislatively approved budget; essentially the total funds budget is flat as compared to 2017-19. The main reason for this is a decrease in Other Funds expenditure limitation related to capital projects for the Capitol building.

The General Fund budget for the Branch is more than the 2017-19 current service level due to additions in funding discussed in narratives on the individual legislative branch agencies below. Like the Judicial Branch, the Legislative Branch is allowed to keep any unspent General Fund.

Legislative Assembly

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	38,726,243	45,984,750	48,437,336	54,495,347
Other Funds	4,361	26,570	27,580	27,580
Other Funds (NL)	104,839	115,520	135,000	135,000
Total Funds	\$38,835,443	\$46,126,840	\$48,599,916	\$54,657,927
Positions	423	423	333	335
FTE	251.52	251.52	251.77	253.44

Program Description

The Legislative Assembly budget includes salaries and per diem for legislative members and their staffs, the leadership and caucus offices, the Secretary of the Senate, the Chief Clerk of the House, session staff, and Senate Executive Appointments.

Revenue Sources and Relationships

General Fund supports over 99% of the Legislative Assembly's activities. Other Funds revenue subject to expenditure limitation comes from reimbursements for duplicating services. The Other Funds Nonlimited are from

the Lounge Revolving Account, established in ORS 171.117, which receives payments from legislative members for food services, to be used to pay for the costs of food served in members' lounges.

Budget Environment

The primary responsibility of the Legislative Assembly is to produce a balanced budget that complies with state and federal laws, represents the priorities established by the Legislature, receives an affirmative vote by a majority of each chamber, and is signed into law by the Governor. The Legislature also considers thousands of policy issues each biennium and, ultimately, enacts laws on behalf of the citizens it represents.

The Legislature meets in a longer session every odd-numbered year and enacts a biennial budget. In 2010, voters approved a shorter annual session to be held in even-numbered years. During the interim, interim committees examine specific topics or program areas and a Joint Committee, the Emergency Board, is appointed to meet periodically to address fiscal issues that cannot be put off until the next regular session. The Emergency Board has limited authority, so there are fiscal circumstances that can require the full Legislature to meet in a special session to ensure the budget remains balanced.

The portion of the Legislative Assembly budget to cover the costs for members is divided to reflect session and interim activities as well as Senate and House costs. The remainder of the budget, which covers the costs of leadership offices and the Office of the Secretary of the Senate and the Office of the Chief Clerk of the House, is provided for the normal biennial period.

Legislatively Adopted Budget

The 2019-21 adopted budget for the Legislative Assembly is \$54.5 million General Fund, 18.5% more than the 2017-19 legislatively approved budget level. Total funds are \$54.7 million, 18.5% more than the 2017-19 legislatively approved budget. The General Fund increase in the Legislative Assembly budget is largely due to staffing and associated costs for the creation of a Legislative Equity Office, including funds for outside contracts and training for all legislative members and staff. The budget also provided for compensation adjustments, including adjustments related to the pay equity law passed during the 2017 session (HB 2005). Other changes were due to branch-wide adjustments related to implementation of a new telephone system and statewide budget reductions included in the final budget.

Legislative Administration Committee

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	33,025,945	49,693,363	44,596,708	50,784,229
Other Funds	7,126,023	27,665,211	6,620,683	11,826,630
Other Funds (NL)	5,342,049	500,000	765,561	765,561
Total Funds	\$45,494,017	\$77,858,574	51,982,952	\$63,376,420
Positions	142	86	76	79
FTE	100.62	72.16	71.03	74.42

Program Description

The Legislative Administration Committee (LAC) appoints an administrator to direct and manage the service and support systems for the Legislative Assembly and Legislative Branch agencies. Services include: 1) support services for legislators and their staff; 2) information systems and technology support; 3) building operations and maintenance for the State Capitol; 4) accounting, payroll, and personnel functions; and 5) public information.

Revenue Sources and Relationships

General Fund supports the majority of LAC's ongoing expenditures. There is Other Funds revenue from Capitol Building office space and hearing room rent, parking fees, donations for Holidays at the Capitol, equipment

rentals, sales of publications and audio tapes, and copy/vending machine usage. LAC adopts the same rental rate for non-branch occupants of the Capitol as the rate imposed by the Department of Administrative Services for occupants of other state buildings. Parking fees and revenue from rentals, pay phones, and vending machines go into the State Capitol Operating Account which is used to partially cover expenses incurred in operating, maintaining, protecting, and insuring the Capitol. A Nonlimited Stores Revolving Account accommodates revenue from retail sales in the Capitol Gift Shop and a Nonlimited Property and Supply Stores Account accommodates revenue from the sale of supplies to legislative agencies.

Budget Environment

The most significant impact on the budget centers on the Oregon State Capitol Renovation project (Capitol Accessibility, Maintenance and Safety project). The variability in the Other Funds budget over the last several biennia is largely due to changes in funding based on Capitol Building project plans and schedules.

Other significant factors affecting LAC costs are the continued demand for improved information systems; maintenance and repair of the Capitol, including security needs; and meeting the needs of legislators and committees. The length of legislative sessions and the number of bill introductions, amendments, and committee hearings also affect the agency's workload and costs.

Legislatively Adopted Budget

The 2019-21 adopted budget for the Legislative Administration Committee is \$50.8 million General Fund, 1.6% more than the 2017-19 legislatively approved budget. Total funds are \$63.4 million, 18.6% less than the 2017-19 approved budget. The significant decrease is attributed to a reduction in Other Funds expenditure limitation related to Capitol building construction project costs.

The LAC budget included additional funds for the following:

- \$2 million General Fund to start an ongoing fund for Capitol facility needs each biennium and \$100,000 to start a similar ongoing fund for media equipment replacement.
- \$250,000 General Fund and \$5.2 million Other Funds for bonding and other project costs related to the Document Publishing and Management System. General Fund in the amount of \$0.8 million is included for debt service costs associated with the project. Additional bond proceeds will be needed in the 2021-23 biennium to complete the project.
- Establishment of new positions in Employee Services to assist with branch-wide policy and rule development, Facility Services to assist with facility plans and project monitoring, and Information Services to assist with the new telephone system and technology development.
- \$1.4 million to continue planning for the next phase of the Capitol Accessibility, Maintenance and Safety project.
- Continuation of funding for ongoing security and other project costs.

The budget also provided for other needed compensation adjustments, including adjustments related to the pay equity law passed during the 2017 session (HB 2005) and eliminated one session position (0.25 FTE) that is no longer needed. Other changes were due to branch-wide adjustments related to implementation of the new telephone system and statewide reductions included in the final budget.

Legislative Counsel

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	10,511,999	13,384,325	14,376,494	14,657,440
Other Funds	1,058,979	1,846,216	1,908,386	2,000,148
Other Funds (NL)	496,355	554,913	576,570	626,570
Total Funds	\$12,067,333	\$15,785,454	\$16,861,450	\$17,284,158
Positions	57	58	58	62
FTE	47.60	50.84	51.08	55.08

Program Description

The Office of the Legislative Counsel (LC) drafts legislation for legislators, legislative committees, and state agencies. LC also provides research services and legal advice to legislators and legislative committees. LC prepares indexes and tables for all measures introduced during a legislative session and, every two years following each session creates, annotates, indexes, publishes, and sells the only official codification of the *Oregon Revised Statutes (ORS)* and session laws (*Oregon Laws*). LC also conducts a review of all new administrative rules adopted by state agencies to determine if they are consistent with the agencies' statutory authority.

Legislative Counsel is charged by statute (ORS 173.335) with providing necessary drafting services "as legislative priorities permit" to the Oregon Law Commission. The Commission was established in 1997 to identify defects or anachronisms in the law and recommend needed reforms to the Legislative Assembly.

Revenue Sources and Relationships

General Fund supports 85% of LC's expenditures. Other Funds are derived from sales of the *Oregon Revised Statutes*, *Oregon Laws*, bill drafting services, and other LC publications. A small portion of the publication sales income is expended as limited Other Funds and used to defray that part of the agency's expenses that are related to ORS publication editing. The balance of the publication sales income is expended as Nonlimited within the ORS Publications Program. LC has statutory authority to charge state agencies and other entities for drafting legislation, and has been doing so since 2001-03.

Budget Environment

The number of bills and amendments drafted fluctuates from session to session, but overall the trends are fairly flat. The primary driver of drafting increases in the recent past has been agency requests. When workload increases, it creates additional pressure on LC staff, which ripples throughout the institution as these bills are drafted, introduced, amended, and finalized.

During legislative sessions, the agency hires temporary employees that serve primarily as copy editors for staff attorneys and to assist with workload issues. However, the agency has worked to reduce its reliance on temporary staff over the last several biennia and the budget now includes more full-time permanent positions.

Publication sales of *Oregon Revised Statutes* and *Oregon Laws* have declined in recent biennia due, in part, to the availability from free or low-cost Internet sources. Overall, Other Funds receipts have remained stable because of increased efficiencies in operations and increased sales of specialty publications. Specialty publications include the criminal code; family law code; landlord-tenant laws; labor, employment, and workers' compensation laws; and construction and building trade laws. If Other Funds receipts were to decline, additional General Fund support may be needed for ORS publication.

Legislatively Adopted Budget

The 2019-21 adopted budget for Legislative Counsel is \$14.7 million General Fund, 9.5% more than the 2017-19 legislatively approved budget. Total funds are \$17.3 million, 9.4% more than the 2017-19 approved budget.

The Legislative Counsel budget includes funds to cover costs relating to the realignment and permanent establishment of four positions (Senior Deputy and Editor positions). The budget also provided for other needed compensation adjustments, including adjustments related to the pay equity law passed during the 2017 session (HB 2005). Other changes were due to branch-wide adjustments related to implementation of the new telephone system and statewide reductions included in the final budget.

Legislative Fiscal Office

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	3,765,890	4,969,314	6,107,186	7,807,489
Other Funds	3,489,242	4,072,282	4,046,295	4,435,155
Total Funds	\$7,255,132	\$9,041,596	\$10,153,481	\$12,242,644
Positions	22	22	22	27
FTE	22.00	22.00	22.00	25.77

Program Description

The Legislative Fiscal Office (LFO) is a non-partisan, legislative service agency created by statute in 1959. The Office researches, analyzes, and makes recommendations concerning state expenditures, financial affairs, program administration, and agency organization. The Office reports to the Joint Committee on Ways and Means during legislative sessions and to the Emergency Board and the interim Joint Committee on Ways and Means during the interim. LFO determines the fiscal impact of all legislative measures and, when applicable, publishes fiscal impact statements that accompany bills through the legislative process. The Office also provides budget analysis and policy recommendations concerning state agency information systems projects and supports committees related to information technology and audits. LFO produces various publications to guide the Joint Committee on Ways and Means processes; addresses specific budgetary topics; provides legislative members, agencies, and the public with detailed and summary information as each budget is presented and after it is adopted; and annually reports on the status of all liquidated and delinquent accounts, as well as agency efforts to collect on such accounts.

Revenue Sources and Relationships

The Legislative Fiscal Office had been traditionally supported completely by General Fund. The 2013 Legislative Assembly approved Other Funds for the operations of the agency. The source of the revenue is a portion of the Central Government Service Charge (CGSC) assessment. In the past, all CGSC revenues were transferred to the General Fund. A portion of the CGSC formula is driven by costs associated with the Legislative Fiscal Office, so the Legislature decided to target the funds directly to the Office.

Budget Environment

As with other committee staffs, the work of LFO changes between legislative sessions and the interim. During sessions, budget analysis and the number of bill introductions and amendments are the primary drivers of workload for the agency. LFO reviews all measures to determine if they have a fiscal impact and prepares fiscal impact statements.

During the interim, workload is driven by the number, length, and complexity of any special sessions necessary to rebalance the statewide budget; the number and complexity of requests to the interim Joint Committee on Ways and Means and to the Emergency Board; and the number of other program and fiscal issues that require analysis. The Office also spends a significant amount of time educating and providing information to members, legislative staff, and other stakeholders about the budget process and current budget issues.

Legislatively Adopted Budget

The 2019-21 adopted budget for the Legislative Fiscal Office is \$7.8 million General Fund, 57.1% more than the 2017-19 legislatively approved budget and \$12.2 million total funds, 35.4% more than the 2017-19 legislatively approved budget. Other Funds now account for 36.2% of the agency's budget.

The significant increase was due to the addition of \$1.7 million General Fund to add five new positions (3.77 FTE) to the office to support budget analysis capacity, the information technology review function, the Fiscal Impact Statement process, and the work of the Joint Legislative Audit Committee.

The budget also provided for other needed compensation adjustments, including adjustments related to the pay equity law passed during the 2017 session (HB 2005). Other changes were due to branch-wide adjustments related to implementation of the new telephone system and statewide reductions included in the final budget.

Legislative Policy and Research Office

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	--	9,889,412	10,698,993	11,018,643
Total Funds	--	\$9,889,412	\$10,698,993	\$11,018,643
Positions	--	61	61	61
FTE	--	41.29	41.29	41.29

Program Description

The Legislative Policy and Research Office (LPRO) was created by the Legislative Assembly in SB 1569 (2016) and provides centralized, professional, and nonpartisan research; issue analysis; and committee management services for the Legislature.

Revenue Sources and Relationships

The Legislative Policy and Research Office is completely supported by General Fund.

Budget Environment

As with other committee staffs, the number of bill introductions, amendments, and legislative hearings creates the workload for the agency during regular and special sessions. The number of committees, task forces, and workgroup meetings, as well as research and analysis projects, determines the interim workload for LPRO.

Legislatively Adopted Budget

The 2019-21 adopted budget for the Legislative Policy and Research Office is \$11 million General Fund, 12.4% more than the 2017-19 legislatively approved budget. LPRO did not exist in the 2015-17 biennium so there is no budgetary information for that time period. The services provided by LPRO were included within Legislative Administration prior to the creation of the office. The LPRO budget includes additional resources for implementation of the pay equity law passed in 2017 (HB 2005) and sufficient funds to continue all staff and services. Other changes were due to branch-wide adjustments related to implementation of a new telephone system and statewide budget reductions included in the final budget.

Legislative Revenue Office

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	2,715,111	3,065,527	2,858,746	2,833,427
Total Funds	\$2,715,111	\$3,065,527	\$2,858,746	\$2,833,427
Positions	8	8	7	7
FTE	8.00	8.00	7.00	7.00

Program Description

The Legislative Revenue Office (LRO) provides staff assistance to the House and Senate Revenue Committees during legislative sessions and to interim revenue committees, task forces, and work groups between sessions. The Office was established in 1975 to provide non-partisan analysis of tax and school-finance issues. The Office prepares research reports and writes revenue impact statements on initiatives, proposed legislation affecting state or local public finance, personal and corporate income taxes, property taxes, consumption taxes, school finance, and distribution of the State School Fund.

Revenue Sources and Relationships

The Legislative Revenue Office is completely supported by General Fund.

Budget Environment

As with other committee staffs, the number of bill introductions and amendments create the workload for the agency during regular and special sessions. Increases in bills and amendments, along with tax-related voter initiatives and legislative referrals, require the staff to write more revenue impact statements. The number of revenue, school finance committee, task force, and workgroup meetings and related research and analysis projects determines the interim workload.

Legislatively Adopted Budget

The 2019-21 adopted budget for the Legislative Revenue Office is \$2.8 million General Fund, or 0.76% less than the 2017-19 legislatively approved budget. The decrease in the LRO budget includes the transfer of an information systems position and associated funding to the Legislative Administration Committee. Other changes were due to branch-wide adjustments related to implementation of a new telephone system and statewide budget reductions included in the final budget.

Commission on Indian Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	420,767	628,880	556,385	730,962
Other Funds	1,186	7,035	7,302	7,302
Total Funds	\$421,953	\$635,915	\$563,687	\$738,264
Positions	2	2	2	2
FTE	2.00	2.00	2.00	2.00

Program Description

The Commission on Indian Services compiles information on services available to Indians, assesses state programs and services, serves as a forum for considering Indian problems, and advises on matters relating to the preservation and protection of Indian historic and archaeological resources. The Commission, created in 1975, has 13 members appointed by the President of the Senate and Speaker of the House of Representatives for two-year terms. In addition to one senator and one state representative, each of Oregon's nine federally recognized tribal

groups is entitled to one member. The remaining two members are from the Portland area and Willamette Valley Indian communities.

Various statutes require that the Commission be consulted on matters related to the preservation and protection of Indian fish, wildlife, historic, and archaeological resources. State agencies are required to consider Oregon's nine federally recognized tribal governments when developing policies and implementing programs that may affect tribal interests. The law also requires the Governor to annually convene a meeting of agency representatives and the tribes; the Department of Administrative Services to provide annual training to agency managers and employees that have regular contact with tribes; and state agencies to submit annual reports to the Governor and the Commission on their activities with tribes.

Revenue Sources and Relationships

The agency is primarily supported by General Fund. Other Funds revenue is from registration and other fees derived from sponsorship of special meetings. The funds are used to cover costs associated with the events.

Budget Environment

Staff salaries and Commission member travel are the primary costs in this budget. The Commission holds regular quarterly meetings, as well as special meetings at the call of the Chair. It advises the legislative and executive branches on ways to improve communication and coordination with tribes in an effort to avoid unnecessary court disputes and highlight shared interests.

The Commission reports that governmental (federal, state, and local) and non-governmental entities are increasingly relying on the Commission for technical and coordination services and the volume of phone and mail transactions is increasing. It is also increasingly being asked to provide trainings for effective government-to-government relationships; conduct meetings with agencies and their tribal counterparts by program and issue area; answer questions from various state agencies on how to establish and maintain effective relationships with tribes; and discuss various points of law and strategies. Tribal initiated activities related to their various programs and significant events have also increased.

Legislatively Adopted Budget

The 2019-21 adopted budget for the Commission on Indian Services is \$730,962 General Fund, 16.2% more than the 2017-19 legislatively approved budget. Total funds are \$738,264, 16.1% more than the 2017-19 legislatively approved budget. The budget includes additional resources for compensation changes, including the implementation of the pay equity law passed in 2017 (HB 2005). The budget provides sufficient funds to continue all staff and services. Other changes were due to branch-wide adjustments related to implementation of a new telephone system and statewide budget reductions included in the final budget.

