

PUBLIC SAFETY

PROGRAM AREA

DEPARTMENT OF CORRECTIONS

Analyst: Neburka

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	1,604,985,118	1,749,428,249	1,835,848,829	1,853,930,976
Other Funds	50,911,308	82,154,515	44,460,244	95,327,375
Other Funds (NL)	27,167,985	--	--	--
Federal Funds	4,134,712	5,094,910	4,533,582	4,533,582
Federal Funds (NL)	1,123,728	1,038,513	940,120	940,120
Total Funds	1,688,322,851	1,837,716,187	1,885,782,775	1,954,732,053
Positions	4,562	4,600	4,600	4,731
FTE	4,493.39	4,570.77	4,575.36	4,699.06

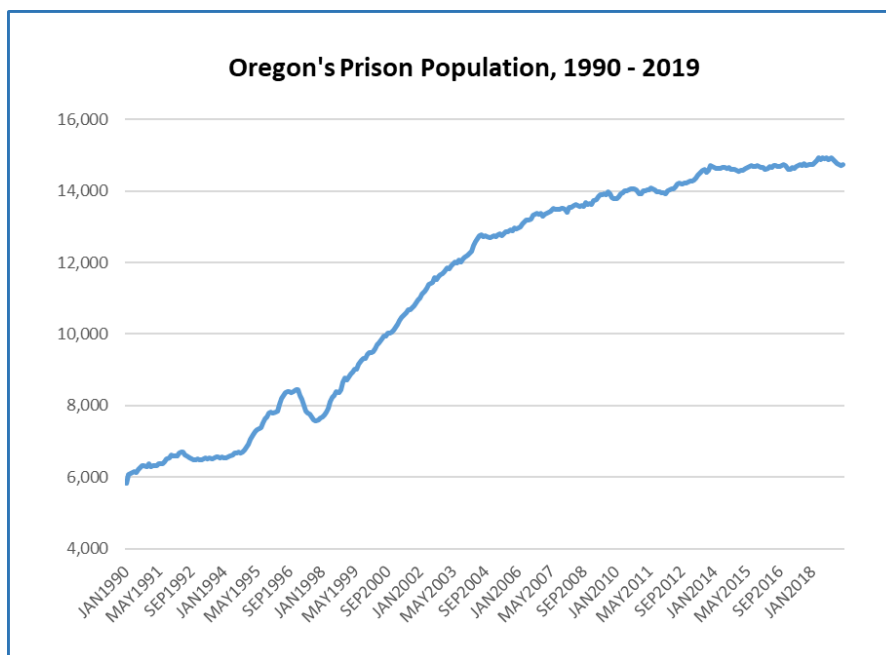
Overview

The Department of Corrections (DOC) has two primary functions: prison operations and responsibility for the state community corrections system. The Department operates 14 correctional institutions – thirteen for men and one for women – that incarcerate adult and certain juvenile felons sentenced to prison for more than twelve months by the courts. The budget is based on the April 2019 prison forecast and on other changes made by the Legislature in prior biennia that affected the prison population. The community corrections system is based on SB 1145 (1995) which transferred management of offenders sentenced or sanctioned to prison terms of 12 months or less, and all felony offenders under community supervision, to the counties. Funds are provided to counties for the cost of supervising these offenders.

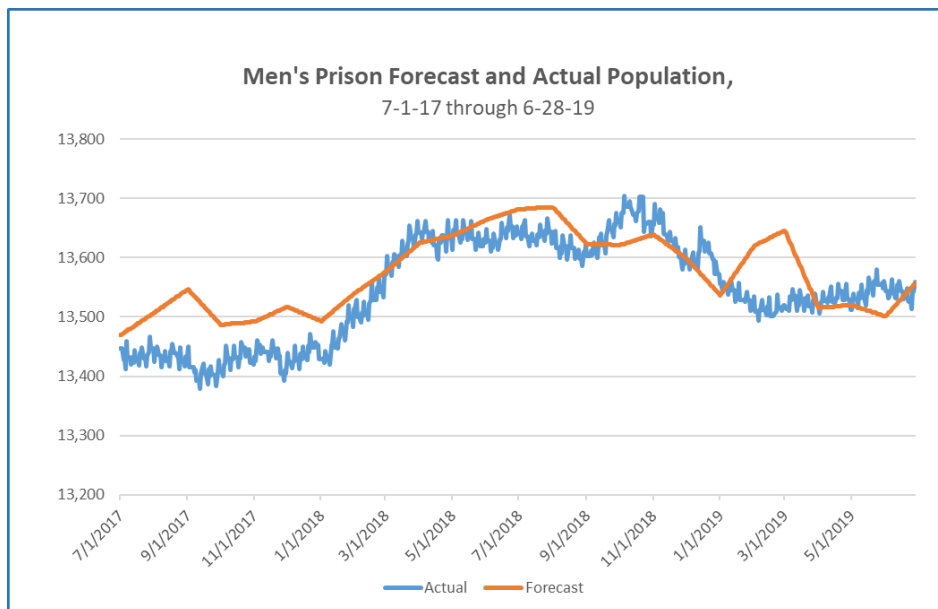
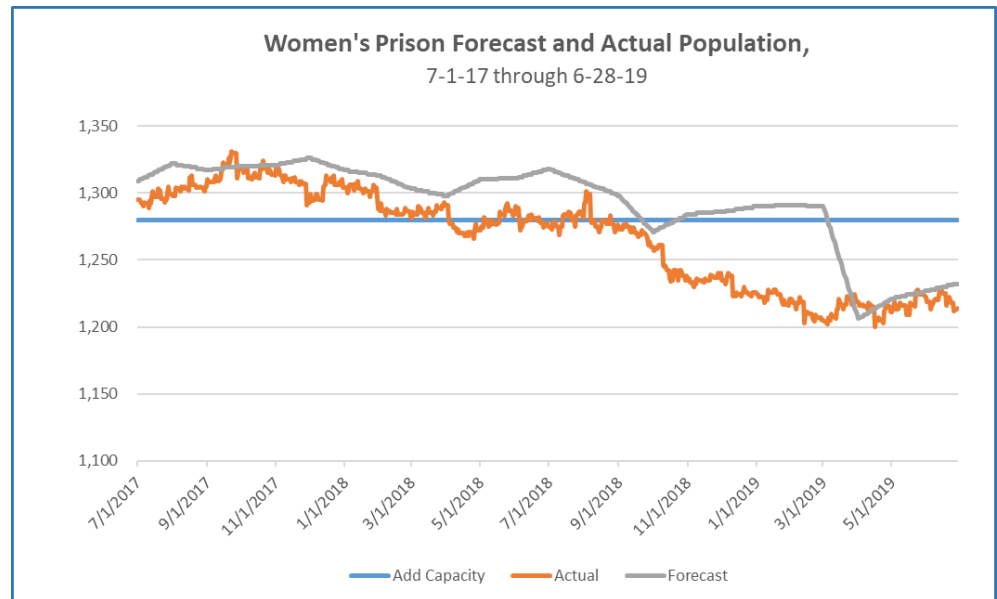
Budget Environment

In the ten years following passage of Ballot Measure 11 in 1994, Oregon's prison population grew by 80%. Between 1998 and 2008 the Department of Corrections built six prisons and expanded one, bringing more than 7,800 additional prison beds on line. Prison population forecasts prior to 2013 projected that additional prison capacity would have been required by the beginning of the 2017-19 biennium.

In 2011 and 2012, the Governor established a Commission on Public Safety for "analyzing Oregon's sentencing and corrections data, auditing existing policies, and submitting recommendations that will protect public safety while containing corrections costs and holding offenders accountable." The Commission's work culminated in the passage of HB 3194 in 2013. The measure made changes to felony marijuana offenses, felony driving while suspended or revoked, and the Measure 57 crimes of robbery in the third degree and identity theft. Additionally, the measure increased the transitional leave



period from 30 days to 90 days prior to inmate discharge and provided for dispositional downward departure for certain Measure 57 crimes where the felon is a repeat offender. Subsequent legislation in 2017 (HB 3078) removed two crimes (identity theft and Theft 1) from Measure 57 sentencing, extended short term transitional leave from 90 to 120 days prior to inmate discharge, and modified the Family Sentencing Alternative Program, created in 2015 (HB 3503), to allow for participants who have a previous conviction for a person or sex crime. These two measures are primarily responsible for the leveling off of the prison population shown in the chart above. Absent these changes, the April 2013 prison population forecast projected a total of 16,395 adults in custody by 2023, or 1,760 more than the actual number of incarcerated adults at the end of August 2019.



The law changes in HB 3194 were anticipated to result in a reduction of offenders incarcerated in DOC facilities and to increase the amount distributed to the community corrections departments of counties for probation, post-prison supervision, and local control. The reduction in offenders was expected to defer the need for new prison construction for a minimum of five years; as of the most recent prison population forecast (April 2019), the need for new prison capacity falls outside of the ten-year forecast window, meaning

it is not anticipated to be needed for at least another ten years. All law changes that occurred prior to the current prison population forecast are estimated to have reduced the use of prison beds by 711 at the end of the forecast period (April 2029).

The Department of Corrections is not funded to operate all available prison beds. Based on the 2019-21 legislatively adopted budget and despite populations declining, its institutions are over capacity, with a total of 788 emergency beds in use throughout the system. DOC has relied on "emergency beds" to meet its capacity needs for many years. These beds are generally additional beds in dormitory-like settings in minimum security facilities or additional beds in what had been single bed cells. In a few cases, a new unit has been added in space originally designed for another purpose.

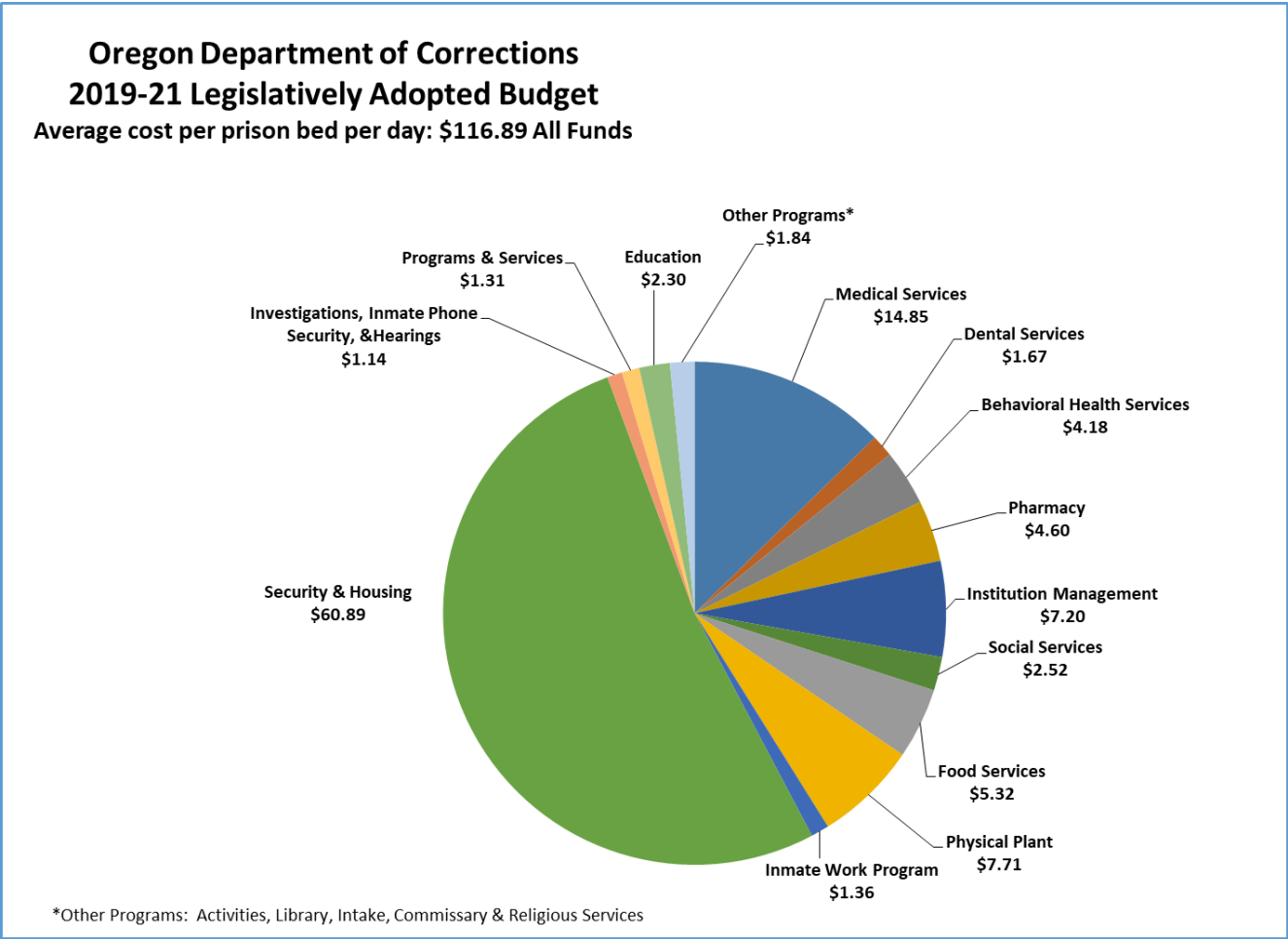
Department of Corrections Facilities					
Budgeted Beds During 2019-21					
Total Budgeted Capacity: 14,712				E-Beds	
Facility	Location	Minimum	Medium	6/30/2019	Total
Columbia River	Portland	553	-	40	593
Deer Ridge Minimum	Madras	-	-	-	-
Deer Ridge Medium	Madras	986	-	-	986
Mill Creek	Salem	240	-	50	290
Powder River	Baker City	286	-	80	366
Santiam	Salem	440	-	40	480
Shutter Creek	North Bend	302	-	-	302
Snake River	Ontario	174	2,887	80	3,141
South Fork	Tillamook	204	-	-	204
Two Rivers	Umatilla	128	1,750	120	1,998
Warner Creek	Lakeview	406	-	90	496
Eastern Oregon	Pendleton	-	1,659	108	1,767
Oregon State Correctional	Salem	-	888	52	940
Coffee Creek - Male Intake	Wilsonville	-	432	-	432
Oregon State Penitentiary	Salem	-	2,124	98	2,222
Coffee Creek - Female	Wilsonville	540	713	30	1,283
OSP - Minimum	Salem	-	-	-	-
Totals		4,259	10,453	788	15,500
Notes: - Deer Ridge Medium is operating as a Minimum. It has 209 General Population and 97 Special Purpose beds still available, for a total capacity of 1,292. The Deer Ridge Minimum facility is mothballed and has 657 total beds across General Population and Special Purpose. - OSP-Minimum has a built capacity of 176 beds, and the institution is currently mothballed. - Unused (inactive) permanent capacity includes: Shutter Creek (two 50-bed units), Deer Ridge (306 additional beds at DRCI and 657 beds at DRCM) and the mothballed Oregon State Penitentiary Minimum (176 beds). - As of the end of 2017-19, 788 emergency beds (E-Beds) are in use. This is approximately 100 fewer E-beds than were in use during the 2015-17 biennium. - There are 338 permanent maximum security beds distributed in various institutions across the state. (49 Death Row, 49 Behavioral Health Unit, and 240 Intensive Management Unit)					

Capacity issues can become particularly acute at the Coffee Creek Correctional Facility in Wilsonville, the state's only prison for women. Between May 2016 and July 2018, the population of adults in custody topped the number set by the Department as the threshold limit beyond which additional capacity would be required. During that period, DOC managed its female population with the use of emergency beds and early release beds at certain county jail facilities. Eligibility for the Family Sentencing Alternative pilot program created by HB 3503 (2015) was expanded in 2017 (HB 3078), which has modestly increased the program's utilization. The women's prison population has continued to decrease since July 2018, and is forecast to remain well below maximum capacity throughout the 2019-21 biennium and for the ten-year forecast period.

DOC states that it has reached the limit for double occupancy cells in its general population units. There are, however, special unit beds where double occupancy cells are not always feasible, and some single cells exist for those with special needs. All facilities, except the Oregon State Penitentiary, have almost all available cells at double occupancy. Structural load issues prevent the double occupancy use of the remaining single occupancy

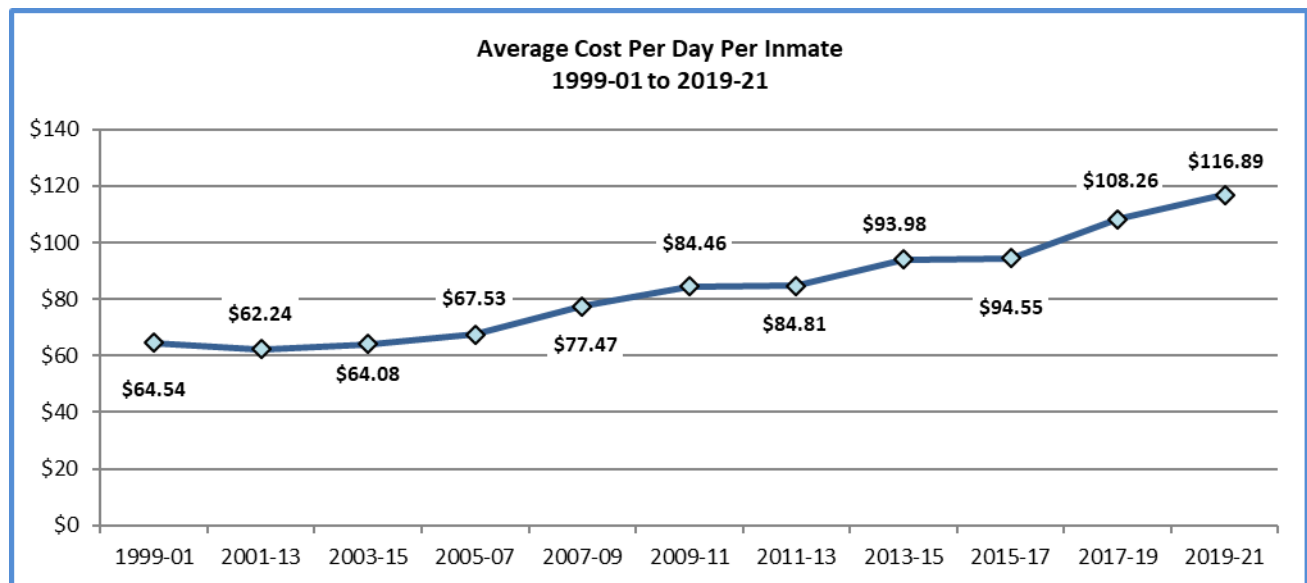
cells at the Oregon State Penitentiary. Under the current population management plan, which the agency uses to determine what units should be used and when they should open, it is anticipated that as many as 788 emergency beds per day will be used during the 2019-21 biennium. Short-term work camp beds may also be added as forest-related work needs arise.

The estimated cost per day calculation based on the 2019-21 legislatively adopted budget is \$116.89, or a 7.98% increase from the 2017-19 legislatively adopted cost per day of \$108.26. It should be noted that the cost per day varies from institution to institution due to a number of factors including the age of facility, seniority of staff, size and characteristics of the population, programming at each facility, and the security level. The cost per day is a “snapshot” and will change depending on the number of inmates and change in the budget during the biennium. The cost per day is an outcome of the given budget; it is not an input used to develop a budget. The total costs included in the calculation are \$1.32 billion total funds.

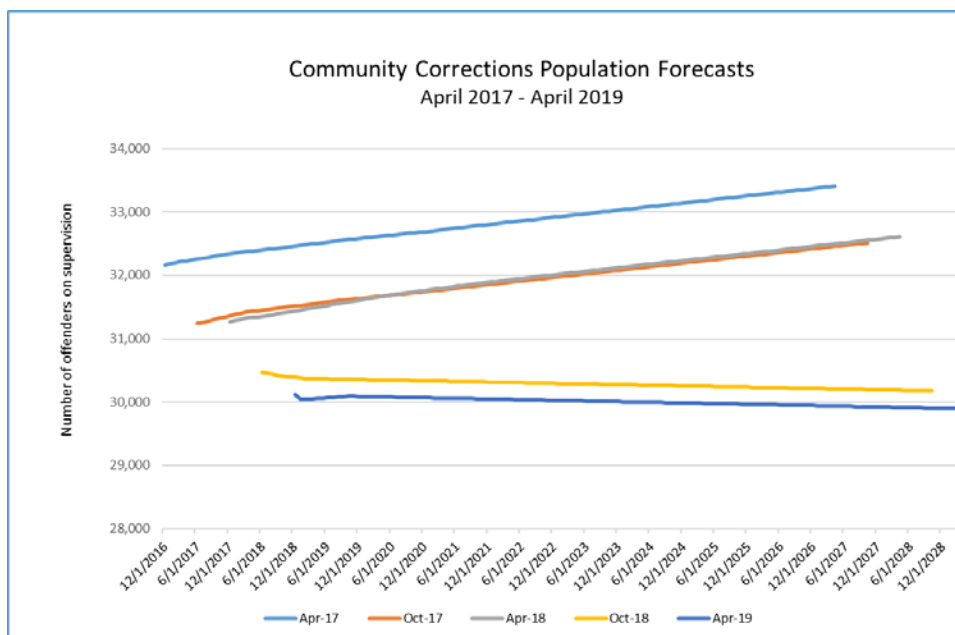


The components of the cost-per-day are reflected in the display above. The chart does not include the community corrections budget; debt service for the agency’s facilities; department-wide costs of administering the agency, including the overall management; state government service charges; financial and personnel staff; and information systems costs. The total cost excluded from the calculation is \$636.6 million total funds.

For context, the following display shows average cost per inmate per day from 1999-2001 to the 2019-21 legislatively adopted budget.



Community Corrections caseloads have decreased, and are forecast to be relatively flat over the next ten years. Based on the April 2019 corrections population forecast, DOC anticipates the felony probation and parole/post-prison supervision caseload to total 30,057 by the end of the 2019-21 biennium. Due to the population decline,



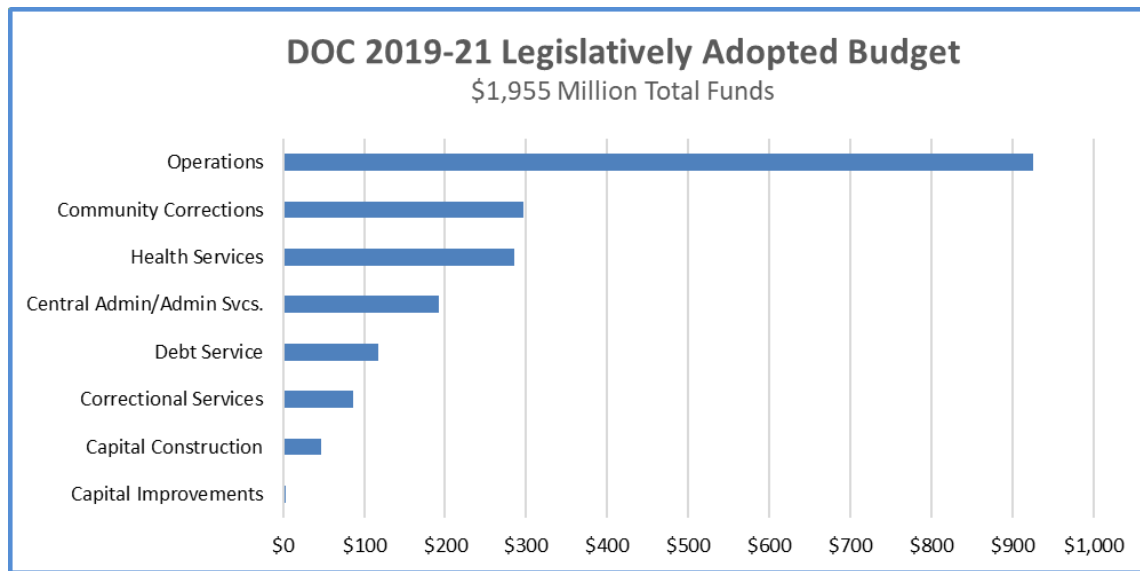
the statewide current service level of funding to counties for community corrections is \$5.1 million less in 2019-21 than in the 2017-19 biennium, and the reduction is not evenly distributed, as funding is allocated to counties based on the number of offenders supervised in each county.

ORS 423.486 requires the Department to conduct a study every six years of the actual cost and time required to provide community corrections

management, support services, supervision, and sanctions for offenders. The most recent study was completed in 2018. It revealed changes in practice including more time spent on preparation and planning for offenders to leave prison and return to their communities, more time being spent on pre-sentence assessments, and nearly twice as much time being spent on intakes and new cases. The associated financial study - based on actual expenditures by each county on its community corrections programs and services in FY 2018 - estimated an increase in the capitated rate by which funding is distributed, from \$12.07 per offender per day to \$14.25 per offender per day, an estimated statewide increase in funding of \$50.7 million, which was not approved by the Legislature.

Legislatively Adopted Budget

The following display shows the total funds budget by division for the Department.



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

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

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

These funding changes are discussed in more detail in subsequent sections.

Operations Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	758,177,774	838,323,878	902,933,370	906,715,182
Other Funds	16,028,931	14,103,137	16,066,245	18,155,429
Total Funds	774,206,705	852,427,015	918,999,615	924,870,611
Positions	3,319	3,331	3,331	3,381
FTE	3,277.28	3,316.92	3,320.34	3,368.18

Program Description

The Operations Division is responsible for the security and operation of the 14 existing adult correctional institutions. Functions of this Division include institution operations, security, food service, inmate work, inmate intake, and inmate transportation.

Revenue Sources and Relationships

Other Funds revenues originate from a variety of sources including: services provided by inmate work crews, meal tickets, and canteen sales; sale of items produced by inmate work and training programs; and Inmate Welfare Fund revenues received from inmates or inmate-related sources such as coin-operated telephones, canteen profits, vending machines, and copiers.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$924.9 million total funds is 8.5% higher than the 2017-19 legislatively approved budget. This budget includes the following:

- The addition of \$7.9 million General Fund and 40 ongoing correctional officer positions (37.84 FTE) to provide adequate staffing for hospital security transports and watches. This program will pilot at the Coffee Creek Correctional Facility in Wilsonville, at the Eastern Oregon Correctional Institution in Pendleton, and at the Two Rivers Correctional Institution in Umatilla.
- \$2.1 million Other Funds expenditure limitation and 10 positions (10.00 FTE) to supervise adults in custody on work crews, funded through contracts for services.
- A reduction of \$2 million General Fund to bring operational expenditures into alignment with the April 2019 prison population forecast.
- Statewide budget reductions totaling \$2.3 million total funds, including reductions to State Government Service and Attorney General charges, PERS rate adjustments, and other assessments.

Additionally, HB 2515 (2019) added \$102,108 to the Operations Division to fund the purchase of a variety of sanitary supplies required to be provided to all adults in custody at no charge.

Health Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	241,137,196	267,842,509	279,055,505	281,279,524
Other Funds	531,073	667,029	715,055	715,055
Federal Funds	3,430,585	3,353,513	3,494,360	3,494,360
Total Funds	245,098,854	271,863,051	283,264,920	285,488,939
Positions	571	571	571	635
FTE	549.97	558.10	559.27	618.13

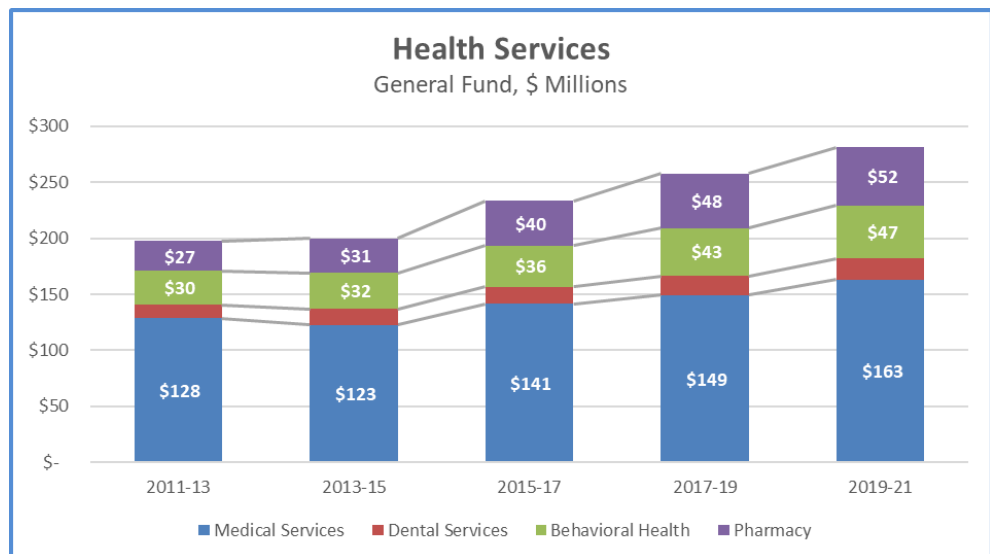
Program Description

Adults in custody are constitutionally entitled to health care at the community standard of care. The Department provides medical, dental, mental health, and pharmacy services using a managed care model offering a limited benefit package including on-site primary care, controlled access to specialists, and a restricted medication formulary. Dental facilities in twelve prisons provide a full range of dental services, emphasizing emergency treatment and preventive services. Mental and behavioral health programs provide a range of services to address mental illness, developmental disabilities, and co-occurring disorders (mental illness and substance abuse).

Health care is a significant expense for the Department. The Health Services budget includes the employees that provide health services at all the DOC prisons, as well as the cost of services purchased outside of the institutions.

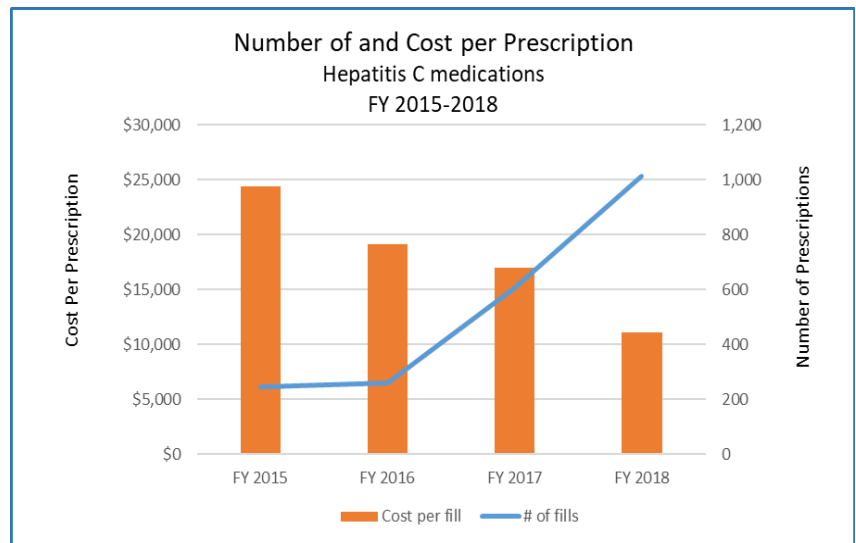
The level of service varies significantly by location, with a much more extensive set of services at larger facilities like the Oregon State Penitentiary and the Two Rivers Correctional Institution. While most of the health services are provided by DOC employees and contractors inside the prisons, some services are provided by community hospitals and providers. The agency estimates that 99% of the services are

provided at a DOC facility, but the cost of the remaining 1% of services, which are provided outside of DOC facilities, is roughly a quarter of the total Health Services unit's spending based on 2017-19 spending.



Health care provided in Oregon prisons is primarily a General Fund expense, as incarcerated individuals are not eligible for federal health care programs (Medicaid and Medicare) unless care is provided in a hospital outside of prison. The inmate population is aging, and many inmates arrive at DOC without having received adequate health care. DOC doctors and nurses provide more than 1,250 patient care contacts each day statewide; the agency operates five on-site infirmaries containing a total of 76 infirmary beds. Behavioral Health Services treatment programs have the capacity to treat 263 men and 102 women in custody at any given time, targeting services to those with severe or persistent mental illness.

A disproportionately large number of adults in custody are infected with Hepatitis C. New drugs have become available that represent significant improvements over previous therapies; newer treatments appear to eliminate the virus in about 95% of those taking the antiviral medications and the risk of side effects is very low. The cost of Hepatitis C medications has dropped considerably, but the number of prescriptions written has increased dramatically since 2015.



Revenue Sources and Relationships

Other Funds revenue is generated from charges to inmates to offset the cost of dentures, durable medical equipment, and some vision-related services. Federal Funds come from the federal State Criminal Alien Assistance Program (SCAAP) to offset the General Fund expenses of undocumented felons. This SCAAP grant, however, funds a very small (and decreasing) percentage of the total cost of incarcerating undocumented felons.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$285.5 million total funds is 5% greater than the 2017-19 legislatively approved budget. This budget includes the following:

- The addition of \$1.5 million General Fund to begin the implementation of an Electronic Health Records system. The agency currently maintains a cumbersome and inefficient system of paper health care records.
- \$1.1 million General Fund and 10 positions (7.50 FTE) to pilot a program to use Certified Medication Aides (CMAs) rather than Registered Nurses (RNs) to administer daily medications to adults in custody at the Coffee Creek Correctional Facility.
- Statewide budget reductions totaling \$0.5 million General Fund, including reductions to State Government Service and Attorney General charges, PERS rate adjustments, and other assessments.

Additionally, SB 488 (2019) added \$114,182 to the Health Services Division to fund the purchase of influenza vaccines adequate to provide a flu shot to all adults in custody at no charge, if they wish to receive the vaccine.

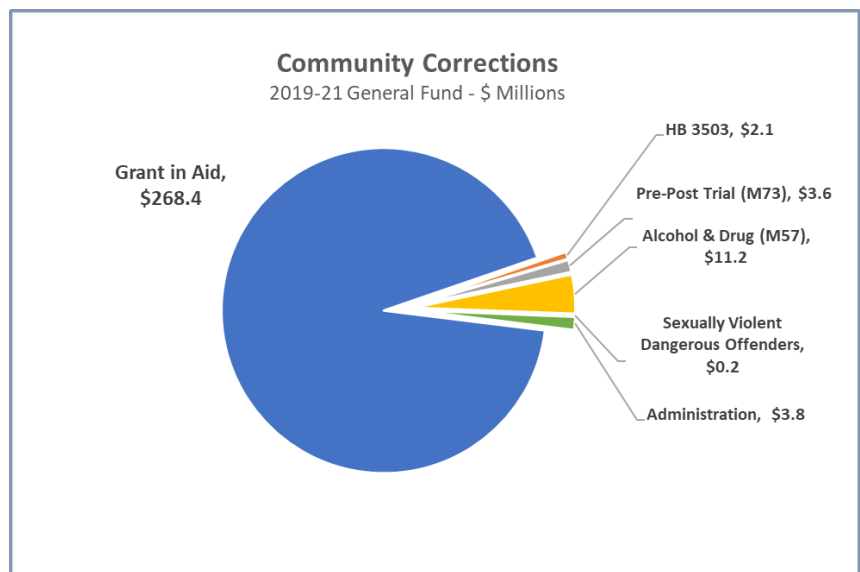
Community Corrections

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	268,858,477	295,653,578	291,993,081	289,226,178
Other Funds	6,572,423	6,973,560	7,252,638	7,252,638
Total Funds	275,430,900	302,627,138	299,245,719	296,478,816
Positions	64	74	73	76
FTE	64.12	74.33	73.00	76.00

Program Description

This budget provides funding to 34 counties for administering the community corrections program. DOC operates community corrections programs in Linn and Douglas counties. Under SB 1145 (1995), the community corrections program was restructured to establish state/local partnerships and shift resources and control for community corrections to the counties. The Grant-in-Aid is based on the number and risk levels of offenders to be managed. Three groups are funded through this program:

- Felony Probation – Those individuals sentenced for a felony to probationary supervision instead of incarceration in a local or state correctional facility.
- Parole and Post-Prison Supervision – Those individuals that were incarcerated in a state correctional facility, but have been released, and are now supervised in the community corrections system. Individuals who committed their crime prior to November 1989 are placed on parole; post-prison supervision applies to individuals that were sentenced under the sentencing guidelines.
- Local Control – Offenders that are: (1) convicted of a felony and sentenced to a term of incarceration for 12 months or less; (2) revoked from felony community supervision and sentenced to 12 months or less incarceration; or (3) sanctioned to under 30 days for violating the terms of community supervision.



Also included in this budget unit is funding for reimbursing counties for the jail costs associated with the pre-trial and post-trial incarceration costs for Ballot Measure 73 (repeat driving under the influence of intoxicants) offenders.

Revenue Sources and Relationships

General Fund resources for Grant in Aid to counties are allocated based on a percentage distribution of the felony probation, parole/post-prison supervision, transitional leave, and Local Control populations in each county. Counties also spend varying amounts on their community corrections programs through county general fund, fee revenue, and/or state and federal grants.

The primary source of Other Funds revenue in the Community Corrections budget is the Criminal Fine Account (\$4.6 million) to support distributions to counties for correction programs, facilities, and alcohol and drug

programs. This Division also receives supervision fees and other revenues collected by the Linn and Douglas county programs totaling \$1.7 million, as well as Inmate Welfare Funds.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$296.5 million total funds is 2% less than the 2017-19 legislatively approved budget. A total reduction of \$14.4 million from the 2017-19 legislatively approved budget brings operational expenditures into alignment with the April 2019 community corrections population forecast; a reduction of \$2 million brings the budget for SB 395 (2011) jail reimbursements to counties into alignment with program expenditures; and a reduction of \$54,462 implements statewide budget adjustments, including reductions to State Government Service and Attorney General charges, PERS rate adjustments, and other assessments.

Correctional Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	62,790,232	69,863,625	76,859,930	76,723,649
Other Funds	8,866,707	11,056,558	10,209,756	10,209,756
Federal Funds	--	741,924	--	--
Total Funds	71,656,939	81,662,107	87,069,686	86,933,405
Positions	199	206	210	211
FTE	195.68	205.50	209.50	210.50

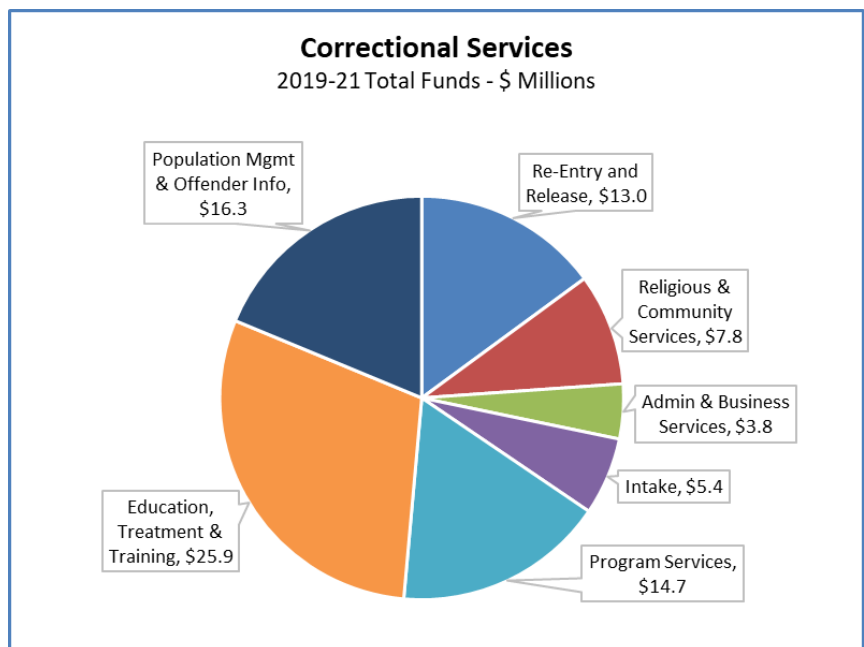
Program Description

The Correctional Services Division (formerly named the Offender Management and Rehabilitation Services Division) reduces the risk of future criminal conduct by offenders under the supervision of DOC and counties. Through programs including workforce development (e.g., education and cognitive/life skills) and substance abuse treatment, DOC works to prepare adults in custody to transition back into the community when released, and to reduce recidivism. This Division also administers jail inspections, religious services, sentence computation, inmate classification, victim services, and offender records.

This Division offers the Parenting Inside Out program, an evidence-based parenting management skills program specifically designed for criminal justice-involved parents and families. The program is offered in eleven institutions, and is funded with both grants and with General Fund.

Revenue Sources and Relationships

Other Funds revenue consists of inmate welfare funds to support alcohol and drug programs, charges for the inmate work, restitution payments, and resources transferred in from the Department of Education and the Higher Education Coordinating Commission for education programs.



Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$86.9 million total funds is 6.5% higher than the 2017-19 legislatively approved budget. This budget includes \$136,281 of statewide budget reductions to State Government Service and Attorney General charges, PERS rate adjustments, and other assessments.

Central Administration and Administrative Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	133,117,378	162,022,667	165,994,552	179,900,232
Other Funds	2,510,872	10,708,462	10,216,550	11,833,051
Other Funds (NL)	81,739	--	--	--
Federal Funds	704,127	999,473	1,039,222	1,039,222
Total Funds	136,414,116	173,730,602	177,250,324	192,772,505
Positions	346	418	415	428
FTE	343.84	415.92	413.25	426.25

Program Description

This section includes two organizational units within the Department of Corrections:

- Central Administration, which includes the Director's Office, Chief Financial Office, Office of Government Efficiencies, Internal Audits, Office of the Inspector General, and the Communications Office. All state government service charges are budgeted in this unit.
- Administrative Services, which includes agency wide support programs including Human Resources (labor management, recruitment, employee development, training, employee safety, and risk management); Information Technology Services (IT operations and user support, application development, and system maintenance); Distribution Services, which provides goods and services to operate facilities across the state including food and canteen supplies; and Facilities Services (repair and maintenance program, management of leased facilities, and energy conservation).

Revenue Sources and Relationships

Other Funds revenues are primarily generated through commissary sales; miscellaneous sales, rentals, and surplus equipment; and debt financed cost of bond issuance. Federal Funds revenue is from a grant related to the Prison Rape Elimination Act and from the Federal Communications Commission through the Oregon Community Health Information Network (OCHIN) Broadband Subsidy program.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$192.8 million total funds is an 11% increase from the 2017-19 legislatively approved budget. This budget includes significant investments in the tools used by DOC employees and to the buildings in which DOC employees work and which house the adults in DOC's custody. Investments include:

- \$434,771 General Fund and two positions (2.00 FTE) to create a central Records office and Records Officer for the Department.
- \$206,617 Other Funds expenditure limitation and one position (1.00 FTE) to manage the revenue-generating activities of prison programs, cottage industries, and clubs financially managed within the Inmate Welfare Fund.
- \$413,235 General Fund and two positions (2.00 FTE) to improve operational efficiencies and classification consistency in the Payroll Unit.
- \$706,025 Other Funds expenditure limitation and three positions (3.00 FTE) to manage the communications (telephone and data) system used by adults in custody. Supporting revenues come from the Department's inmate telephone system vendor.

- \$2.5 million General Fund to pay licensing and maintenance fees for the agency's use of its Statistical Analysis System software, and to replace desktop and laptop personal computers per the Department's five-year lifecycle replacement policy.
- \$1.65 million to upgrade the Corrections Information System.
- \$12.6 million General Fund and five positions (5.00 FTE) for capital improvements, deferred maintenance, and emergency repair projects throughout the prison system; \$11.3 million is for emergency repair or deferred maintenance projects that are not eligible for bond financing. Specifically, those items include:
 - \$500,000 for a facilities master plan.
 - \$3.8 million for identified repairs to fire suppression systems throughout the prison system.
 - \$5.3 million for HVAC repairs in nine prisons across the state.
 - \$1.1 million for repairs to building exteriors and roofs.
 - \$0.7 million for repairs to plumbing and electrical systems.
- \$1.6 million General Fund for annual fire suppression system inspections and testing at all DOC prisons and at two administration facilities.

Debt Service

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	124,139,216	114,024,238	116,080,590	117,154,410
Other Funds	2,176,900	98,234	--	51,378
Other Funds (NL)	27,086,246	--	--	--
Federal Funds (NL)	1,123,728	1,038,513	940,120	940,120
Total Funds	154,526,090	115,160,985	117,020,710	118,145,908

Program Description

Debt service is the obligation to repay the principal and interest on certificates of participation (COPs) and Article XI-Q bonds issued to finance the costs of construction and improvement of correctional facilities. Beginning with the construction of the Snake River Correctional Facility in Ontario in the early 1990s, DOC has used COPs to finance the major expansion of the prison system. The proceeds from COPs were also used for the construction of local jail capacity related to the SB 1145 population; purchase of property, design costs, siting costs, major improvements or upgrades of existing facilities; and the staff costs associated with the construction and improvement of facilities. From the 2013-15 biennium forward, all debt financing has consisted of Article XI-Q bonds.

Revenue Sources and Relationships

Other Funds are unused balances in various capital financing accounts that are used to offset General Fund debt service. The Nonlimited Other Funds was used to accommodate refinancing of existing COPs, while the Nonlimited Federal Funds limitation allows for the use of "Build America" bonds, for which the federal government provides a subsidy for taxable bonds for eligible projects.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for debt service of \$118.1 million total funds is 2.6% more than the 2017-19 legislatively approved budget. Newly authorized capital construction bonds will be issued throughout the 2019-21 biennium, with \$1.9 million additional debt expenditures anticipated to be incurred in the 2019-21 biennium. Debt service is 6.3% of the Department's total 2019-21 General Fund budget.

Capital Improvements

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	2,718,093	1,697,754	2,931,801	2,931,801
Total Funds	2,718,093	1,697,754	2,931,801	2,931,801

Program Description

This budget unit captures maintenance and asset protection expenditures for the agency's 14 institutions and approximately 5.4 million square feet of building space. Qualified projects must be less than \$1 million; if projects exceed \$1 million, they are categorized as capital construction.

Revenue Sources and Relationships

This budget unit is supported by General Fund.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$2.9 million General Fund is 72.7% higher than the 2017-19 legislatively approved budget. This increase is due to mid-biennium budget re-balancing undertaken by the Department to manage a budget shortfall during 2017-19. Compared to the 2017-19 legislatively adopted budget, the increase is 3.8%.

Capital Construction

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
Other Funds	14,220,432	38,547,534	--	47,110,068
Total Funds	14,220,432	38,547,534	--	47,110,068

Program Description

This budget unit provides new expenditure authority for acquisition or construction of structures that cost \$1 million or more. The expenditure limitation for each construction project is in effect for six years. These projects are typically debt financed. The agency inventory of capital improvement and renewal projects is currently (as of 2018) estimated to cost more than \$208 million.

Legislatively Adopted Budget

The Legislature approved \$47.1 million in Other Funds capital construction expenditure limitation for Article XI-Q bond proceeds for the agency to continue addressing its deferred maintenance and capital construction requirements (\$24.5 million), to upgrade and replace camera systems (\$8.6 million), and to update its radio system infrastructure (\$14 million). Bonds will be issued throughout the biennium, requiring new debt service of \$2 million General Fund in the 2019-21 biennium.

CRIMINAL JUSTICE COMMISSION

Analyst: Neburka

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	54,221,723	65,021,569	67,538,012	79,843,528
Lottery Funds	--	--	--	555,000
Other Funds	695,077	2,661,890	4,052,440	14,962,708
Federal Funds	4,209,944	8,224,498	1,211,518	5,337,957
Total Funds	59,126,744	75,907,957	72,801,970	100,699,193
Positions	11	17	15	23
FTE	11.00	14.54	14.13	21.51

Overview

The Criminal Justice Commission (CJC) administers Oregon's felony sentencing guidelines; analyzes crime trends and sentencing policy data; estimates the fiscal and racial/ethnic impact of statewide public safety legislation and initiatives; administers the competitive specialty court grant program; staffs the Asset Forfeiture Oversight Committee and Public Safety Task Force; and guides the implementation of Oregon's Justice Reinvestment Initiative. The agency's responsibilities have grown over the past two biennia: legislation in 2017 added the Statistical Transparency of Policing (STOP) program (HB 2355) and expanded the Justice Reinvestment Grant program by adding \$7 million for downward departure prison diversion programs provided by counties. In 2019, legislation on bias crimes (SB 577) added responsibility for analyzing bias incident data to the CJC's portfolio, and SB 973 created a new behavioral health justice reinvestment grant program to be administered by the agency.

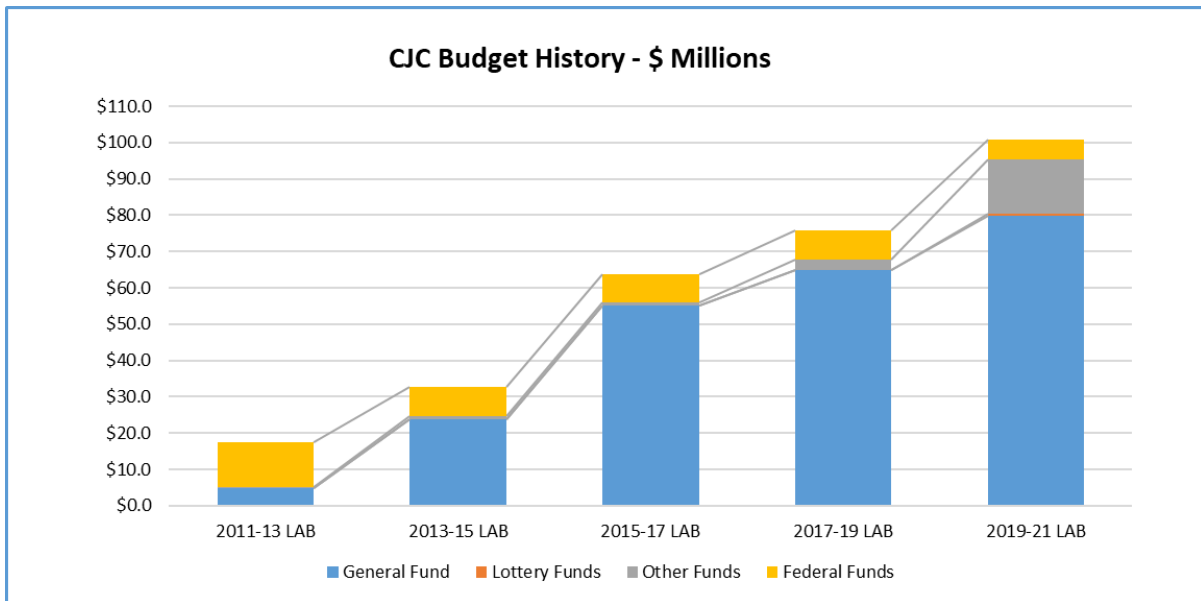
Revenue Sources and Relationships

General Fund is the CJC's primary revenue source and funding for the commission's grant programs, which have grown significantly with the passage of sentencing reform legislation in 2013 (HB 3194) and with subsequent legislation. Other Funds revenue is derived from civil and criminal forfeiture proceeds and from grants. The Federal Funds in the budget are mostly provided by the Edward Byrne Memorial Justice Assistance Grant program.

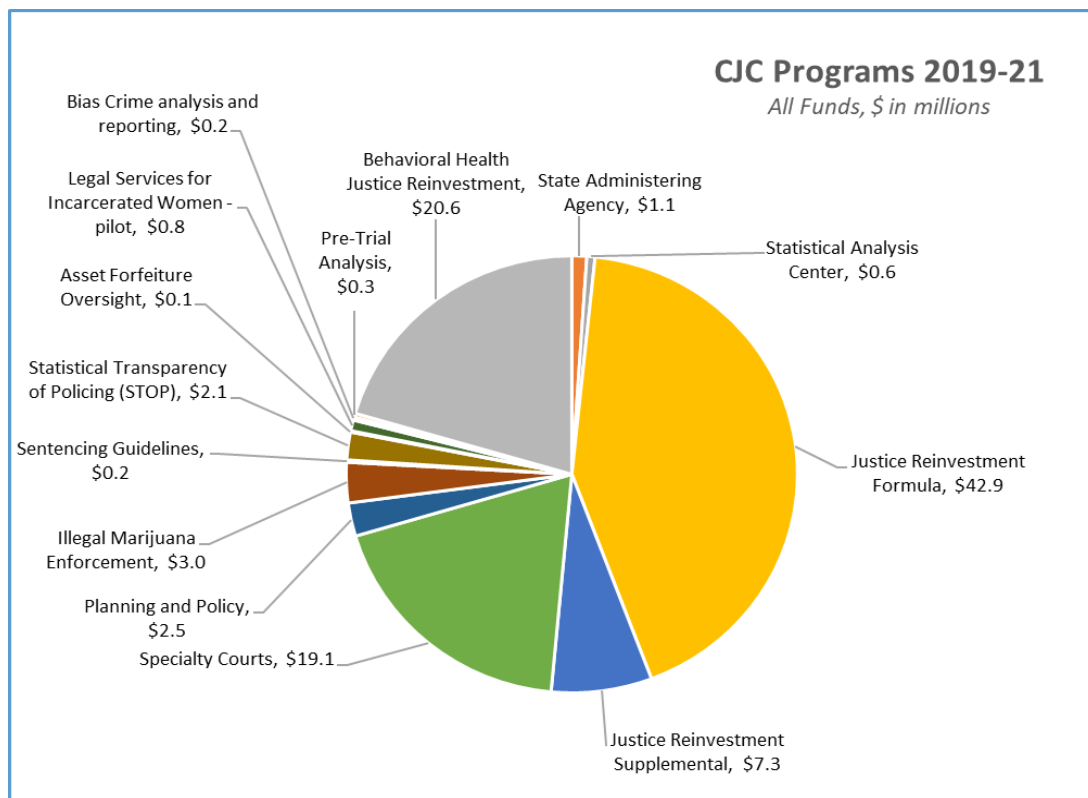
Budget Environment

The Commission's grant-making programs comprise 93% of its budget. The Justice Reinvestment Initiative (JRI) and the JRI supplemental grant program make up 50% of the budget and total \$50.2 million for 2019-21. The JRI Grant Program, passed in 2013 (HB 3194), is Oregon's approach to controlling prison growth and investing in the state's local criminal justice systems to reduce recidivism and increase public safety and offender accountability. The agency maintains an interactive website (www.oregon.gov/cjc/data/pages/main.aspx) where state and local data is displayed for specific crimes: changes by county year-over-year in for the number of prison intakes, including revocations; length of stay in months; total prison months; and short term transitional leave increases. HB 3078 (2017) further modified public safety programs and sentences for crimes, and has demonstrably reduced the use of prison beds in the two years since its passage.

The following display illustrates the dramatic rise in the agency's total budget over a relatively short period of time, due for the most part to General Fund tied to the enactment of HB 3194 in 2013. The addition of Lottery Funds in the 2019-21 budget reflects a fund shift from General Fund to Measure 96 (veterans' services) Lottery Funds to support three veterans' courts in the Specialty Courts grant program.



The agency's Specialty Courts Grant Program totals \$19.1 million for 2019-21 and accounts for 19% of the total budget. There are 68 specialty courts in Oregon; CJC's grant program currently funds 42 courts in 24 counties through the competitive Operational Grant. A second Implementation Grant will be offered in the fall of 2019 to support "new" or "start-up" specialty courts and those working towards meeting best practice standards. While specialty courts have existed since 1991, CJC's first involvement was in 2005 to expand drug courts in response to higher methamphetamine production and use. More recently, CJC was directed to serve as a clearinghouse and information center for the collection, preparation, analysis, and dissemination of the best practices applicable to specialty courts. The 2019-21 legislatively adopted budget shifts \$555,000 from the General Fund to Measure 96 (veterans' services) Lottery Funds to support three veterans' courts at the current service level.



Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the commission of \$100.7 million total funds is a 32.6% increase from the 2017-19 legislatively approved budget. This budget reflects an increase of \$14.8 million General Fund, an increase in Other Funds expenditure limitation of \$12.3 million, and a reduction in Federal Funds of \$2.9 million. It should be noted that the new Behavioral Health Justice Reinvestment program double-counts its total legislatively-adopted funding level by \$10 million, to reflect the one-time \$10 million General Fund investment that is capitalizing the *Improving People's Access to Community-based Treatment, Supports, and Services* account, established in SB 973. Expenditures from this new account will be recorded as Other Funds. Positions increased by 6 (6.97 FTE) to a total of 23 (21.51 FTE).

Specific changes from the 2017-19 legislatively approved budget include a General Fund increase of \$12.3 million over the current service level, for the following programs and purposes:

- \$10 million on a one-time basis to capitalize the new Improving People's Access to Community-based Treatment, Supports, and Services grant account created in SB 973, and \$639,462 on an ongoing basis to establish three positions (2.38 FTE) and services and supplies to administer the grant program.
- \$800,000 on a one-time basis to pilot a legal services program for women incarcerated at the Coffee Creek Correctional Institution in Wilsonville, required by HB 2631.
- \$110,000 on a one-time basis to carry out an assessment of prison capacity utilization by counties required by HB 3064.
- \$235,476 and one position (1.00 FTE) on an ongoing basis to analyze and report on bias crime incident data, required by SB 577.
- \$880,226 ongoing and \$159,159 on a one-time basis to continue implementation of the Statistical Transparency of Policing (STOP) program, created in HB 2355 (2017).
- A reduction of \$555,000 from General Fund and an increase in Measure 96 (veterans' services) Lottery Funds in the same amount, to support three veterans' specialty courts at the current service level.

Other Funds expenditure limitation increased by \$10.9 million over the 2017-19 legislatively approved budget, for the following programs and purposes:

- \$10 million to provide expenditure limitation for grant-making and research and evaluation from the Improving People's Access to Community-based Treatment, Supports, and Services grant account.
- \$275,086 on a one-time basis to spend grant funds on an evaluation of pre-trial detention in county jail facilities.
- \$636,633 on a one-time basis to spend grant funds on the STOP program.

Federal Funds expenditure limitation of \$4.1 million over the current service level assumes receipt of federal Edward Byrne Justice Assistance Grants awarded for 2017 and 2018.

Finally, the 2019-21 budget includes a \$44,716 total funds reduction to reflect final statewide budget adjustments to Department of Administrative Services' assessments and charges for services, Attorney General hourly rates, PERS rates, and Secretary of State and Parks assessments.

DISTRICT ATTORNEYS AND THEIR DEPUTIES

Analyst: Borden

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	11,995,440	13,328,561	12,945,651	12,839,916
Total Funds	\$11,995,440	\$13,328,561	\$12,945,651	\$12,839,916
Positions	36	36	36	36
FTE	36.00	36.00	36.00	36.00

Overview

District Attorneys (“prosecuting attorneys” or DAs) are directed by section 17 of the Oregon Constitution. There are 36 DAs, one for each county, who are independently elected to four-year terms. A DA is the county chief law enforcement officer. DAs and their deputies prosecute state criminal offenses committed by juveniles and adults.

In addition to criminal prosecution, district attorney legal duties may include enforcement of child support obligations in non-welfare cases, prosecuting civil forfeitures, presenting evidence at mental health hearings, ruling on public records requests, representing interests in child dependency cases, assisting juvenile courts, and advising and representing county officers as county counsel in civil matters. DAs and their deputies are also active in local public safety coordinating councils, child abuse prevention teams, and community outreach activities. In cities with a population of more than 300,000, the DA is responsible for the prosecution of all city ordinance violations. The DA may provide legal advice to the county (“Justice”) court and other county officers.

DAs are state (management service) employees and, by statute, the state is responsible for paying their salaries. There is a two tier, annual compensation plan for DAs. Ten DAs in counties with populations exceeding 100,000 receive approximately \$191,000 in annual state compensation; all others receive approximately \$165,000. In addition, the state funds other payroll expenses and charges that primarily cover tort liability and other insurance. Apart from state funding, 26 counties have elected to provide supplemental compensation for their elected DA, ranging from an estimated \$6,000 to \$55,238 per year; the other counties provide no supplement.

DAs have offices ranging from only the elected official to offices with nearly 100 Deputy District Attorneys. Counties are responsible for providing funding for approximately 350 deputy district attorney positions, administrative support, facility space, and services and supplies. Counties also fund expert and other witness fees for grand jury proceedings, trials, probation violation hearings, pre-trial hearings, and other court actions, as well as stenographic assistance. The state budget has not contributed to the cost of the deputy district attorneys since 2007-09, nor to witness fees for trials and grand jury hearings in criminal proceedings since 1999-2001, with the exception of grand jury recordation, discussed below.

The state provides indirect supplemental support to the DAs through the Department of Justice (DOJ), which includes: prosecutorial support, investigations, information technology support, and administrative support to facilitate budget development and coordinate the non-profit association. DOJ may, depending upon the actions of the Governor, temporarily assume the responsibilities of the DA function upon a vacancy and until a successor is appointed by the Governor or the next election. On a routine basis, DOJ’s Criminal Justice Division supports local DAs in criminal cases and matters relating to prosecution and law enforcement in their respective counties by providing trial and investigative assistance, technical-legal and prosecutorial advice and services, and legal education and training in criminal law and procedures. While a state responsibility, DOJ’s Appellate and Trial Divisions may also defend the state in cases in which sentenced offenders challenge their convictions or sentences. Such expenses are funded by a General Fund appropriation to DOJ. DOJ also awards a variety of competitive and non-competitive state and federal grants for crime victim assistance to counties, including

funding for a few juvenile and domestic violence prosecutor positions. DAs are continuing to work with DOJ in the development of the Child Support Enforcement Automated System (CSEAS) information technology project. By statute, DOJ provides funding for a DA liaison position for the Child Support Program. DAs in 22 counties have responsibility for approximately 38,000 (or 21.4%) of the 177,707 state child support cases. For the remaining 14 counties, DAs have elected to contract with DOJ to provide child support services, including most recently Josephine County (as of July 1, 2017) and Benton County (as of October 2, 2017).

Revenue Sources and Relationships

State payments for the salaries of DAs are made entirely with General Fund; however, the state's portion of the total budgets for District Attorney Offices across the state is unknown. A county DA office survey was last conducted in 2000, and showed that state funds covered approximately 9% of the \$57 million total statewide expenditures, but ranged between 2% (Multnomah) and 70% (Wheeler) of county prosecution budgets. A budget note directs that the Oregon District Attorneys Association, the Association of Oregon Counties, and DOJ report to the Legislature in 2021 with updated information on how District Attorney Offices are funded.

Budget Environment

There are several measures of workload for DAs and their offices including number of arrests for person, property, and behavior crimes; or the number of filings where a felony was the most serious charge. While these are indicators of DA workload, they do not capture all of the potential workload. When reported crimes and arrests are higher or when there are fewer resources, DA offices must take a variety of actions to meet the increased demand, including: (1) prioritizing cases; (2) relying on plea bargaining negotiations and alternative dispositions (deferred sentencing and reduction of certain felonies and misdemeanors to violations) to reduce the number of trials; and (3) limiting the amount of time spent in preparation and prosecution of each case.

The Legislature in 2017 enacted SB 505, relating to recording of grand jury proceedings. The measure requires county district attorneys to electronically record all grand jury proceedings, and to store and maintain copies of the audio recording. The Judicial Department was provided funding to purchase and maintain the recording equipment for DAs. On March 1, 2018, the measure was implemented in three counties and the Emergency Board in December of 2018 provided \$386,107 funding for what it determined to be eligible or direct costs of the measure. Multnomah County was the only early implementing county that employed limited use of preliminary hearings and the cost was well below what had been predicted when SB 505 was being considered by the Legislature. The Multnomah County DA then discontinued using preliminary hearings and moved to exclusive use of the grand jury recordation. The remaining 33 counties began implementation on July 1, 2019. The Legislature set aside a \$3 million special purpose appropriation to the Emergency Board for implementation funding; however, a budget note directs that the Judicial Department, District Attorneys, and the Association of Oregon Counties report on how grand jury recordation can be delivered in the most efficient, consistent, and cost effective way. The Emergency Board recommended that any county funding request be considered on a reimbursement basis. There still remains some uncertainty about whether SB 505 will reduce the number of grand jury hearings if local DAs opt instead for pre-trial hearings.

The Legislature, beginning in 2017, and then again in 2019, provided supplemental funding for DOJ's Child Advocacy Section to provide full representation of DHS Child Welfare caseworkers in court, including Multnomah County. This may lessen or eliminate the need for DAs to attend juvenile court proceedings where their role has been to represent the interests of the state rather than DHS Child Welfare caseworkers.

Beginning In 2013, the Legislature made a number of sentencing reforms to the criminal justice system to reduce the General Fund cost of incarceration. Some of the averted costs were granted to counties by the Criminal Justice Commission to fund efforts and treatment to reduce recidivism and crime commission. DAs play a key role in these changes and largely determine whether avoided costs from sentencing reform materialize. The most recent prison forecast(s) reflect a leveling off of the prison populations, as compared to pre-reform forecasts, and therefore suggest that sentencing reforms are working as intended; however, the impact varies by county.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the District Attorneys and Their Deputies is essentially a current service level budget. The total budget of \$12.8 million General Fund is \$488,645, or 3.7%, less than the 2017-19 legislatively approved budget. The decrease is primarily attributable to a reduction in the risk insurance assessment and the elimination of one-time funding for SB 505 and grand jury recordation in the three pilot counties.

DEPARTMENT OF JUSTICE

Analyst: Borden

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	77,042,764	90,195,436	99,293,387	114,789,120
Other Funds	294,674,558	332,801,936	326,302,268	351,837,618
Other Funds (NL)	4,361,977	--	--	--
Federal Funds	154,388,574	201,118,887	138,497,693	186,995,478
Federal Funds (NL)	15,740,252	--	--	--
Total Funds	\$546,208,125	\$624,116,259	\$564,093,348	\$653,622,216
Positions	1,326	1,379	1,314	1,453
FTE	1,295.51	1,355.40	1,304.01	1,420.13

Overview

The Department of Justice (DOJ) is responsible for general legal counsel and supervision of all civil actions and legal proceedings in which the state is a party or has an interest. DOJ is also responsible for a number of programs, including child support, district attorney assistance, crime victims' compensation, charitable activity enforcement, organized crime-related law enforcement, criminal investigations, criminal intelligence, and consumer protection and education services.

DOJ is overseen by an attorney general, which is a statewide elected official whose authority is established in statute. The attorney general is chief legal officer of the state, with a term of office of four years.

Revenue Sources and Relationships

The Department of Justice is funded with General, Other, and Federal Funds. For the 2019-21 biennium, the General Fund accounts for 18% of the legislatively adopted budget and is used primarily for the Child Support Program, Defense of Criminal Convictions, crime victims' programs, legal work for which no state agency can be billed directly (e.g., ballot measure related), law enforcement activities of the Criminal Justice Division, and debt service. Indirect General Fund (i.e., Other Funds) is received in the form of an allocation from the Criminal Fines Account and the payment of some legal service costs by General Fund agencies.

Other Funds resources support 54% of the budget and include charges to agencies for legal services, Tobacco Settlement Funds Account, legal settlements, license and other fees, charges, and fines. DOJ generates much of its Other Funds revenue from charges to state agencies for legal services. Although the agency has the statutory authority to determine the various hourly rates, the rate has historically been reviewed through the legislative budget process. The 2017-19 legal services rate (also known as the Attorney General rate) was \$182 per hour and is budgeted to generate an estimated \$174.8 million. The Attorney General rate for the 2019-21 Legislatively adopted budget is \$214 and is estimated to generate \$229.3 million, with a projected ending balance of \$9.3 million. This represents approximately one month of operating capital for the Legal Services Fund. This is a \$54.5 million, or 31.2 %, increase from the 2017-19 Legislatively Adopted Budget.

The increase in the legal services rate from \$182 to \$214 per hour, or by 17.6%, is explained primarily by the following factors: (a) current service level adjustments for: collective bargaining agreements, merit increases, inflation on services and supplies, and mandated caseload adjustments; (b) policy package adjustments; (c) an estimate for yet-to-be negotiated compensation plan adjustments; and (d) a one-month working capital reserve. The single largest increase to the hourly rate is the \$10 attributable to the working capital reserve. The percentage increase in legal services rate without adding the working capital reserve would have been 12.1%.

This biennium DOJ will transfer \$46 million Other Funds from surplus legal settlements to the General Fund.

Federal Funds make up 29% of the budget and include the federal share of the Child Support program, the Child Support Enforcement Automated System information technology project, the Medicaid Fraud program, and crime victims' grants.

Budget Environment

DOJ is responsible for all court actions and legal proceedings in which the state of Oregon is a party or has an interest, including all civil and criminal cases before state and federal courts. DOJ exercises virtually complete authority over all legal business for approximately 100 state agencies, boards, and commissions. DOJ itself is the single largest consumer of the state's legal services. Successive attorney generals have adhered to a policy of a consolidated or centralized legal service delivery model over a de-centralized service delivery model. Statute provides an exemption for some entities from the requirement to use only DOJ provided legal services.

DOJ is responsible for a conglomeration of functions and activities, some of which may only be tangentially related to the legal system. The Child Support Division locates parents, establishes paternity, enforces and modifies child support obligations, and receives and distributes support payments from absent parents. The Crime Victim and Survivor Services Division compensates victims of violent crime, advocates for crime victims, and administers state and federal grants that provide partial funding to nearly every non-profit and system-based victims program in the state. Some DOJ programs are critical to sustaining the state's receipt of Federal Funds, such as the investigation and prosecution of Medicaid and Social Security Administration's Title II and XVI fraud.

DOJ works with a broad spectrum of stakeholders from local public safety partners to private non-profits to the federal government. DOJ supports local district attorneys with prosecutorial assistance, investigations, information technology support, and administrative support. DOJ's Appellate and Trial Divisions may also defend the state in local district attorney cases in which sentenced offenders challenge their convictions or sentences.

The Civil Enforcement Division is generally the state's plaintiff's civil litigation arm seeking affirmative action or recovery of funds. The Division enforces consumer protection laws and protects the state's legal interest in money, real, or personal property. DOJ is currently engaged in some major lawsuits, including lawsuit with the timber counties. The Attorney General has also initiated or joined some lawsuits against the federal government.

DOJ serves as a source of information and training for the state's criminal legal community as well as general legal counsel training for state agency staff. Administrative and financial support and grant administration of the agency can be complex.

Legislatively Adopted Budget

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

Continued funding is provided for: Victims of Crime Act grant funding (\$30.3 million); backfill of a revenue reduction in the Division of Child Support (\$17.8 million); the final phase of the Child Support Enforcement Automated System project (\$17.1 million), plus a data center contract with a private vendor (\$4.2 million); and homeland security and urban area security grants (\$569,430). The agency's internal audit function was in-sourced with a new position. The Defense of Criminal Convictions was fully funded at forecasted caseload (\$26.8 million).

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

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

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

Administration

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	--	220,869	--	710,680
Other Funds	31,943,473	35,744,585	35,123,312	39,494,976
Total Funds	\$31,943,473	\$35,965,454	\$35,123,312	\$40,205,656
Positions	111	113	111	120
FTE	108.43	109.68	108.92	117.96

Program Description

Administration includes the Office of the Attorney General and Administrative Services. The Office of the Attorney General, which includes the executive management of the Department, sets direction and policy for the agency.

Administrative Services mainly provides centralized operational support services for most of the Department and includes fiscal services, internal audit, information services, facility operations, and human resources. Beginning this biennium, it also includes an internally focused diversity and inclusivity position. Some programs, such as the Child Support Division, maintain mostly separate administrative service functions.

The program also includes the Special Counsel to the Attorney General, legislative coordination, the Civil Enforcement Unit, and a consumer protection and outreach coordinator. The Civil Rights Director assists the Attorney General's civil rights outreach efforts around the state, makes continuing legal education presentations to the legal community; directs production and distribution of new outreach and educational materials about DOJ; screens cases for action by DOJ and makes referrals to DOJ; and troubleshoots public complaints. This section leads the Bias Crime and Incidents Steering Committee and plans and oversees the implementation and management of the Bias Crime Hotline including victim services and reporting requirements.

Revenue Sources and Relationships

The primary revenue source for Administration is from a cost allocation plan that charges the other divisions and programs in the Department for services such as fiscal, internal audit, personnel, facilities management, and information systems. The distribution of these costs is based on the amount of time or service each section of Administration provides to other divisions or programs. General Fund supports the Civil Rights Unit.

For DOJ, an intra-agency charge is an overhead charge to an operating program to fund agency-wide administration. Operating programs reflect the charge as an expense from which the proceeds are then transferred to the Administration program as a revenue source. An intra-agency charge aligns with operating program funding. For DOJ, on an agency-wide basis, intra-agency charge originates as General Fund (11%), Other

and General Fund as Other Funds (65%), or Federal Funds (24%); however, once expensed at the program-level, the Administration program expends the funds as Other Funds. While this method leads to the double-budgeting of an expense, first at the program level, and then at the administration level, the approach is preferable to what would otherwise be a less transparent method of revenue transfers. The agency-wide amount charged each program averages 12.7%. Due to the large amount of federal funding within the agency, the intra-agency charge must be certified on an annual basis as a federally-approved cost allocation plan.

Budget Environment

DOJ is a mid-sized agency with diverse program and funding requirements and complex administrative support needs. The agency has 22 locations with 469,904 total square feet of space. The agency processes approximately 14,000 legal service billings each year across approximately 100 client agencies. The agency's legal documentation system is used by approximately 300 attorneys. The information technology backbone of the agency consists of 27 complex systems, 436 virtual servers, and 45 physical servers. After an attempt to use contract services to perform internal audits, the Legislature decided to add back an internal auditor position to the agency. After an initial failed attempt at a commercial-off-the-shelf product, the Legislature re-authorized the Legal Tools Replacement (LTR) information technology project, which is a project to replace DOJ's current legal matter management "system," which is a compilation of loosely coupled and dated applications, including: matter management (e.g., cases, events, parties to the case, etc.); document management (e.g., files and storage, etc.); time capture; client billing; and various custom linkages to office applications and system security.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$40.2 million is \$4.2 million (or 11.8%) more than the 2017-19 legislatively approved budget and includes 120 positions (117.96 FTE). The budget includes the following:

- \$3.9 million Other Funds for Department-wide information technology costs.
- \$744,939 General Fund for the transfer of the Civil Rights Unit from Civil Enforcement to the Administration Division.
- \$595,610 Other Funds for the reauthorization of the Legal Tools Replacement information technology project.
- \$460,563 Other Funds to reclassify nine positions and transfer three positions from Civil Enforcement to the Administration Division.
- \$400,000 Other Funds reduction in contract savings from the original attempt at the Legal Tools Replacement information technology project that was terminated.
- \$277,608 Other Funds for one permanent full-time diversity, inclusion, equity, equal opportunity, civil rights, and affirmative action coordinator (0.88 FTE).
- \$205,792 Other Funds for one permanent full-time internal auditor (0.75 FTE).
- \$200,000 Other Funds reduction in contract audit service.

Appellate Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	247,097	291,749	350,507	336,351
Other Funds	18,554,703	21,282,241	22,677,219	23,692,441
Total Funds	\$18,801,800	\$21,573,990	\$23,027,726	\$24,028,792
Positions	57	57	57	57
FTE	56.37	56.37	56.50	56.50

Program Description

The Appellate Division represents the state in all cases appealed to state and federal appellate courts in which the state is a party or has a significant interest. Attorneys in this Division spend most of their time preparing briefs and arguing appeals in criminal, civil, and administrative cases in which the parties disagree with the trial court or agency order. The Division may also file mandamus and amicus briefs. Attorneys in this Division also prepare and

defend ballot measure titles. In most of these cases, attorneys appear before the Oregon Court of Appeals, the Oregon Supreme Court, and the federal Ninth Circuit Court of Appeals. Attorneys occasionally appear in other federal appellate courts and the U.S. Supreme Court.

The Division, which is led by the Solicitor General, is organized into the following sections:

- Defense of Criminal Convictions/Direct Appeals - the offender's challenge is on alleged legal or factual errors of the trial. The program also handles state's appeal cases in which the state appeals the dismissal of a criminal charge or the exclusion of evidence critical to the prosecution of a case.
- Defensive of Criminal Convictions/Post Conviction and Federal Habeas - the offender challenges the effectiveness of counsel or, for federal *habeas corpus*, the offender challenges violations of constitutional rights in the federal courts.
- Civil and Administrative Appeals - tax, contracts, torts, civil commitments, juvenile dependency, challenges to statute, professional and other licenses, regulatory decisions that impose fines or other penalties, benefit decisions, and administrative rule challenges.

Revenue Sources and Relationships

Approximately 70% of the billable hours for this Division are charged (indirectly) to the General Fund appropriation for the Defense of Criminal Convictions (see later section); however, such funds are expended as Other Funds. Revenues for civil or administrative appeals are Other Funds generated from the hourly fees billed to state agencies. A General Fund appropriation funds preparing and defending ballot measure titles.

Budget Environment

Since the Department is usually responding to appeals filed by others, it has little control over its workload other than to prioritize criminal over civil cases, when possible. The Division handles roughly 3,000 cases (approximately 1,800 civil and 1,200 criminal) per biennium for the Oregon Court of Appeals and the U.S. Court of Appeals for the Ninth Circuit. The Appellate Division is involved in about 80% of the Oregon Court of Appeals cases and about half of all Oregon Supreme Court cases. For defending criminal convictions, the goal is to brief cases within 210 days, which the Division has achieved in 83% of cases. Civil and administrative cases are briefed on a 49 day schedule. The Division reviews approximately 35 ballot titles per year.

The division has been reporting significantly higher expenditures for post-conviction relief (PCR) and federal habeas due to increasing PCR claims, increased used of expert witnesses, increased amount of resources expended by PCR petitioners, increased length of Trial Memoranda, and the Court of Appeals redefining of "prejudice" and whether counsel acted reasonably. Concurrently, the cost for capital cases has been declining due to a Governor's Office moratorium on carrying out death sentences after all appeals have been exhausted. SB 1013 (2019) was intended to limit prospectively the use of capital punishment to a narrow set of circumstances (e.g., terrorist acts and the murder of children or a law enforcement officer); however, DOJ determined after the passage of the measure that the bill also applies retroactively to pending cases and now most such cases may not be prosecuted as capital aggravated murder cases, the only capital crime in Oregon.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$24 million is \$2.5 million (or 11.4%) more than the 2017-19 legislatively approved budget and includes 57 positions (56.50 FTE). The budget includes the following:

- \$1 million Other Funds to reconcile intra-agency charges for central agency administrative expenses.
- \$161,013 Other Funds for information technology costs.

Civil Enforcement Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	2,919,674	400,638	744,939	--
Other Funds	79,871,496	86,164,129	94,600,527	112,510,576
Other Funds (NL)	617,978	--	--	--
Federal Funds	3,602,390	4,605,713	5,068,123	4,971,466
Total Funds	\$87,011,538	\$91,170,480	\$100,413,589	\$117,482,042
Positions	206	247	247	305
FTE	203.04	240.86	245.29	297.02

Program Description

The Civil Enforcement Division is generally the state's plaintiff's civil litigation arm seeking affirmative action or recovery of money. The Division enforces consumer protection laws; protects the state's legal interest in money, real, or personal property; investigates and prosecutes Medicaid fraud; provides legal representation and advice to the Division of Child Support in relation to child support matters; provides legal representation in juvenile dependency cases; and regulates and provides oversight of charities.

The Division is organized into the following sections/activities:

- Child Advocacy (Juvenile Dependency) – This section provides legal advice and litigation representation to the Department of Human Services (DHS) - Child Welfare programs in juvenile dependency and termination of parental rights cases.
- Civil Recovery (Civil Litigation) - Prosecutes plaintiff's civil litigation on behalf of any agency with a tort, contract, statutory, or other claim to recover money or property. It also represents agencies in bankruptcy proceedings and in post-judgment collections, obtains injunctive relief on behalf of state agencies, and represents the state's interest in probate matters, including conservatorship and guardianship cases. This section represents the Division of Child Support in judicial proceedings to establish paternity and enforce child support orders.
- Civil Recovery (Tobacco Enforcement) – Enforces state tobacco laws relating to the Master Settlement Agreement and litigates payment disputes.
- Financial Fraud/Consumer Protection Section - Educates consumers to better protect themselves against marketplace fraud and abuse and prosecutes violations of antitrust laws, False Claims seeking restitution, consumer data privacy and data security cases, and securities litigation. For a successful antitrust action, a court may award restitution to consumers, civil penalties up to \$25,000 per violation, injunctive relief, and attorneys' fees.
- Environmental Crimes/Cultural Resources – Prosecutes environmental crimes and works with District Attorney Offices on assistance on state and federal environmental law enforcement.
- Medicaid Fraud Unit – Investigates and prosecutes fraudulent billings by Medicaid-funded providers, instances of patient abuse or neglect committed by Long-Term Care Facilities or their employees, and fraud in the administration of the Medicaid program. Federal Medicaid law requires each state have a fraud unit separate from its Medicaid designated agency (DHS).
- Charitable Activities Section – Supervises and regulates the activities of charitable, professional fundraisers, and, to some degree, other nonprofit organizations. The unit also enforces laws related to charitable trusts, charitable solicitations, and nonprofit gaming.
- Foreclosure Avoidance (Mediation) program - Requires lenders seeking to conduct a non-judicial foreclosure to participate in mediation with the homeowner.

Revenue Sources and Relationships

The Division is partially self-funded from recovered moneys deposited into the Protection and Education Revolving Account and paid by companies and organizations that sign assurances of voluntary compliance for

violations of consumer protection laws. The Division also bills client agencies and programs, primarily the Department of Human Services and the Department of Justice - Division of Child Support. Revenue to support the enforcement of the Tobacco Master Settlement Agreement comes from a Department of Administrative Services allocation of TMSA settlement funds. Fees charged to charitable and non-profit organizations for registration, filing financial reports, and gaming activities are used to fund the Charitable Activities section. For the 2019-21 biennium, DOJ will transfer \$46 million of surplus Protection and Education Account funds from major legal settlements to the General Fund. This is the single largest reappropriation in the agency's history.

Federal Funds provide 75% of the resources for the Medicaid Fraud Control Unit, while the state must contribute a 25% match to receive the federal funds. The federal government allows DOJ to use Medicaid recoveries for the state match in some cases if the Medicaid program and other victims are first made whole.

Budget Environment

The Legislature, beginning in 2017, and then again in 2019, provided supplemental funding for DOJ's Child Advocacy Section to provide full representation of DHS Child Welfare caseworkers in court, including Multnomah County. This may lessen or eliminate the need for DAs to attend juvenile court proceedings where their role has been to represent the interests of the state rather than DHS Child Welfare caseworkers. The Legislature also provided continued and enhanced funding for the Child Advocacy Section to fully represent DHS Child Welfare caseworkers in court.

The Financial Fraud/Consumer Protection section anticipates a continued flow of consumer complaints. The consumer hotline received approximately 75,000 complaints with an additional 15,634 written complaints being filed either in person or online over a two-year period. Restitution to consumers between July 2011 and June 2013 totaled approximately \$5 million. The Civil Recovery Section typically averages monetary recoveries totaling \$25 million a biennium; this figure excludes large punitive damage awards collected infrequently.

Enforcement of the Master Tobacco Settlement Agreement (MSA) and, in particular, the Non-Participating Manufacturers or those companies that are not part of the MSA, is necessary to protect the approximate \$150 million revenue stream received from the MSA each biennium. Historically, disputed state payments have been withheld from the annual MSA payments. In the Spring of 2017, Oregon joined over 20 settling states who had previously reached a resolution with the participating manufacturers on the disputed portion of the settlement for years 2004 through 2015. Payments have been made to the states for these years. DOJ no longer requires General Fund for defending the state's enforcement actions to the arbitration panel.

Oregon's Medicaid Fraud unit's work is based on the number of senior citizens in long-term care facilities, the size of the Medicaid budget, the number of Medicaid providers, federal expansion of the section's jurisdiction, and the sophistication seen in health care fraud schemes.

The number of registered charitable organizations has increased from about 3,000 in the early 1990s to currently over 21,000. The Charitable Activities unit must monitor performance and proposed actions of charitable organizations. Prior to modifying or terminating a charitable trust, the trust's proposed actions must be reviewed by this unit. Nonprofit gaming organizations, numbering around 655, are also monitored, including screening applicants for licenses and insuring compliance with rules.

The Foreclosure Mediation program received approximately 43,000 requests for resolution conferences between August 2013 and June 2018. Of these requests, 3,831 reached an agreement between the homeowner and lender and 4,958 failed to reach an agreement. The program, begun after the 2007/08 financial crisis, is experiencing reduced demand for mediation services.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$117.5 million is \$26.3 million (or 28.9%) more than the 2017-19 legislatively approved budget and includes 305 positions (297.02 FTE). The budget includes the following:

- \$2.5 million Other Funds to reconcile intra-agency charges for central agency administrative expenses.
- \$114,034 Other Funds for information technology costs.
- \$6.8 million Other Funds to establish 20 new permanent full-time positions and reclassify 15 existing positions for the Child Advocacy Section to represent Child Welfare caseworkers in court and provide full access to legal representation, legal counsel, legal advice, litigation support, and training. The revenue to support this package is from the Department of Human Services.
- \$9.9 million Other Funds for the establishment of 34 permanent full-time positions for the Child Advocacy Section's Juvenile Dependency work in Multnomah County.
- \$2.2 million Other Funds and eight permanent full-time positions and one permanent part-time position for the Civil Recovery Section's child support work.
- \$2.4 million Other Funds reduction eliminates excess or unneeded Other Funds expenditure limitation in the Mortgage Mediation program.
- \$744,939 General Fund reduction related to the transfer of the Civil Rights Unit from the Civil Enforcement to the Administration Division.
- \$374,760 Other Funds reduction and \$12,384 Federal Funds to reclassify five positions and transfer three positions from the Civil Enforcement to the Administration Division.
- \$486,637 Other Funds for two permanent full-time staff in the Financial Fraud/Consumer Protection Section to pursue consumer data privacy and data security Unlawful Trade Practices Act cases.
- \$300,000 Other Funds reduction to eliminate excess or unneeded expenditure limitation in the Tobacco Master Settlement program.

Criminal Justice Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	11,680,876	13,528,984	15,454,538	14,865,623
Other Funds	12,506,285	14,336,673	14,544,259	9,559,169
Federal Funds	1,069,807	1,317,621	1,397,754	1,418,373
Total Funds	\$25,256,968	\$29,183,278	\$31,396,551	\$25,843,165
Positions	60	60	57	59
FTE	56.22	59.63	57.00	59.00

Program Description

The Criminal Justice Division provides investigation, prosecution, and analysis to a broad spectrum of public safety programs. Specifically, the Division assists the 36 District Attorney (DA) offices in criminal cases and matters relating to prosecution and law enforcement in their respective counties by providing trial and investigative assistance, technical-legal and prosecutorial advice and services, and legal education and training in criminal law and procedures. DOJ staff may step in and act as the county District Attorney in the event of a vacancy.

The Division is organized into the following sections/units:

- Special Investigations and Prosecutions Section (District Attorney Assistance) - Assists the 36 District Attorney offices in criminal cases and matters related to prosecution and law enforcement by providing investigative assistance, technical legal and prosecutorial advice and services, legal education and training in criminal law and procedures. This section has dedicated resource prosecutors for Driving Under the Influence of Intoxicants, domestic violence, and elder abuse.
- Oregon Internet Crimes Against Children Unit (ICAC) - Investigates online sexual exploitation of children.
- Cooperative Disabilities Investigation Unit (CDIU) - For the prevention of fraud and abuse in the Social Security Administration's Title II and XVI programs and other insurance and benefit payments. The Unit's primary

responsibility is to develop credible and independent evidence for the timely resolution and determination of disability eligibility.

- Organized Crime Section - Investigates and prosecutes organized criminal activities, including racketeering, complex financial and investment schemes, public corruption or malfeasance by public officials, election law violations, and serves as counsel to Oregon State Police forfeiture program.
- Criminal Information Services Section - Facilitates the gathering, analysis, and sharing of criminal information with local, state, and national law enforcement agencies.
- Titan Fusion Center - Provides intelligence services to law enforcement to combat terrorism in Oregon, including bulletins, risk, threat, vulnerability assessments, and analytical support.
- High Intensity Drug Trafficking Areas (HIDTA) - Watch Center - Primary mission is to enhance officer safety through deconfliction (process to ensure that multiple agencies do not inadvertently target the same event, individual, or organization at the same time) for designated HIDTA counties, as well as providing tactical analytical support to law enforcement officers throughout the state.
- High Intensity Drug Trafficking Areas - Investigative Service Center - Promotes, facilitates, and coordinates the exchange of criminal intelligence information and provides analytical case support and strategic analysis.
- Regional Automated Information Network (RAIN) - Charged with facilitating law enforcement data-sharing by connecting separate, locally administered criminal justice records management systems by allowing user access to query various systems. RAIN is a non-profit organization of state and local law enforcement agencies which voluntarily participates in a cooperative to purchase access to "Coplink." Coplink was developed and housed at DOJ. It was designed as a clearinghouse to share criminal case data across jurisdictions. RAIN connects locally administered criminal justice records management systems to a single network accessible to participating RAIN members.
- Oregon State Intelligence Network (OSIN) - The primary intelligence sharing network for Oregon law enforcement.
- Western States Information Network (WSIN) - Shares intelligence information among five western states.
- State Homeland Security Grant - Provides for continued work on the Oregon state critical infrastructure plan
- Urban Area Security Initiative (UASI) - Provides risk and threat assessments to prevent terrorist events in the Portland urban area, which includes Multnomah, Clackamas, Washington, Columbia, and Clark counties. In addition, the grant provides for tactical and strategic analytical case support, conducts Criminal Infrastructure and Key resources assessments, conducts seminars, and all crime briefings to the Regional Disaster Preparedness Organization, as well as on-site analytical support during major events.

Revenue Sources and Relationships

General Fund resources support organized crime, District Attorney assistance, the Fusion Center, and portions of the ICAC and RAIN programs. Other Funds from the Department of Human Services provide for the Cooperative Disability Investigations Unit.

The fiduciary responsibilities of the HIDTA federal grant program transferred from DOJ to the Department of Public Safety Standards and Training (DPSST) during the 2015-17 biennium; however, DOJ's Criminal Justice Division retained the Investigative Support Center Initiative (ISC). This shifted ISC funds from Federal to Other Funds. The Other Funds revenue source is from DPSST. Federal as Other Funds grants from the Military Department, Office of Emergency Management provide funding for State Homeland Security Grant and the UASI. For any expense without a revenue source, the Legal Services Fund is charged.

Federal funding includes federal asset forfeiture and federal grants to support the ICAC program.

Budget Environment

From July 2016 to June 2018, the Division prosecuted 263 cases, conducted 317 investigations, and provided 1,252 service assists by prosecuting attorneys.

During the past year, the workload for the ICAC unit also grew, especially in the number of cybertips received from the National Center for Missing and Exploited Children and requests for assistance from law enforcement

agencies. The unit processed and evaluated 7,748 cybertips and investigated 2,070 cases resulting in 353 arrests since the inception of the program in 2004.

The Criminal Intelligence Unit and the Fusion Center offered case assistance covering a range of criminal activities, including amber alerts, illegal narcotics, hate crimes, homicides, public corruption, and terrorism-related crimes. The Fusion Center had 186 reports of suspicious activity, created 349 intelligence profiles, issued 835 intelligence publications, and conducted 40 threat and risk assessments.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$25.8 million is \$3.3 million (or 11.4%) less than the 2017-19 legislatively approved budget and includes 59 positions (59.00 FTE). The budget includes the following:

- \$947,443 Other Funds to reconcile intra-agency charges for central agency administrative expenses.
- \$205,599 Other Funds for information technology costs.
- \$289,603 Other Funds continues one full-time limited duration Research Analyst 3 position (1.00 FTE) in the Fusion Center for State Homeland Security Grant. The funding for the position comes from the Military Department, Office of Emergency Management.
- \$279,827 Other Funds for the UASI and continues one full-time limited duration position (1.00 FTE). The funding for this position comes from the Military Department, Office of Emergency Management.
- \$212,329 fund shift from Other Funds to General Fund to support the RAIN Coordinator.
- \$6.3 million fund shift from Other Funds to General Fund to reflect a category shift and replace Legal Services Fund billings.
- \$772,727 General Fund reduction.
- \$46,336 Fund shift from Other Funds to General Fund to replace a portion of a position's HIDTA grant funds that were discontinued.

Crime Victims and Survivor Services Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	12,431,685	9,547,907	14,341,791	18,069,689
Other Funds	23,955,644	33,065,243	30,508,633	30,338,503
Federal Funds	31,363,914	54,465,620	19,919,233	50,265,924
Total Funds	\$67,751,263	\$97,078,770	\$64,769,657	\$98,674,116
Positions	37	38	38	42
FTE	34.63	36.19	36.56	40.08

Program Description

The Crime Victim Survivor Services Division (CVSSD) compensates victims of violent crime for losses they sustain as a result of criminal actions. The Division administers and monitors grants from eight major funds, providing partial funding to nearly every non-profit and system-based victims program in the state. The Division also provides direct advocacy programs, monitors bias crimes, and collects restitution and criminal fines and fees on behalf of victims and the state.

The CVSSD is organized into the following sections/activities:

- Victim Response - Victims' rights program, post-conviction advocacy program, domestic violence resource prosecutor, Human Trafficking Intervention Program, and beginning in 2019-21, a Hate Crimes Coordinator and a hate crime telephone hotline service to collect data concerning bias crimes and incidents.
- Victim Compensation - Crime Victims' Compensation –Assists victims who sustain injuries resulting from criminal activity, including medical and counseling services, loss of earnings or support, funeral costs, transportation, and rehabilitation.

- Sexual Assault Victims' Emergency Medical Response Fund – Assists victims of sexual assault to ensure they have access to an immediate medical exam and forensic evidence collection.
- Address Confidentiality – Provides a substitute address for forwarding mail for victims of domestic violence, sexual assault, and stalking.
- Revenue Collections - Restitution, court fees, and compensatory fines.
- Crime Victim Grant Management – Makes grants to local public and private agencies to serve victims of violent crimes.
- Federal Victims of Crime Act – Provides funds to state and local organizations for victims' assistance.
- Prosecutor-based Victim/Witness Assistance – Grant program for certified prosecutors' offices across the state that maintain local crime victims' assistance programs.
- Child Abuse Multidisciplinary Intervention – Grant program that provides state funds to 36 county teams and five regional service providers for a multidisciplinary approach to assessment, exams, interviews, investigations, training, and prosecution of child abuse cases.
- Regional Child Abuse Services – Grant program that provides funding to five regional service providers to support and provide technical assistance to CAMI teams and others.
- Child Abuse Medical Assessment – Pays for child abuse medical assessments in certain cases.
- Domestic and Sexual Violence Services Fund – Advocates, provides safety, promotes cooperation among agencies, and stabilizes the infrastructure for victims of assault.
- Federal Violence Against Women Act – Formula grant program that provides funding for prosecution, advocacy, law enforcement, and court activities dedicated to stopping violence against women.
- Oregon Crime Victims Law Center - Pass-through funding for legal representation for victims of crime.

Revenue Sources and Relationships

General Fund supports the Criminal Injuries Compensation Account, Child Abuse Multidisciplinary Account, the Domestic and Sexual Violence Program, Address Confidentiality Program, and pays for a pass-through grant to the Oregon Crime Victims Law Center.

Other Fund support comes from an allocation from the Criminal Fines Account for: (1) Child Abuse Multidisciplinary Account; (2) Regional Assessment Centers; (3) Criminal Injuries Compensation Account; and (4) Child Medical Assessments. The division may also receive punitive damage awards and restitution payments.

Federal Grants - Victim of Crime Act; Violence Against Women; Sexual Assault Services; Children's Justice Act; and J.R. Justice. These federal grants are derived from penalty assessments levied against offenders in federal courts. The overall level of state and federal funding for domestic violence and sexual assault has increased significantly beginning in the 2013-15 biennium through the current biennium. For example, federal funding for VOCA has increased from \$5.4 million in 2013-15 to \$41.4 million in 2019-21 with a supplemental funding request of \$16.5 expected later this biennium.

Budget Environment

VOCA funds are one part of Oregon's complex funding mix for providing services to victims of domestic violence and sexual assault, which includes General Fund, Criminal Fines Account, Other Funds (Department of Human Services marriage license fee), Federal Funds, and local funding. The overall level of state and federal funding for domestic violence and sexual assault has increased significantly beginning in 2013-15.

For the 2015-17 biennium, the program received an average of 452 compensation claims per month and processed an average of 461 payments per month. Compensation payments totaled \$5.8 million, down from a recent high of \$8.7 million during the 2011-13 biennium. A major part of the decrease is attributed to child assessment centers not being as dependent on this program's funds since the Oregon Health Plan now covers more uninsured children. The Address Confidentiality program forwards around 2,300 pieces of mail a month to approximately 2,279 participants.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$98.7 million is \$1.6 million (or 1.6%) more than the 2017-19 legislatively approved budget and includes 42 positions (40.08 FTE). The budget includes the following:

- \$30.3 million Federal Funds and three limited duration positions (2.63 FTE) for VOCA assistance grant funds for victims of domestic violence and sexual assault programs. The awards are sub-granted out to non-profit and prosecutor-based victim service providers, as well as child abuse intervention centers. The positions are to assist with the administration of VOCA funds and will be 100% federally funded with no state match required. DOJ will need to request additional expenditure limitation.
- \$3 million General Fund to support the Crime Victims' Services Division and services for victims of domestic and sexual violence.
- \$163,128 Other Funds reduction to reconcile intra-agency charges for central agency administrative expenses.
- \$54,874 Other Funds and \$25,993 Federal Funds for information technology costs.
- \$700,000 one-time General Fund to support the Oregon Crime Victims Law Center.
- \$1.3 million Other Funds allocation reduction to the Child Abuse Multidisciplinary Intervention Account to account for an existing balance in the account, in lieu of a General Fund reduction, which will not adversely impact planned account activities.
- \$685,156 Other Funds allocation reduction to the District Attorneys Victims Assistance Program to account for an existing balance in the program, in lieu of a General Fund reduction, which will not adversely impact planned program activities.
- \$46,453 General Fund and \$201,380 Federal Funds and one permanent full-time position (0.88 FTE) for a Hate Crimes Coordinator and hotline service.

General Counsel Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
Other Funds	51,351,008	57,053,182	59,244,441	66,389,487
Total Funds	\$51,351,008	\$57,053,182	\$59,244,441	\$66,389,487
Positions	143	151	146	161
FTE	139.91	148.96	145.76	158.19

Program Description

The General Counsel Division provides a broad range of legal services to state officials, agencies, boards, and commissions. State agencies generally are required to use the legal services of DOJ and may not contract with outside counsel or hire staff attorneys without DOJ approval. Staff provide oral and written legal advice, draft or review contracts and other documents, represent agencies in administrative hearings, and furnish legal opinions. The Division also handles some litigation and appellate work involving client agencies. State agencies generate varied and diverse legal issues. At the enterprise, or state government level, the division provides agency legal trainings and publications, including holding a statewide law conference.

The Division is organized into the following sections:

- **Business Transactions** - Provides legal advice for agency business transactions and public contracting, including areas of construction, real property, intellectual property, information technology, and other complex business transactions, including: investments, health insurance, guaranty, and surety contracts. This section also assists with the informal resolution of procurement and contract disputes.
- **Business Activities** - Represents approximately 50 professional and occupational licensing and regulatory agencies, providing legal advice and representing them in regulatory and administrative enforcement proceedings.
- **Government Services** - Provides a wide range of general legal advice to state agencies.
- **Tax and Finance** - Legal advice pertaining to state revenue and finance (banking, investments, borrowing, loan negotiations, and other financial transactions), economic development, and employee benefits, including the

Oregon Public Employees Retirement System. Tax advice and litigation for all types of personal, corporate, excise, property, and other taxes. Represents the Department of Revenue in Oregon Tax Court, appellate courts, and federal courts as well as with the federal Internal Revenue Service. This section also represents the state's interest in administrative hearings.

- Natural Resources - Provides legal services and advice for environmental and natural resource agencies.
- Labor and Employment - Provides legal advice and services on labor and employment issues, state and federal employment law, and collective bargaining agreements. Provides services to state agencies and semi-independent agencies and some public corporations.
- Human Services and Education - Provides legal services and advice related to laws and regulations of state and federal health and welfare programs, including administrative litigation representation. This section is also responsible for marijuana programs.

Revenue Sources and Relationships

Funds to support the General Counsel Division come from hourly billings to state agencies or for a few select voluntary agencies, a flat charge billing. One agency is on a retainer model.

Budget Environment

The General Counsel Division work is in large part driven by the demands of client agencies. The legal work performed by this division has become more complex. Areas where workload has increased include: marijuana taxation, water rights, Portland Harbor Cleanup Fund, Timber County Lawsuit, new state Corporate Activities Tax, and the Attorney General's litigation against the federal government.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$66.4 million is \$9.3 million (or 16.4%) more than the 2017-19 legislatively approved budget and includes 161 positions (158.19 FTE). The budget includes the following:

- \$2.6 million Other Funds to reconcile intra-agency charges for central agency administrative expenses.
- \$357,305 Other Funds for information technology costs.
- \$152,506 Other Funds for a Public Law Conference.
- \$1.6 million Other Funds to move four limited duration positions to permanent full-time (4.00 FTE).
- \$515,725 Other Funds for one permanent full-time position to resolve a double-filled position (1.00 FTE).
- \$604,530 Other Funds for two permanent full-time positions to support the Oregon Business Development and the Oregon Housing and Community Services agencies.
- \$604,530 Other Funds for two permanent full-time positions in the Business Activities Section to support Oregon OSHA as well as the increased complexity of Court of Appeals opinions.
- \$302,267 Other Funds and one permanent full-time position (0.88 FTE) for the Natural Resources unit to support the Department of Agriculture, Water Resources Department, and the Department of Environmental Quality.
- \$677,724 Other Funds for four permanent full-time Legal Secretaries and Paralegals (3.52 FTE).
- \$529,089 Other Funds reduction to eliminate three long-term vacant positions (3.00 FTE).
- \$464,086 Other Funds and three permanent full-time position (1.76 FTE) for the Corporate Activities Tax.
- \$219,016 Other Funds and one permanent full-time position (0.75 FTE) for the new family and medical leave insurance program.

Trial Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
Other Funds	30,883,219	32,936,360	35,882,458	38,844,115
Total Funds	\$30,883,219	\$32,936,360	\$35,882,458	\$38,844,115
Positions	107	106	107	114
FTE	104.75	104.87	106.00	112.39

Program Description

The Trial Division defends the state and its agencies, departments, boards, commissions, officers, employees, and agents in all state and federal trial courts. This includes defending state agencies and officials against tort claims, employment claims, cases alleging civil-rights violations, and other claims for money damages; representing state agencies in contract disputes and in the acquisition of land for public roads; defending the state in all trial court cases filed by prisoners; and defending state laws, ballot initiatives, and policies at the trial court level.

The Division is organized into the following sections:

- Civil Litigation (jury trials) - Tort litigation, employment disputes, commercial litigation, prisoner civil rights suits, condemnation, defending agency orders, professional certifications of police and public safety officers, and state Habeas Corpus cases. This section also defends district attorneys in civil lawsuits.
- Criminal and Collateral Remedies - Litigates cases filed by a convicted person seeking a new trial or a re-sentencing from a trial court. This section seeks to uphold the convictions won by a district attorney when the case reaches a post-conviction or federal habeas challenge. This section also handles cases before the Psychiatric Security Review Board (conditional release or discharged to the community).
- Special Litigation - Defending state statutes and policies against constitutional challenges, challenges to ballot measures, state challenges of federal actions, class action lawsuits, and lawsuits involving timber, water rights, or protected species.

Revenue Sources and Relationships

Most of the revenue to support this Division is from billings to state agency clients. The Department of Administrative Services - Risk Management Fund is billed for the legal costs incurred by the Trial Division defending agencies, state government officials, and employees against certain claims self-insured by the state. However, some types of appeal cases heard in trial courts are filed by or on behalf of incarcerated persons and are charged against the General Fund appropriation for the Defense of Criminal Convictions (DCC).

Budget Environment

The program typically has around 1,400 non-criminal cases and 1,200 criminal cases. The State prevailed in 81% of cases, settled 15% of cases, and received an unfavorable result in 4% of cases. As outlined in the DCC discussion, the agency asserts that workload has grown and is likely to continue increasing with more cases filed, tighter deadlines, and increased complexity due in part to active participation by the petitioners and counsel. This unit also handles mandamus cases and hearings before the Psychiatric Security Review Board.

The Civil Litigation Section (CLS) is the largest section within the Division, and is responsible for defending the state's interests in a wide variety of cases that may be tried in state and federal courts. These cases range from complex disputes or legal arguments with far-reaching implications for the state to the business of settling more routine disputes that arise in the course of the state's business. CLS cases fall into five general categories: torts, employment, commercial disputes, prisoner civil rights lawsuits, and real estate condemnation. Amendments to the Oregon Tort Claims Act have increased the state's liabilities and financial risk in litigation.

The agency asserts there has been a substantial increase in the costs of litigation discovery and the need for discovery support within the Civil Litigation and Special Litigation Sections as a result of the extra work associated

with electronic discovery (e-mails have caused an increase in the number of records that must be examined and produced) and the threat of judicial sanctions if an agency does not fully comply with its discovery obligations.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$38.8 million is \$5.9 million (or 17.9%) more than the 2017-19 legislatively approved budget and includes 114 positions (112.39 FTE). The budget includes the following:

- \$1 million Other Funds to reconcile intra-agency charges for central agency administrative expenses.
- \$212,076 Other Funds for information technology costs.
- \$900,872 Other Funds and three permanent full-time positions (2.64 FTE) and increase the full-time equivalent on an existing position (0.50 FTE) for Department of Transportation condemnation work.
- \$769,870 Other Funds and two permanent full-time positions and reclassifies a part-time Paralegal to full-time (2.50 FTE) for the Defense of Criminal Convictions caseload forecast.
- \$8,255 Other Funds reduction to reclassify four positions.
- \$241,806 one permanent full-time position (0.75 FTE) and one permanent part-time position (0.25 FTE) for Water Resources Department legal services.

Defense of Criminal Convictions

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	20,036,141	22,023,865	26,239,674	26,842,243
Total Funds	\$20,036,141	\$22,023,865	\$26,239,674	\$26,842,243

Program Description

Defense of Criminal Convictions (DCC) is a budgetary unit used to track the cost of defending the state in cases in which sentenced offenders challenge their convictions or sentences. Personnel and resources connected to this work are part of the Trial and Appellate Divisions which bill this unit for work on individual cases.

Three types of cases are funded: (1) direct criminal appeals where the offender's challenge is on alleged legal or factual errors of the trial; (2) post-conviction challenges where the offender challenges the effectiveness of counsel; or (3) federal *habeas corpus* where the offender challenges violations of constitutional rights in the federal courts.

DCC also handles cases where the state appeals the dismissal of a criminal charge or the exclusion of evidence critical to the prosecution of a case. DCC also handles Psychiatric Security Review Board cases whereby DOJ attorneys represent the state in administrative hearings in "guilty except for insanity" cases involving a Ballot Measure 11 crime.

Budget Environment

Several factors drive the workload and costs of the Trial and Appellate Divisions in working DCC cases. These include:

- The number of contested criminal convictions is largely due to the number of offenders in the system.
- Resources available to other parts of the criminal justice system have an impact on the demand for these funds. If the amount of resources available for the Public Defense Services Commission (PDSC) programs change, it can affect the number of appeals at the state level. The courts limit the amount of time that cases can be delayed. Timelines set by the Court of Appeals in the past few years have been met by DOJ and PDSC.
- If there are delays in the state appeals process, some offenders may appeal directly through the federal *habeas corpus* process where DOJ also defends the state's interest. Since public defender resources are greater at the federal level and cases are further developed, individual case costs for DOJ are greater.
- The complexity of individual cases is a major factor since it drives up the time spent on each case. Although the Department receives few death penalty appeals during each biennium, these cases are very complex and

time consuming. The Department is now handling over thirty active death penalty cases at various stages of litigation in state and federal courts. In addition, the first death penalty cases to reach the federal courts will continue to be actively litigated and further cases are expected to move from the state to the federal courts.

- The attorneys of the Appellate and Trial Divisions charge the DCC program for their work at the same rate as they charge other state agencies for legal work. Budgetary growth in this program in recent years has increased in part due to the increasing legal rate.
- When the U.S. Supreme Court issues significant rulings in the area of criminal law, there may be hundreds of state criminal convictions affected; significant rulings may require new appeals or new trials.

There are two possible outcomes in a direct appeal of a criminal conviction: (1) The court will affirm the judgement of conviction or (2) The court will reserve the judgement of conviction and will either order a new trial, a new sentencing hearing, or other relief, as the court deems necessary.

There are two possible outcomes in post-conviction relief/federal habeas case: (1) The court denies petition for relief thereby upholding the conviction and sentence or (2) The court grants petition and will either order a new trial, modify the sentence, or other relief, as the court deems necessary.

The division has been reporting significantly higher expenditures for post-conviction relief (PCR) and federal habeas due to increasing PCR claims, increased used of expert witnesses, increased amount of resources expended by PCR petitioners, increased length of Trial Memoranda, and the Court of Appeals redefining of “prejudice” and whether counsel acted reasonably. Concurrently, the cost for capital cases has been declining due to a Governor’s Office moratorium on carrying out death sentences after all appeals have been exhausted. SB 1013 (2019) was intended to limit prospectively the use of capital punishment to a narrow set of circumstances (e.g., terrorist acts and the murder of children or law enforcement officer); however, DOJ determined after the passage of the measure that the bill also applies retroactively to pending cases and now most such cases may not be prosecuted as capital aggravated murder cases, the only capital crime in Oregon.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$26.8 million is \$4.8 million (or 21.9%) more than the 2017-19 legislatively approved budget. The budget includes the following:

- \$658,581 General Fund for mandated caseload increase.
- \$1.7 million General Fund for re-forecasted caseload increases in post-conviction relief challenges; however, some of the increase is being offset by a reduction in the cost of capital cases.

Division of Child Support

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	24,944,804	30,529,137	27,996,556	36,177,018
Other Funds	25,791,980	31,073,045	33,721,419	27,327,128
Other Funds (NL)	3,743,999	--	--	--
Federal Funds	79,887,320	103,748,357	112,112,583	119,032,466
Federal Funds (NL)	15,740,252	--	--	--
Total Funds	\$150,108,355	\$165,350,539	\$173,830,558	\$182,536,612
Positions	573	575	551	568
FTE	569.69	571.61	547.98	557.45

Program Description

The Division of Child Support (DCS) and Oregon Child Support Program (defined as the Division of Child Support plus local district attorney offices that contract with the DCS to provide services) locate parents and assets, establish paternity, enforce and modify child support obligations, and receive and distribute support payments

from absent parents. The Child Support program provides these services automatically for families that are requesting, are receiving, or have received public assistance from the Department of Human Services (DHS); if the child is in the care of DHS's child welfare program or the Oregon Youth Authority (OYA); or if the case has been referred by another state. The program also provides these services to other families if they request the service.

In addition, 22 county district attorney offices contract with DOJ to provide child support services as part of the state-administered Oregon Child Support Program, down from 26 counties in 2014. Benton, Curry, Douglas, Gilliam, Hood River, Jefferson, Josephine, Klamath, Lake, Curry, Linn, Sherman, Deschutes, Jefferson, Wasco, and Wheeler County District Attorneys have chosen to provide their own child support services rather than contract with DCS.

The division is organized into the following sections: field operations, policy staff, and program services. The division is responsible to: locate parents and assets/collect financial information; establish paternity/parentage; establish child and medical support orders; enforce orders and collect payments; modify and adjust child support orders; manage accounting and recordkeeping; receive and distribute collections; and take enforcement action. Enforcement and collection tools include: income withholdings, new hire reporting, benefit payments withholding, interception of federal disbursements, state and federal tax refunds, lottery winnings, compliance agreements, bank data matches and garnishments, license restrictions (occupational, recreational, driver, etc.), liens on property and money awards, and federally mandated passport restrictions.

Revenue Sources and Relationships

General Fund resources provide the matching funds. Federal Funds cover 66% of eligible program costs to maintain the child support program mandated under Title IV-D of the federal Social Security Act. A portion of Federal Funds are matching funds passed through to district attorneys for work they complete.

Other Funds revenue is generated through the Temporary Assistance to Needy Families (TANF) program, the Oregon Health Plan, and Oregon Youth Authority recoveries. A portion of Other Funds are incentive funds received from the federal program.

There was a federally mandated annual fee increase of \$10 for each child support case where the family has not received TANF benefits. The fee, increased from \$25 to \$35, applies after \$550 is collected and distributed to the family each federal fiscal year. The revenue collected by the division is passed through to the federal government as program income at 66%. The 34% balance is split between the County Child Support offices (24 percent) and the Division (10 percent). DCS does not get an administrative allowance for processing this collected fee. The division requires no additional Other Funds expenditure limitation for the fee increase.

Budget Environment

The Oregon Child Support Program serves roughly 204,000 families per year. In the past, the District Attorney Programs have provided services to approximately 16.5% of these families; the other 83.5% represents open and former public assistance cases and private cases. Approximately 19.6% of the DOJ caseload is receiving, or has recently received, a DHS payment or service. Total collections continue to grow, in part, due to economic factors like inflation. The ratio of the Division's costs to collections is as follows: for every dollar spent, \$6.01 was collected in 2008, \$5.46 in 2009, \$5.29 in 2010, \$5.41 in 2011, \$5.48 in 2013, \$5.41 in 2013, \$5.18 in 2014, and an estimated \$4.27 in 2015. The average number of cases handled per FTE during federal fiscal year 2009 was 306 cases, 327 cases in 2011, 353 cases in 2013, and 286 cases in 2015.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$182.5 million is \$17.2 million (or 10.4%) more than the 2017-19 legislatively approved budget and includes 568 positions (557.45 FTE). The budget includes the following:

- \$995,689 Other Funds reduction and \$1.4 million Federal Funds increase to reconcile intra-agency charges for central agency administrative expenses.

- \$718,206 General Fund and \$1.4 million Federal Funds for Civil Enforcement Division legal services in child support cases.
- \$6.2 million General Fund and \$11.6 million Federal Funds and the continuation of 92 existing position (91.44 FTE) due to a revenue shortfall in the TANF revenue stream. The Other Funds revenue is assignable to the state and collectible as Oregon Child Support Program revenue.
- \$1.4 million General Fund and \$2.8 million Federal Funds for a data center contract with a private vendor.
- \$1 million General Fund and \$1.9 million Federal Funds and 19 permanent full-time positions (11.47 FTE) for ongoing support of the Child Support Enforcement Automated System (CSEAS).
- \$1 million General Fund reduction, \$459,148 Other Funds reduction, and \$2.8 million Federal Funds reduction due to the elimination of 24 long-term vacant positions (24.00 FTE).

Child Support Enforcement Automated System

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	--	1,343,260	--	2,137,146
Other Funds	19,802,147	20,772,648	--	3,681,223
Federal Funds	38,465,143	36,981,576	--	11,307,249
Total Funds	\$58,267,290	\$59,097,484	--	\$17,125,618
Positions	32	32	--	27
FTE	22.47	27.23	--	21.54

Program Description

This program segregates the Child Support Enforcement Automated System (CSEAS) project from the agency's operating budget. Since 2010, the Division of Child Support (DCS) has been working, with federal oversight, on a multi-year, federally prescribed process to replace its antiquated child support case management and financial system. In 2012, upon completion of a comprehensive business case (i.e., feasibility study report) and submission of the required "Implementation – Advanced Planning Document (IAPD) documentation" to the federal government, DOJ received approval to move forward with the replacement of the Child Support System (pending legislative approval of the proposed project). Long term, the new system will allow the Oregon Child Support Program to remain in compliance with federal requirements, compete for federal incentives, and keep up with increasing caseload demands. However, there is no federal mandate directing that a new system be put in place.

The CSEAS project is organized into the following sections: business and functional design, technology, organizational change management, policy analysis, and project management.

Revenue Sources and Relationships

Federal Funds provide 66% of eligible program costs under Title IV-D of the federal Social Security Act. Article XI-Q bonds and some federal incentive funds, received as Other Funds, provide state matching funds. General Fund has been necessary to fund expenditures deemed ineligible to be financed with Article XI-Q bonds.

Budget Environment

The current CSEAS was originally designed and implemented in the 1980s. Although it has been modified over the years to keep current with federal system certification requirements and state mandates, it retains much of its original functional and technical design for performing child support program essential functions. The current CSEAS System is 21 years old; however, there are significant elements of the system that are much older. Some components date back more than 20 years, making the CSEAS System one of the oldest child support enforcement systems in the country. CSD, through 700+ state and county staff, serves more than 227,000 families and their child support cases, and collects over \$350 million in child support a year, passing most of the collections directly to families.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$17.1 million is \$42 million (or 71%) less than the 2017-19 legislatively approved budget and includes 27 positions (21.54 FTE). The budget includes the following:

- \$2.1 million General Fund, \$3.7 million Other Funds, and \$11.3 million Federal Funds and 27 limited duration positions (21.54 FTE) for the final phase of CSEAS project costs. Other Funds are financed with previously issued Article XI-Q bonds that were sold in the Spring of 2019.

Debt Service and Related Costs

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	4,782,487	12,309,027	14,165,382	15,650,370
Other Funds	14,583	373,830	--	--
Total Funds	\$4,797,070	\$12,682,857	14,165,382	15,650,370

Program Description

The Debt Service Program provides the funding to make payments on principal, interest, and financing costs associated with the issuance of Article XI-Q bonds, which are tax exempt government securities. These costs are exclusively associated with the Child Support Enforcement Automated System (CSEAS) project. The purpose of the Debt Service program is to segregate Debt Service and financing costs from the agency's operating budget.

Revenue Sources and Relationships

The Department's debt service is funded with General Fund, which is associated with the state's portion of CSEAS costs. Financing of issuance costs are paid as Other Funds from bond proceeds with agencies receiving net proceeds for project costs; however, since there are no new sales no Other Funds is needed.

Budget Environment

Article XI-Q bonds for information technology projects are financed over a seven-year period. Debt service for the CSEAS budget was previously budgeted under the Division of Child Support.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$15.7 million is \$3 million (or 23.4%) more than the 2017-19 legislatively approved budget. The General Fund budget is comprised of Debt Service payments for previously issued Article XI-Q bonds. The budget includes the following:

- \$1.5 million General Fund to reconcile the funding needed for DOJ to meet all authorized contractual debt service payments.

MILITARY DEPARTMENT

Analyst: Neburka

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	25,478,056	27,578,231	28,098,484	33,533,168
Other Funds	123,541,931	126,246,339	111,705,471	134,078,273
Other Funds (NL)	60,623	--	--	--
Federal Funds	156,967,173	296,098,794	288,142,779	318,358,977
Total Funds	306,047,783	449,923,364	427,946,734	485,970,418
Positions	464	477	478	517
FTE	418.60	426.82	435.30	463.00

Overview

The Oregon Military Department (OMD) is responsible for administration of the Oregon Army National Guard, the Oregon Air National Guard, the Oregon State Defense Force, and the Office of Emergency Management (OEM).

The National Guard is a federal-state partnership with a dual mission:

- To provide combat-ready units and equipment in support of national defense.
- To provide units and equipment to protect life and property during natural disasters and civil unrest, as well as to provide backup support to law enforcement.

The National Guard serves on a day-to-day basis under the command of the Governor, and is available to the federal government upon order of the President of the United States. The Department is overseen by an Adjutant General, appointed by the Governor to a four-year term. The Adjutant General also serves as the Governor's homeland security advisor and chief of staff of the Military Council.

The federal government directly funds federal employees, guard member salaries and wages, and all equipment and equipment maintenance. The federal government also is a major source of funds for new construction of facilities, and for Homeland Security. The state's primary responsibility is to provide facilities and facility maintenance for the Oregon National Guard.

The Department operates two National Guard Bureau-funded educational programs: the Youth Challenge program and the Science and Technology Academy Reinforcing Basic Aviation and Space Exploration (STARBASE) program. Youth Challenge provides students at risk of dropping out of high school an opportunity to complete educational credits for graduation or to take the General Education Development (GED) examination. The STARBASE program increases third through eighth grade students' awareness of the importance of math and science through learning about flight operations, weather reporting and forecasting, and electronics maintenance at Oregon's two military air bases.

Revenue Sources and Relationships

The Department's state budget receives nearly two-thirds of its funding (\$318.4 million in 2019-21) from the federal government. These funds are used to finance each of the Department's four major program areas and are based on federal/state cooperative agreements and federal grants. Also included are Federal Funds for major construction projects.

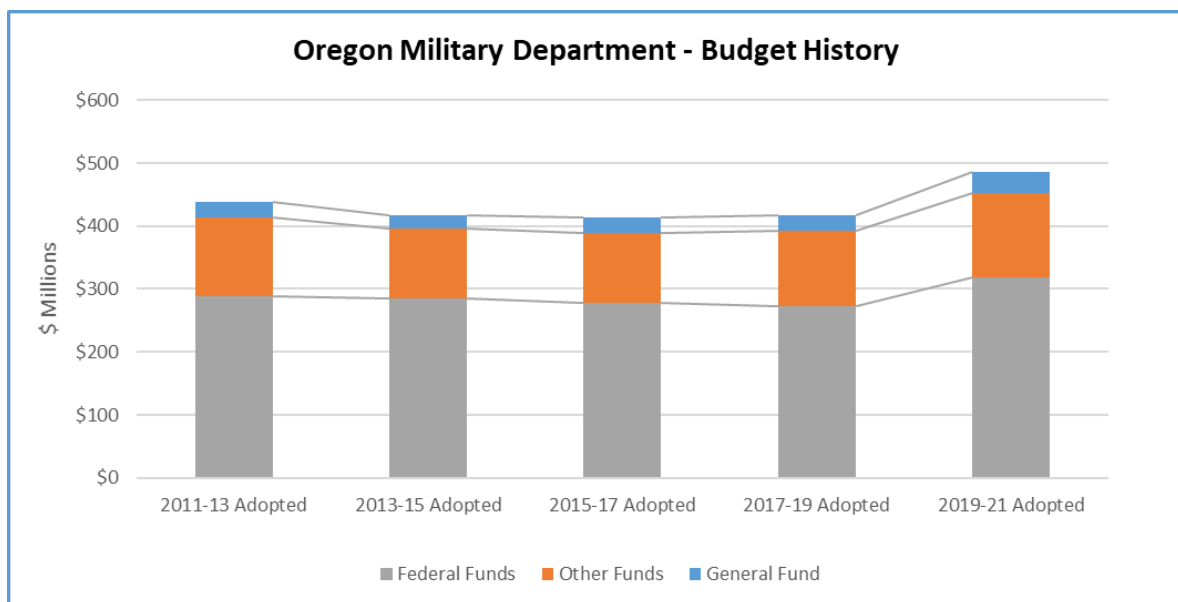
Outside of the state budget, the Oregon National Guard and the Oregon Air National Guard receive direct federal support (\$665.5 million in 2019-21) through the National Guard Bureau for funding federal employees (2,026 FTE), guard member salaries and wages, and equipment.

The level of federal support in the state budget varies by program, type of facility, and type of construction project. For example, troop training sites are entirely supported by Federal Funds, as are base security and the STARBASE program. Approximately 75% of the costs associated with logistical sites and between 75% and 85% of utility, maintenance, and supply expenditures of the Air National Guard are federally funded. Oregon Youth Challenge Program costs are covered by federal funding at the 75% level. Federal Funds recovered through the agency's Indirect Cost Allocation Plan provide support for the Department's administrative costs. The Office of Emergency Management (OEM) receives Federal Funds for emergency management, disaster recovery, and homeland security.

Combined, federal and state expenditures for the National Guard in Oregon total more than \$1 billion over the course of a biennium. General Fund supports wages and salaries of state employees, debt service, and state matching funds for various federal/state agreements.

Other Funds revenue received by the Department totals \$134 million. Approximately \$92.2 million is related to 9-1-1 emergency telecommunications surcharge revenues. The Department also generates facility rental fees and miscellaneous sales revenue. Rental revenues earned from federally supported facilities are required by the federal government to be used in support of the facility that earned it. The Department's facility rental revenue is estimated to be approximately \$3.1 million in 2019-21. Miscellaneous sales revenues are derived from vending machine profit, coin operated telephones, and recycling programs. Other Funds revenue includes approximately \$56,000 in Oregon individual income tax check-off deduction revenue, which began with the 2006 tax year and is associated with the Emergency Financial Assistance Program. The Oregon Youth Challenge Program receives Average Daily Membership (ADM) revenue from the Bend-LaPine School District totaling \$2.7 million, as well as approximately \$582,000 National School Breakfast and Lunch transfers from the Oregon Department of Education. Lastly, the budget includes Other Funds for bond proceeds for Capital Construction projects.

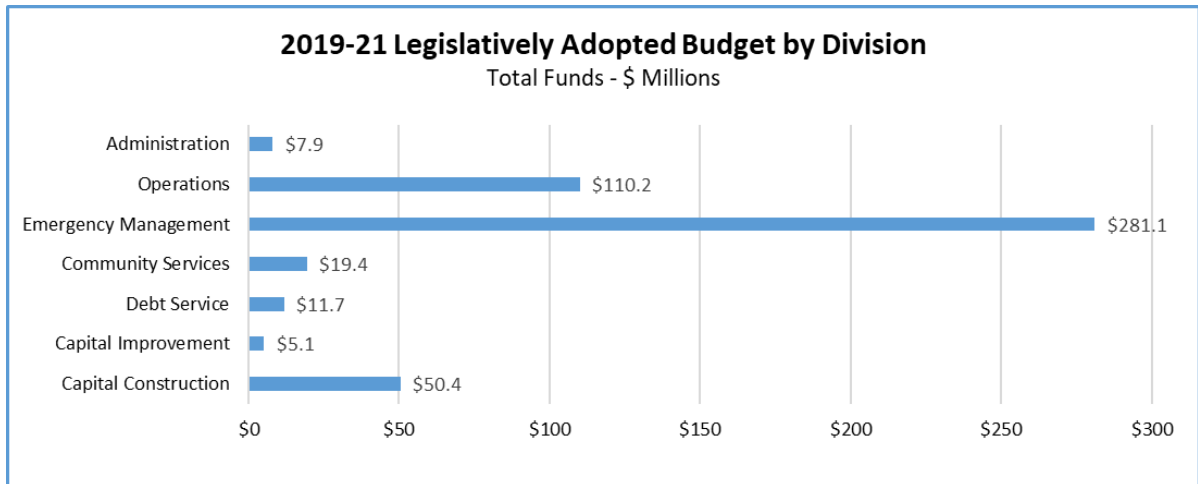
The following display shows the Department's legislatively adopted budgets, by fund type, from 2011-13 through 2019-21.



Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$486 million is 8.1% more than the 2017-19 legislatively approved budget and includes 517 positions (463.00 FTE). The General Fund portion of the budget totals \$33.5 million and is

21.6% more than the 2017-19 legislatively approved budget. Other Funds expenditure limitation is 6.2% more than the 2017-19 legislatively approved budget, and Federal Funds limitation is 7.5% higher. The following display shows the 2019-21 adopted budget by agency division.



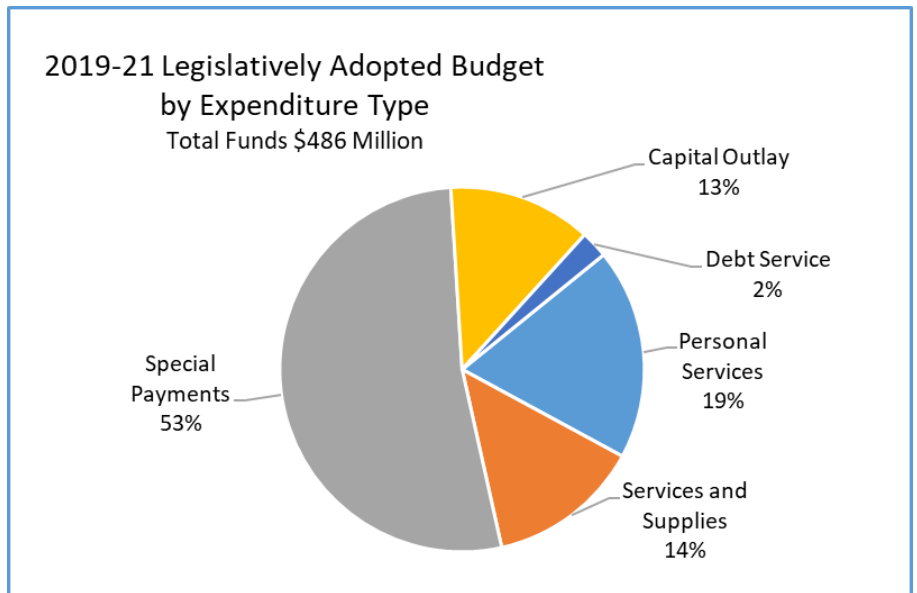
Significant changes to this budget include:

- \$2,552,425 Federal Funds expenditure limitation and \$193,354 Other Funds expenditure limitation to establish 24 positions (18.00 FTE) for wildland firefighting, facility maintenance, and National Guard support at various Military Department locations throughout the state.
- \$495,000 General Fund and \$707,960 Federal Funds expenditure limitation to address personnel costs, utility cost increases, and deferred maintenance at the Portland Air National Guard base and at Kingsley Field.
- \$400,000 General Fund, \$305,185 Other Funds expenditure limitation, and \$1,683,492 Federal Funds expenditure limitation for the Oregon Youth Challenge Program expansion project.
- \$2,970,000 General Fund on a one-time basis and \$1,415,352 General Fund on an ongoing basis to address federal audit findings in the Office of Emergency Management.
- \$288,000 Other Funds expenditure limitation for the Generator Connector grant program.
- \$300,000 General Fund on a one-time basis to contract for a study of the Critical Energy Infrastructure Hub in Portland.
- \$21,927,000 of Article XI-Q bond proceeds and six year capital construction expenditure limitation for renovation of and capital improvements to the Salem and Pendleton Army Aviation Facilities, for the Owen Summers Building and Anderson Readiness Center in Salem, for an armory service life extension project (ASLEP) at the Jackson Armory in Portland, and for the construction of exhibit space at the Oregon Military Museum at Camp Withycombe in Clackamas.
- \$28,500,000 of Federal Funds and six-year capital construction expenditure limitation for the Salem Owen Summers Building and Anderson Readiness Center renovations, for construction of a tactical unmanned aerial vehicle facility in Boardman, for a wastewater treatment project at Camp Umatilla, and for an ASLEP at the Grants Pass Armory.
- A net agency-wide reduction of \$2.1 million total funds for statewide adjustments to state government service charges, Attorney General rates, PERS rates, and other assessments.

These and other budget changes are described further in the individual divisions' sections.

The following display depicts the 2019-21 legislatively adopted budget by expenditure type.

The Department's budget is composed of \$91 million personal services, \$66.2 million services and supplies, \$61.9 million capital outlay, \$255.1 million special payments, and \$11.7 million debt service. Special Payments, the largest sector, are primarily in Emergency Management and are provided to local governments and state government to prevent, mitigate, prepare for, respond to, and recover from natural and man-made disasters. Additionally, 9-1-1 tax revenue is distributed to public safety answering points for operations and equipment maintenance.



Administration

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	4,068,297	5,426,963	5,268,305	5,279,710
Other Funds	1,777,428	2,426,559	2,637,158	2,608,517
Total Funds	5,845,725	7,853,522	7,905,463	7,888,227
Positions	25	25	25	25
FTE	23.88	23.88	23.88	23.76

Program Description

The Administration program consists of the Command Group, Financial Administration, the State Personnel Office, and Public Affairs. The program supports just over 2,500 state and federal Oregon Military Department and Oregon National Guard employees, commands over 7,800 soldiers and air personnel, and provides oversight for \$4 billion worth of facilities and equipment. Additionally, this program administers the Emergency Financial Assistance Program, which provides hardship grants and loans to National Guard members and their families. This program is funded with charitable check-off revenues from Oregon person income tax returns and occasional General Fund appropriations from the Legislature. Since its inception in the 2005-07 biennium, the fund has provided financial assistance to more than 1,000 individuals.

Revenue Sources and Relationships

The program is funded with a combination of General Fund and Federal as Other Funds. Other Funds revenue includes approximately \$56,000 in Oregon individual tax check-off deduction revenue associated with the Emergency Financial Assistance Program.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$7.9 million is 0.4% greater than the 2017-19 legislatively approved budget and includes 25 positions (23.76 FTE). Changes to the Administration budget include the addition of one internal auditor position (\$186,263 General Fund and one position, 0.88 FTE), and the elimination of one executive support position (-\$174,858 General Fund and one position, 1.00 FTE).

Operations

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	9,416,881	7,162,718	7,575,438	8,032,319
Other Funds	3,289,040	4,520,012	4,818,812	5,330,159
Federal Funds	77,941,911	104,221,740	94,085,663	96,836,555
Total Funds	90,647,832	115,904,470	106,479,913	110,199,033
Positions	342	337	338	362
FTE	299.38	295.38	295.80	313.80

Program Description

The Operations program supports Oregon National Guard facilities operations and maintenance. There are fourteen programs within Operations, including the Army National Guard Facilities Operations and Maintenance, Construction Operations, Environmental, Electronic Security, and Wildland Fire Management programs; and the Air National Guard Administration, Civil Engineering, Security, Fire Protection, Environmental, Distributed Learning, and Counterdrug programs. These programs and their component sub-programs are almost entirely federally funded, some with state matching requirements from 10-25%, depending on the program.

Revenue Sources and Relationships

The program is funded primarily with Federal Funds. General Fund provides state matching payments for those programs with cooperative agreements requiring matching funds. The source of the Other Funds is primarily facility rental fees (approximately \$3.1 million), but includes some Federal as Other Funds. Federal Funds are received through Federal/State Cooperative agreements to support the programs for which they are received.

Budget Environment

The Oregon National Guard currently has 541 buildings totaling 3.8 million square feet spread across the state in 27 counties. The largest of these facilities are fifteen training/logistical sites, two air bases, and 38 readiness centers/armories.

Major Oregon National Guard facilities include:

- Air National Guard Installations – Portland Airbase and Kingsley Field Airbase.
- Army National Guard Installations – Armories, Readiness Centers, Armed Forces Reserve Centers, and two aviation facilities.
- Unit Training Areas – Camp Rilea Armed Forces Training Center, Camp Adair, Central Oregon Training and Education Facility, Biak Training Center, Oregon Military Academy, Boardman Training Range, and Camp Umatilla (the former Umatilla Chemical Weapons Army Depot).
- Other – Oregon Youth Challenge educational facility and Christmas Valley energy site.

The age of some National Guard facilities makes them inefficient and expensive to operate and maintain. The Department reports that just 5.3% of its facilities are in compliance with National Guard Bureau/Department of Army standards and are in the best condition, 81.6% do not fully meet standards, and the remaining 13.2% are substandard and/or in very poor condition. Facility compliance with federal standards has declined in recent biennia as resources have not been available for repairs, maintenance, and improvements. The overall decline of about 32% from previous ratings is due to infrastructure failures, new Army standards, and lead contamination in some armories from indoor firing ranges.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$110.2 million is 4.9% less than the 2017-19 legislatively approved budget and includes 362 positions (313.80 FTE).

The legislatively adopted budget includes the following changes:

- \$2,552,425 Federal Funds expenditure limitation and \$193,354 Other Funds expenditure limitation to establish 24 positions (18.00 FTE) for wildland firefighting, facility maintenance, and National Guard support at various Military Department locations throughout the state, including Camp Rilea, Camp Umatilla, Camp Withycombe, the Pendleton Army Aviation Support Facility, and in Salem.
- \$495,000 General Fund and \$707,960 Federal Funds expenditure limitation to address personnel costs, utility cost increases, and deferred maintenance at the Portland Air National Guard base and at Kingsley Field.
- A net reduction of \$229,619 total funds for statewide adjustments to state government service charges, Attorney General rates, PERS rates, Secretary of State and Parks assessments, and the addition of \$348,000 Other Funds expenditure limitation to pay the cost of issuance for \$22,275,000 in Article XI-Q bonds authorized for capital projects (see Capital Construction section, below.)

Office of Emergency Management

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	2,013,808	3,793,517	3,409,158	8,012,024
Other Funds	89,219,995	96,680,471	100,338,256	99,963,167
Federal Funds	43,137,093	169,517,856	175,984,289	173,171,823
Total Funds	134,370,896	269,991,844	279,731,703	281,147,014
Positions	45	44	44	44
FTE	44.60	44.62	44.62	44.62

Program Description

The Office of Emergency Management (OEM) coordinates statewide emergency services and maintains emergency communications systems used for public warnings, emergency notifications, and emergency support. OEM also provides cities, counties, and tribes throughout Oregon with planning, training, exercise, and technical assistance for disaster preparedness, emergency response, recovery services, and hazard mitigation.

In addition to OEM Administration, the program has three primary responsibilities:

- Executing planning, training, and exercise programs to raise awareness and preparedness for all hazard incidents. This section is responsible for Homeland Security grant programs, Emergency Operations Plans, the Geological Hazard Program, the National Incident Management System, and the State Emergency Coordination Center.
- Operating the statewide Enhanced 9-1-1 system, including managing the network that delivers 9-1-1 emergency calls to Oregon's 43 Public Safety Answering Points throughout the state. This section also oversees the state Search and Rescue program and the Oregon Emergency Response System.
- Coordinating the development, planning, and adoption of local community hazard mitigation plans.

Revenue Sources and Relationships

The major funding source is Federal Funds received for state homeland security, Federal Emergency Management Agency (FEMA) disaster recovery, and Non-Disaster Emergency Management Performance grants. These funding sources are used for general OEM operations, development and administration of the emergency response infrastructure, training, and grants passed through to local governments for emergency management programs. Some of the funds require a 50% state or local match.

The Office of Emergency Management is responsible for managing over \$180 million in federal grants in a given biennium. A 2013 federal audit found that OEM was charging overhead costs to its federal grants in the absence of a federally-approved indirect cost allocation plan. During the 2017-19 biennium, OEM developed, received federal approval for, and implemented an indirect cost allocation plan. Budget actions taken in the 2019-21

budget to resolve the audit findings include a one-time appropriation of \$3 million General Fund to repay FEMA for questioned costs identified in the 2013 audit; and the fund shift of eleven positions from direct federal funding to the General Fund in order to properly recover overhead costs from federal grants.

Oregon's 9-1-1 toll-free emergency number to access safety services is a state and local partnership. The state's portion is funded through an emergency communications tax, a per-month \$0.75 tax for any phone line capable of accessing 9-1-1 services, excepting federal, state, and local governments. During the 2013 legislative session, the 9-1-1 program's statutory sunset was extended from January 1, 2014 to January 1, 2022 (HB 3317). Additionally, prepaid cellphones were taxed at \$0.75 per month, per customer until October 1, 2015, when the tax changed to \$0.75 per retail transaction. HB 2449 (2019) increased the emergency communications tax to \$1.00 per month on January 1, 2020 and to \$1.25 per month (or transaction, as appropriate) on January 1, 2021. The bill also extended the sunset date from 2022 to 2030, and adjusted the administrative and collection cost caps imposed on the Office of Emergency Management and the Department of Revenue.

The Emergency Communications Account is distributed quarterly according to statute for program administration costs, for communications equipment funded from the Enhanced 911 subaccount, and for distribution to cities and counties. Local governments use the revenue to partially fund the expense of the 43 Public Safety Answering Points (PSAPs) throughout the state. Expenses reimbursed from the Enhanced 9-1-1 subaccount are primarily used to make direct payments to vendors for PSAP circuit charges and software upgrades. The subaccount may reimburse cities and counties on an actual cost basis for some costs.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$281.1 million is 4.1% higher than the 2017-19 legislatively approved budget and includes 44 positions (44.62 FTE). This budget includes the following changes:

- \$1,415,352 and eleven positions shifted from Federal Funds to General Fund in order to comply with audit findings related to charging indirect costs to grants. An additional \$1,283,178 in Federal Funds expenditure limitation was reduced to eliminate expenditures double-counted in the budget request.
- \$2,970,000 General Fund on a one-time basis to repay the Federal Emergency Management Agency (FEMA) for questioned costs identified in a 2013 federal audit of two Department of Homeland Security grant programs.
- \$288,000 Other Funds expenditure limitation for the Fuel Storage Facility Compatibility Grant program created by SB 1523 (2016). This program provides grants to commercial cardlock facilities for the purchase and installation of generator connectors, so that emergency response personnel are able to pump fuel from these facilities in an emergency.
- \$300,000 General Fund on a one-time basis to commission a risk abatement study of the Critical Energy Infrastructure Hub in Portland. The study will evaluate the impacts of a catastrophic failure of fuel storage facilities located at the Critical Energy Infrastructure Hub following a Cascadia subduction zone earthquake.
- A net reduction of \$859,511 total funds for statewide adjustments to state government service charges, Attorney General rates, PERS rates, and other state assessments.

Community Support

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	197,383	197,358	205,613	605,613
Other Funds	4,893,310	8,533,751	3,811,195	4,116,380
Federal Funds	9,333,865	11,287,637	12,939,133	14,717,233
Total Funds	14,424,558	20,018,746	16,955,941	19,439,226
Positions	52	71	71	86
FTE	50.74	62.94	71.00	80.82

Program Description

The Community Support program coordinates support for local education programs and emergencies that require assistance of the National Guard. The unit includes:

- The Oregon Youth Challenge Program (OYCP), operated by the Oregon National Guard through a federal/state agreement with the National Guard Bureau since 1994. OYCP is Oregon's only accredited statewide alternative high school and its only public military school for at-risk students. It offers high school-aged youth at risk of dropping out of school an opportunity to complete educational credits with a goal of reintegrating into high school to earn a diploma or prepare for the General Education Development (GED) examination. The program is a 22-week residential training program followed by a 12-month nonresident mentored program. As currently configured, OYCP graduates approximately 250 students per year. An expansion underway will provide the infrastructure necessary to add an additional 84 cadets to each of the two classes offered each year.
- The *Science and Technology Academy Reinforcing Basic Aviation and Space Exploration* (STARBASE) is designed to increase third through eighth grade students' awareness of the importance of math and science. National Guard members demonstrate the applicability of math and science to flight operations, weather reporting and forecasting, electronics maintenance, and firefighting facilities. The STARBASE program operates at the Portland Air National Guard air base, at the Kingsley Field air base in Klamath Falls, and at Camp Rilea in Warrenton.
- Emergency Operations – In the event of a state emergency, the Governor can call upon the National Guard to provide personnel and equipment to help with the state's response. For example, in August 2017, the Governor ordered 946 soldiers and air personnel to assist the Oregon Department of Forestry and the State Fire Marshal's Office with wildland fire suppression efforts. The Office of Emergency Management is the coordinating entity for Department resources used for statewide emergencies.

The Emergency Operations budget structure is a "placeholder," used only in the event of reimbursable emergency operations having taken place. The Department's legislatively adopted budget does not include funding for Emergency Operation expenses, as they are difficult to predict. Therefore, the Department has, historically, requested expenditure limitation increases for amounts it is unable to absorb within its normal operating budget, as well as General Fund reimbursement of expenditures. Revenues for Emergency Operations come as Other Funds from state agencies the National Guard is supporting, most commonly the Department of Forestry.

Revenue Sources and Relationships

The program is funded almost entirely with Other Funds and Federal Funds. The STARBASE program is 100% federally funded through the National Guard Bureau. The Oregon Youth Challenge program is federally funded, with the required 25% state match funded through Average Daily Membership (ADM) revenues through the Bend-La Pine School District. A small amount of General Fund is available for budgeted expenditures not covered by Federal or Other Funds.

Budget Environment

In 2015, the Legislature approved \$5 million of Article XI-Q bond funding to enlarge the OYCP facility to house 24 additional female cadets and 60 additional male cadets per 22-week residential class. Construction and program expansion is occurring in phases, with the additional female cadets first expected in the class starting in January 2020, and the additional male cadets in the class starting in July 2020.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$19.4 million is 2.8% less than the 2017-19 legislatively approved budget and includes 86 positions (80.82 FTE). The reduction is due to phasing out \$5.4 million one-time Emergency Operations Other Funds expenditure limitation approved in February 2018 for the cost of National Guard troops and flight crews deployed to fight wildfires in 2017.

The legislatively adopted budget incorporates the following changes:

- An increase of \$400,000 General Fund on a one-time basis, \$305,185 Other Funds, \$1,638,492 Federal Funds expenditure limitation, and 14 positions (8.82 FTE) for the Youth Challenge program, to accommodate additional cadets expected in January 2020 and in July 2020.
- An increase of \$162,456 Federal Funds expenditure limitation and one position (1.00 FTE) to allow the STARBASE program to expand to Camp Rilea in Warrenton.
- A net decrease of \$67,848 Federal Funds expenditure limitation for statewide adjustments to state government service charges, Attorney General rates, PERS rates, and other state assessments.

Debt Service

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	9,531,687	9,997,675	11,639,970	11,603,502
Other Funds	128,537	550,790	100,050	133,050
Other Funds NL	60,623	--	--	--
Total Funds	9,720,847	10,548,465	11,740,020	11,736,552

Program Description

The Debt Service Program provides funding for principal and interest costs associated with the issuance of Article XI-Q bonds and previously issued certificates of participation (COPs) to finance capital improvements.

Budget Environment

The Department relies on bond proceeds to match National Guard Bureau Federal Funds when constructing, altering, or repairing National Guard installations. The percentage of state matching funds required varies by the type of installation. Bonds provide financing for federally non-allowable project costs, which, for example, include the cost of real property. Bonds also fund certain armory additions/alterations that are a 100% state responsibility. The Department's debt service is funded primarily with General Fund.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$11.7 million is 11.3% more than the 2017-19 legislatively approved budget. General Fund for debt service is reduced by \$36,468 as a result of both revised debt service estimates for existing debt and new debt service requirements on planned issuance of \$22,275,000 of Article XI-Q bonds during the 2019-21 biennium.

Capital Improvements

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	250,000	1,000,000	--	--
Other Funds	194,377	--	--	--
Federal Funds	2,265,053	4,946,561	5,133,694	5,133,366
Total Funds	2,709,430	5,946,561	5,133,694	5,133,366

Program Description

This program provides funding for capital improvements to existing facilities. Capital improvement projects are those with a total cost of \$1 million or less. The Department's capital improvement projects are overseen and coordinated by agency construction staff budgeted in the Operations Program.

The Capital Improvement Program's primary purpose is to address the Department's backlog of deferred maintenance projects, currently estimated at approximately \$150 million on 3.8 million square feet of facility space. Capital improvement expenditures are planned to delay facility replacements, wherever possible. This is important for certain installations, especially armories, where the replacement schedule is dependent upon the National Guard Bureau's Long-Range Construction Plan and Congressional funding of that plan.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$5.1 million is 13.6% less than the 2017-19 legislatively approved budget. The reduction reflects the phase out of \$1 million General Fund that was provided, one-time only in 2017-19, for capital repairs to the military museum at Camp Withycombe in Clackamas.

Capital Construction

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
Other Funds	24,039,244	13,534,756	--	21,927,000
Federal Funds	24,289,251	6,125,000	--	28,500,000
Total Funds	48,328,495	19,659,756	--	50,427,000

Program Description

The Capital Construction program plans, designs, and constructs facilities projects with a cost of more than \$1 million. Since 1986, the Department has undertaken 49 major construction projects totaling over \$330 million. The Department currently has 18 projects identified in the National Guard Bureau's Long-Range Construction Plan, which will bring additional federal construction dollars into the state through 2050.

Revenue Sources and Relationships

Typically, Federal Funds provide the majority of construction funding. In general, Other Funds and General Fund are used only for required matching funds for projects. State funds also pay for certain costs ineligible for federal match (e.g., real property, local permitting, etc.). The sources of Other Funds are either bonds or the Department's Capital Construction Account, which is discussed below.

Depending on the type of facility constructed, the federal government pays between 67% and 100% of the approved construction cost. By emphasizing construction of Armed Forces Reserve Centers (AFRC) wherever possible, the Department can access Federal Funds for up to 90% of the design and construction costs. Site improvements and multi-purpose accommodations outside the federal guidelines are 100% state obligations.

Where possible, the Department partners with other federal, state, or county agencies to co-locate functions. This reduces the Department's design and construction cost obligations, and reduces the long-term operations and maintenance burden of each agency.

The Military Department Capital Construction Account (CCA) is a statutory, interest-bearing account into which proceeds from the sale of Military Department real property are deposited. The Department requires legislative approval to dispose of surplus property. Moneys in the CCA can only be used for Capital Construction expenditures on legislatively approved projects, which include: (a) paying for construction costs that are a state obligation outside federal guidelines; (b) state matching requirements on federal Capital Construction funding; and (c) miscellaneous land acquisitions. The Capital Construction Account generally has an insufficient balance to meet matching fund requirements on major construction projects.

Some of the Department's real property originally donated by counties is on a reversion clause, which requires that the land returns to the county if the Department determines it is no longer needed for military purposes.

Of all the Department's programs, the Capital Construction program is the one most likely to be affected by shifting federal priorities. The Legislature is frequently requested to add projects or transfer limitation between existing projects; such changes may require additional state matching funds. The fluidity of the Department's capital projects as compared to other state agencies' capital projects underscores the influence federal funding has over its budget. It also underscores the need for OMD to frequently communicate short- and long-term Capital Construction priorities to the Legislature.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$50.4 million is more than double the 2017-19 legislatively approved budget. Article XI-Q bond financing for the following projects is included in the budget:

- \$9,852,000 for enhancements to the Salem and Pendleton Army Aviation facilities to improve emergency response capabilities. The project includes seismic structural upgrades, backup power and water systems, and emergency equipment and fuel storage.
- \$5,800,000 for additions to and alterations of the Owen Summers building and the Anderson Readiness Center in Salem.
- \$4,275,000 for an armory service life extension project (ASLEP) at the Jackson Armory in Portland.
- \$2,000,000 for the construction of exhibit spaces at the Oregon Military Museum at Camp Withycombe in Clackamas.

Federal Funds finance the following projects:

- Renovations at the Owen Summers and Anderson Readiness Center facilities in Salem, \$6,200,000.
- Construction of a Tactical Unmanned Aerial Vehicle military training facility in Boardman, \$12,000,000.
- Construction of a water supply line and wastewater treatment facility at Camp Umatilla in Hermiston, \$6,000,000.
- An armory service life extension project in Grants Pass, \$4,300,000.

BOARD OF PAROLE AND POST-PRISON SUPERVISION

Analyst: Walker

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	6,728,521	9,048,876	8,781,722	8,680,101
Other Funds	523	11,254	11,682	11,682
Total Funds	\$6,729,044	\$9,060,130	\$8,793,404	\$8,668,419
Positions	28	28	25	25
FTE	26.04	28.00	25.00	25.00

Overview

The five member Board of Parole and Post-Prison Supervision (BPPPS) is responsible for setting parole release dates for offenders who committed crimes prior to November 1, 1989; approving release plans and establishing conditions of community supervision for all offenders; setting release dates for dangerous offenders; conducting administrative reviews of offender appeals; administering parole revocation hearings; issuing arrest warrants and order sanctions for parole/post-prison violators; and notifying victims of hearings and releases.

Revenue Sources and Relationships

Other Funds revenue is generated from the sale of documents and hearing tapes to the public and to offenders, as well as court ordered costs payable to the Board.

Budget Environment

The Legislature has made a series of changes to the system of monitoring sex offenders over the past four biennia that have affected the agency's budget.

HB 2549 (2013) created a three-tier system for ranking sex offenders based on their risk as established by a designated risk assessment tool. It requires all offenders in the current system to be reclassified. BPPPS estimates that approximately 4,000 of the close to 20,000 registered sex offenders in Oregon would need to complete a "Static 99" assessment by December 1, 2016. Once all of the assessments have been completed, there may be petition hearings to appeal classifications and to request relief from registering. Depending on the number of petitions and hearings that need to be conducted, the agency may need additional staffing resources.

HB 2320 (2015) directed BPPPS to adopt a sex offender risk assessment methodology and classify sex offenders into risk levels. This bill was in response to the requirements established by HB 2549 (2013) and provided funding for the "Static 99R" assessments. The bill also required the Board to have five members and authorized a minimum of three board members to make and review certain discussions for the 2015-17 biennium. The bill added 9 permanent full-time positions and 3 full-time limited duration positions and provided \$420,000 for a potential location move for all or part of the agency to accommodate the additional staffing. In addition, the bill appropriated \$3,163,183 General Fund to establish the 12 positions (10.00 FTE) to adopt a sex offender risk assessment methodology and to classify sex offenders into risk levels. The bill also extended the deadline for classifying registrants to December 1, 2018.

SB 767 (2017) extended the deadline for completion of Static 99R reviews four years to 2023 and made certain provisions applicable to offenders reporting to the system prior to January 1, 2014, clarified that offenders reporting before January 1, 2014 can petition for reclassification to a lower level, and allowed the Board to classify offenders that refuse to cooperate with the Board as level three. Other factors affecting the Board's role and workload include: implementation of and changes in sentencing guidelines; increases in inmate and offender

populations; increases in, and results of, inmate and offender judicial appeals; increases in victim participation in post-sentencing matters; and biennial statutory changes.

SB 2045 (2019) extends the current deadline for completing risk assessment of sex offenders (Static 99R) from December 1, 2022 to December 1, 2026.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Board of \$8.8 million total funds is a 4.3% decrease from the 2017-19 legislatively approved level. The budget does not fund three limited duration positions funded in the 2017-19 legislatively adopted budget, but the Board has the flexibility to establish these positions administratively. The Board has approximately 24,000 outstanding Static99R's to complete. Without additional resources it is doubtful the Board will be able to meet the deadline established by HB 2045 (2019) even with the extension.

DEPARTMENT OF STATE POLICE

Analyst: Neburka

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	280,102,391	303,642,384	309,033,782	318,475,460
Lottery Funds	7,740,839	8,145,961	9,073,617	10,004,076
Other Funds	101,465,180	158,371,032	146,073,822	164,937,371
Federal Funds	6,420,284	12,274,226	12,639,865	12,616,262
Total Funds	395,728,694	482,433,603	476,821,086	506,033,169
Positions	1,314	1,370	1,363	1,402
FTE	1,268.08	1,346.62	1,342.08	1,382.29

Overview

The Department of State Police (OSP) protects the people, property, and natural resources of the state. The agency enforces traffic laws on state highways, investigates and solves crimes, conducts forensic analysis and post-mortem investigations, and provides background checks and law enforcement data. Key programs include patrol, criminal investigations, fish and wildlife law enforcement, and enforcement of tribal gaming laws and the Lottery. OSP is the only provider of certain specialized public safety and criminal justice system services in Oregon, including forensic lab services, the State Medical Examiner, criminal justice information systems, and the State Fire Marshal.

Legislatively Adopted Budget

The legislatively adopted total funds budget for OSP is \$506 million, with \$318.5 million General Fund, \$164.9 million Other Funds, \$10 million Lottery Funds, and \$12.6 million Federal Funds. The budget includes 1,402 positions (1,382.29 FTE). The total funds budget is 4.9% higher than the legislatively approved 2017-19 budget. General Fund increased by 4.9%, a comparatively modest increase that masks significant General Fund investments agency-wide, offset by a fund shift of \$8.5 million from General Fund to Other Funds (marijuana tax revenues), and by phasing out \$15.5 million in one-time General Fund expenses and \$12.9 million in one-time Other Funds expenditure limitation associated with the cost of fighting wildfires during the 2017 and 2018 fire seasons.

The Legislature made significant investments in OSP infrastructure, including:

- \$4,153,056 General Fund to support the State Police's 35% share of the State Radio System.
- \$3,160,562 General Fund for mobile technology lifecycle replacements.
- \$2,626,579 General Fund for the last phase of a three-biennia vehicle purchase program, intended to provide every trooper with his or her own assigned vehicle.
- \$9,523,086 General Fund, \$1,668,298 Other Funds expenditure limitation, and 26 positions (26.21 FTE) to resolve double-filled and re-classified Patrol support positions, fund shift differential and overtime budget shortfalls, and add new positions across the agency.

Additionally, Other Funds budget changes include:

- The transfer of the Ignition Interlock Device Program from the Oregon Department of Transportation to OSP. Expenses of \$1,950,454 Other Funds expenditure limitation and five positions (5.00 FTE) are fully supported with fees authorized in HB 3005 (2019).

- Participation in the Oregon Department of Fish and Wildlife's (ODFW) Anti-Poaching Initiative, \$2,389,141 Other Funds expenditure limitation and five positions (5.00 FTE). This ODFW program is General Fund-supported; the pass-through payments to OSP are recorded and spent as Other Funds.
- A one-time increase of \$3.6 million Other Funds expenditure limitation in the Regional Hazardous Materials Emergency Response Team program in the Office of the State Fire Marshal. The increase will allow the program to spend accumulated fund balance on replacement vehicles and equipment for the thirteen hazardous materials response teams located throughout the state.

An additional \$3.1 million total funds in statewide reductions was taken across all divisions to implement reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments. These and other budget issues are discussed in more detail in subsequent sections.

Patrol Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	133,694,672	145,274,792	163,012,666	169,851,016
Other Funds	13,717,752	20,634,034	17,830,199	19,830,260
Federal Funds	153,138	383,195	406,124	404,687
Total Funds	147,565,562	166,292,021	181,248,989	190,085,963
Positions	520	542	537	543
FTE	500.50	531.17	528.25	534.25

Program Description

The Patrol Services Division provides uniformed police presence and law enforcement services throughout the state with primary responsibility for traffic safety and response to emergency calls on Oregon's state and interstate highways. This Division includes the field command and support staff as well as the Capitol Mall Security, Oregon State University, and Dignitary Protection units. The Division works with city and county law enforcement agencies by assisting with emergency calls for services, providing crash reconstruction specialists, drug recognition experts, and Special Weapons and Tactics Teams. The Division also works with the Oregon Department of Transportation's (ODOT) Traffic Safety Section. Research has shown that traffic accidents account for about 25% of the congestion on the highway system, and motor vehicle traffic injuries are one of the leading causes of death and hospitalization in Oregon. The Patrol Division's traffic enforcement priorities center on impaired driving, speed, occupant safety, lane safety, distracted driving, and commercial vehicle investigations.

Revenue Sources and Relationships

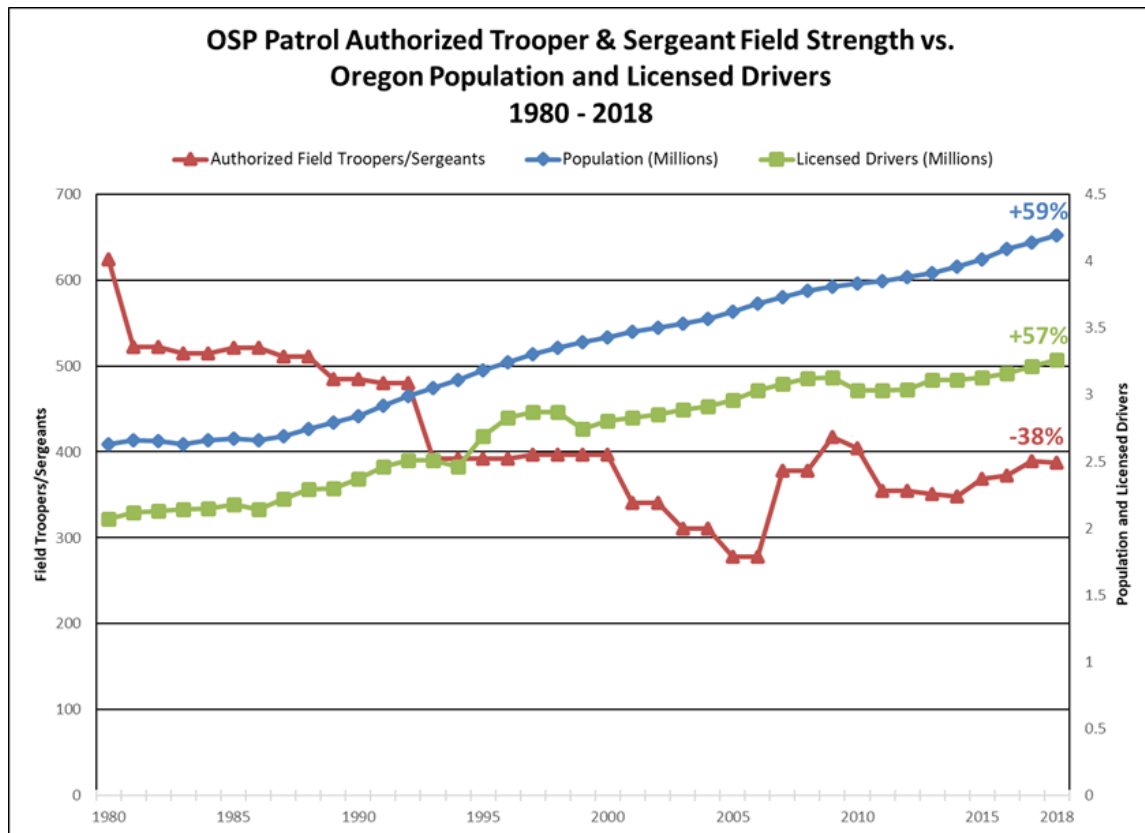
The majority (89%) of the Patrol Division budget is funded by the General Fund. Other Funds revenues totaling \$19.8 million are received from various other entities, and include:

- \$6 million from ODOT for a variety of purposes, including traffic safety patrols in highway construction zones, snow-park enforcement, and DMV vehicle identification (VIN) inspections.
- \$4.9 million from Oregon State University for campus security.
- \$9.4 million from the Legislative Administration Committee and the Department of Administrative Services for Capitol Mall security, including in the Capitol Building and the Supreme Court Building.
- \$0.4 million from various fees, fines, and civil penalties; and from other state agencies including the State Parks and Recreation Department and the Oregon State Fair.

Budget Environment

The Patrol Division's major cost drivers are personnel costs, fuel, equipment, patrol vehicles, vehicle maintenance, and facilities. Staffing levels have not kept pace with growth factors directly affecting transportation safety,

including increases in population, licensed drivers, registered vehicles, and miles traveled on state highways, which are currently increasing at a higher-than-average rate. Oregon is ranked 49th in the number of troopers per capita compared with all other states. Holding positions vacant, retirements, and increased competition for new public safety officers continue to affect the Division's service capacity. Currently, none of the patrol field offices maintain 24/7 patrol coverage. The Division continues to experience an increase in calls from several counties that have reduced local law enforcement presence due to county financial needs. For example, 63% of the 18,914 calls for service the Patrol Division received in Josephine County from January 2012 through December 2018 were referred to OSP by the Josephine County Sheriff's Office.



Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Patrol Division of \$190.1 million total funds is 14.3% greater than the 2017-19 legislatively approved budget. The General Fund portion of the budget (\$169.9 million) is 16.9% higher than 2017-19. This budget includes a one-time General Fund appropriation of \$2.6 million to complete a six-year plan to purchase an additional 100 patrol vehicles, a \$3 million General Fund appropriation with \$26,176 of Other Funds expenditure limitation to fund overtime and shift differential expenses, and a \$2.5 million General Fund appropriation with \$21,492 of Other Funds expenditure limitation to replace mobile data terminals and in-car video systems in Patrol Division vehicles. The Ignition Interlock Device Program is added with \$1.9 million Other Funds expenditure limitation and five positions (5.00 FTE), and one position (1.00 FTE) and \$131,659 Other Funds expenditure limitation is added to support the Oregon State University Patrol Services program. A total funds reduction of \$1.4 million implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Fish and Wildlife

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	7,186,072	9,353,387	10,401,303	9,950,445
Lottery Funds	7,740,839	8,145,961	9,073,617	10,004,076
Other Funds	24,117,676	26,844,622	26,374,611	30,644,565
Federal Funds	1,685,751	2,494,323	2,637,759	2,630,801
Total Funds	40,730,338	46,838,293	48,487,290	53,229,887
Positions	135	136	136	142
FTE	125.12	126.62	126.62	132.62

Program Description

The Fish and Wildlife Division is the single enforcement entity designated by law to protect fish and wildlife resources in Oregon. The Division's officers have special training in fish and wildlife law enforcement and are stationed throughout the state. These officers are often the only law enforcement presence available in some of Oregon's rural communities. In addition to fish and wildlife law enforcement, they also enforce traffic, criminal, boating, livestock, and environmental protection laws, and respond to emergency situations. OSP Fish and Wildlife officers work closely with the Department of Fish and Wildlife (ODFW), the Water Resources Department, and the Marine Board in the enforcement of their rules.

Revenue Sources and Relationships

Lottery Funds (Measures 76 and 66) are distributed to this Division to fund enforcement activities associated with the Oregon Plan to protect fish habitat and stream bed enhancement.

Other Funds revenues are received from various sources, but the primary service contract is with ODFW (\$29.5 million.) The Division also has smaller service contracts with the Oregon State Marine Board (\$2.1 million) for enforcement of boating laws, the Parks and Recreation Department (\$691,000) for activities on the Deschutes River and for ATV enforcement, and the Department of Environmental Quality (\$313,000) for environmental investigations. Federal Funds are primarily received through National Oceanic Atmospheric Administration Joint Enforcement Agreements (\$1.3 million).

Budget Environment

While the overall state population is increasing, hunting and fishing participation rates per 1,000 residents are declining. Sales of hunting licenses and tags depend in large part on populations of various animal species and access to those populations. The levels of animal populations, in turn, are dependent on such variables as weather, fire, and predator populations. These trends have the potential to negatively impact revenue streams that support enforcement, but do not necessarily translate into the need for less enforcement.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Fish and Wildlife Division of \$53.2 million total funds is 13.6% greater than the 2017-19 legislatively approved budget. The budget adds \$2.4 million Other Funds from ODFW and adds five positions (5.00 FTE) to implement ODFW's Anti-Poaching Initiative; adds \$1.9 million Other Funds from the Oregon State Marine Board and other agencies and adds one position (1.00 FTE) to support fish and wildlife enforcement on Oregon waterways; adds a \$624,458 General Fund appropriation to replace mobile data terminals and in-car video systems in Fish and Wildlife Division vehicles; reduces General Fund and increases Measure 76 Lottery Funds by \$1 million; and makes a total funds reduction of \$342,635 to implement reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Criminal Investigations

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	35,847,535	11,388,679	13,020,372	5,677,297
Other Funds	5,938,647	35,014,019	35,996,626	44,677,929
Federal Funds	1,228,025	1,723,731	1,576,855	1,574,421
Total Funds	43,014,207	48,126,429	50,593,853	51,929,647
Positions	122	131	130	135
FTE	122.00	130.40	130.00	135.00

Program Description

The Criminal Investigation Division provides investigative services that support criminal justice agencies statewide. Investigations include intrastate and multijurisdictional crimes related to drug trafficking, arson, explosives, acts of terrorism, and major crimes. The Division also provides specialized investigative support from polygraph examiners and crime analysts. The Division has jurisdiction over crimes at all state institutions and routinely conducts sensitive criminal investigations involving public officials. The Division deploys resources throughout the state to participate in local major crime teams, multi-disciplinary child sex abuse teams, interagency drug teams, and fire and explosives investigative teams.

Revenue Sources and Relationships

Prior to 2017-19, this program area was largely funded with General Fund. Increased marijuana tax collections allowed for a fund shift of \$26.1 million of General Fund expenditures to marijuana tax revenues in the 2017-19 biennium, and an additional fund shift of \$8.5 million from the General Fund to marijuana tax revenues in the 2019-21 biennium. Marijuana tax revenues assumed in the 2019-21 OSP budget total \$38.9 million. Other revenues include sex offender registration fees (\$543,000 Other Funds); arson investigation funding (\$3.9 million Other Funds) from the State Fire Marshal in Fire Insurance Premium Tax revenue; fees from records requests, civil penalties, and state seizures (\$1.8 million Other Funds); and federal funds for drug enforcement and grant programs (\$1.4 million Federal Funds.)

Budget Environment

The major workload driver for this Division beyond the crime rate is the capacity and specialized expertise of local law enforcement agencies and their willingness to use OSP resources. State Police detectives are deployed across the state, but the larger local law enforcement agencies have many more resources available than smaller agencies. For eastern Oregon, the coast, and other more rural areas of the state, OSP sometimes is the primary resource available to assist local jurisdictions with investigation of major crimes.

The Department asserts that the workload and the complexity of investigations have generally increased in all areas, including drug enforcement, major/violent crimes, sex abuse crimes, polygraph, and public official corruption cases. During 2016-17, the Division conducted over 12,000 investigations, including 3,074 investigations related to drug enforcement, 484 related to explosives, and 338 related to fires; 5,167 child abuse investigations; and 138 computer forensics investigations. In the 2017-19 biennium, detectives participated in county child abuse multi-disciplinary teams; 26 interagency major crime teams; 14 interagency drug task forces; and one drug/fugitive task force.

Like the Patrol Division, this Division is experiencing an increase in calls from several counties that have reduced their local law enforcement presence due to county financial constraints. For example, in 2018, OSP investigated 1,960 child abuse cases; 1,658 of those were reported in the Southwest region, with 886 cases in Josephine County alone. Overall, Major Crime Team call-outs in the Southwest Region have increased by approximately 104% in 2017 (57) compared to 2011 (28).

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$51.9 million total funds is 7.9% greater than the 2017-19 legislatively approved budget. This budget includes a fund shift of \$8.5 million of General Fund expenditures to marijuana tax revenues, and an appropriation of \$1.3 million General Fund, \$361,118 Other Funds expenditure limitation, and five positions (5.00 FTE) to resolve five double-filled positions and to fund overtime and shift differentials. A total funds reduction of \$308,730 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Forensic Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	37,357,995	42,044,913	47,841,316	48,660,322
Other Funds	147,539	1,567,723	1,269,525	621,045
Federal Funds	1,049,700	2,587,245	2,700,804	2,695,226
Total Funds	38,555,234	46,199,881	51,811,645	51,976,593
Positions	136	137	137	138
FTE	130.75	137.00	137.00	137.76

Program Description

The Forensic Services Division supports the criminal justice system by providing forensic analysis of evidence related to crimes. Scientific analysis and expert testimony assists judges and juries with determining guilt or innocence. The Division provides analysis and investigative assistance in several disciplines, including biology, chemistry, toxicology, crime scene investigation, DNA, latent prints, firearms, and tool marks. The Division operates five forensic laboratories, which are located in Bend, Central Point, Pendleton, Portland, and Springfield. The Division also operates an Implied Consent Unit which provides a breath alcohol testing program and instruments for law enforcement to use when a person is arrested for impaired driving. As Oregon's only full service forensic laboratory system, 92% of the Division's work is for agencies other than the State Police.

Revenue Sources and Relationships

The forensics labs do not charge for services and are funded primarily with General Fund. Just over \$600,000 Other Funds revenues are from miscellaneous sales of equipment, photographic requests, witness fees, and donations from citizens to support the Convicted Offender Program (DNA testing). Federal Funds are grants from the National Institute of Justice, generally for the purchase of equipment, supplies, and DNA test kits.

Budget Environment

The Forensics Division conducted analyses on 55,862 and 53,773 evidentiary submissions in the 2013-15 and 15-17 biennia, respectively. Based on current trends, the Division anticipates an additional 5% increase, or more than 64,679 evidentiary submissions, from the 2017-19 to the 2019-21 biennium. The Division completes analytical requests within its 30-day turnaround time goal only 24% of the time, due to increasing numbers of requests, staffing shortages, changes in technology and in the forensic sciences, and emerging drug trends. The DNA Unit alone has experienced an average yearly increase in submissions of 15% over the past five years, a good example of improved scientific technologies driving demand for their products. DNA analysis of biological evidence has proven to be one of the most significant forensic tools for the criminal justice system. On average, there is one "hit" in the DNA database for every 21 offender submissions, with a nearly 53% "hit" rate in burglary cases. Many states limit DNA analysis to person crimes; Oregon accepts DNA evidence from property crimes, but prioritizes person crimes, leading to large backlogs and long turn-around times for property crime cases. While the number of DNA evidentiary submissions completed has increased by 15% annually over the past five years, a backlog of cases remains.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$52 million total funds is 12.5% greater than the 2017-19 legislatively approved budget. This budget includes \$647,326 General Fund, \$14,692 Other Funds expenditure limitation, and two positions (1.76 FTE) to reclassify one position, add two new positions in the Forensics laboratory, and fund overtime and shift differentials; shifts rent expense for the Pendleton Laboratory from marijuana tax revenues to ongoing General Fund for no net change; and reduces \$279,376 General Fund and abolishes one position (-1.00 FTE) to pay for the establishment of one forensic anthropologist position in the Medical Examiner's Office. A total funds reduction of \$217,694 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Office of the State Medical Examiner

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	4,684,741	4,779,767	5,091,649	5,927,229
Other Funds	167,415	285,275	308,004	307,729
Total Funds	4,852,156	5,065,042	5,399,653	6,234,958
Positions	9	9	9	13
FTE	9.00	9.00	9.00	12.50

Program Description

The Office of the State Medical Examiner is located in Clackamas and provides direction and support to the state death investigation program. The Office is Oregon's sole source provider of forensic pathology services, and is responsible for the investigation of all deaths due to homicide, suicide, accident, drug overdose, deaths in state custody, deaths on the job, and natural deaths occurring while not under medical care. The Chief Medical Examiner manages all aspects of the state medical examiner program and has responsibility for technical supervision of county offices in each of the 36 counties of Oregon. The Office oversees roughly 9,300 death investigations per biennium, maintains records, and provides training on death investigations to medical school physicians and students, law students, police officers, and emergency medical technicians.

Revenue Sources and Relationships

Other Funds revenues for the Medical Examiner include payments for building support from the three Portland - metro area counties, and fees charged for autopsy reports.

Budget Environment

The workload for the Medical Examiner's Office increases based on population growth in Oregon. The Medical Examiner's Office is involved in determining the cause and manner of death in more than 13% of all deaths that occur. In addition to investigating deaths, the State Medical Examiner oversees a statewide medical examiner system. This system is comprised of 36 county medical examiners, each with a different method of funding and staffing for their respective offices. Each county office is overseen by a county medical examiner who is a physician/coroner with varying degrees of death investigation experience. The death investigators are, for the most part, law enforcement personnel whose priority is police work. Most of the death investigators perform only one or two medical examiner investigations a year. Therefore, their experience in death scene investigations is extremely limited and may leave them inadequately prepared. To address the needs of part-time death scene investigators, the State Medical Examiner offers a 40-hour Certified Medicolegal Death Investigator Course to Oregon medical examiners, district attorneys, law enforcement, and medical professionals.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$6.2 million total funds is 23.1% greater than the 2017-19 legislatively approved budget. Two deputy medical examiner positions, one laboratory technician position, and one forensic

anthropologist position (3.50 FTE) are established, funded with \$833,092 General Fund, elimination of the Medical Examiner's contract services budget line item, and the abolishment of one Forensic Scientist position in the Forensics Division. An increase of \$23,510 total funds fund overtime and shift differentials, and a total funds reduction of \$21,297 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Agency Support Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	36,311,019	40,717,035	45,768,773	52,007,682
Other Funds	3,601,573	3,433,887	3,660,518	3,697,441
Federal Funds	148,747	152,513	163,155	162,374
Total Funds	40,061,339	44,303,435	49,592,446	55,867,497
Positions	124	139	141	147
FTE	122.56	139.07	141.53	147.53

Program Description

Agency Support Services provides services that are required for operating police/patrol programs. Those specific "sworn" support services include executive leadership and policy direction; professional standards management; training and recruitment; internal audit; dispatch services through two dispatch centers; and sworn support. Sworn support includes fleet services and central records management. Basic agency administrative, human resources, and financial services are budgeted in the Administrative Services program.

Revenue Sources and Relationships

Other Funds and Federal Funds revenues are provided through a cost allocation plan that charges the non-General Fund resources within the Patrol, Fish and Wildlife, Criminal Justice Information System, and Office of the State Fire Marshal divisions.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for Agency Support Services is \$55.9 million total funds, which is 26.1% higher than the 2017-19 legislatively approved budget. Investments in Agency Support Services include \$434,254 General Fund and one position (1.00 FTE) to establish one executive-level position to provide management oversight to both the Forensic Services Division and the Office of the State Medical Examiner; \$2 million General Fund, \$56,478 Other Funds expenditure limitation, and five positions (5.00 FTE) to resolve four double-filled and two reclassified positions, and to fund overtime and shift differentials; and \$4.1 million General Fund to pay OSP's 35% share of the cost of maintaining and replacing the State Radio System's capital equipment. A total funds reduction of \$327,303 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Administrative Services

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	15,174,528	17,406,038	15,968,820	17,961,334
Other Funds	5,337,930	6,164,684	6,036,561	6,164,211
Federal Funds	175,660	460,096	477,580	477,015
Total Funds	20,688,118	24,030,818	22,482,961	24,602,560
Positions	77	84	78	86
FTE	70.46	77.89	75.21	84.49

Program Description

The Administrative Services Program consists of the administrative support functions of the Department. It includes budget and financial reporting, accounting, payroll, grants management, human resources, information technology, contracting and procurement, facilities management, and legislative coordination.

Revenue Sources and Relationships

Other Funds and Federal Funds revenues are provided through a cost allocation plan that charges the non-General Fund resources within the Fish and Wildlife, Criminal Justice Information System, Gaming Enforcement, Patrol, and Office of the State Fire Marshal divisions. This Division also receives miscellaneous grant reimbursement from other state agencies.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Administrative Services Division of \$24.6 million total funds is 2.4% higher than the 2017-19 legislatively approved budget. An investment of \$2.4 million General Fund, \$169,196 Other Funds expenditure limitation, and eleven positions (10.78 FTE) resolves seven double-filled positions and seven re-classified positions, adds four new accounting, budgeting, information technology, and procurement positions, and funds overtime and shift differential expenses. The Statistical Transparency of Policing (STOP) Program was transferred to the Criminal Justice Commission, reducing \$360,374 General Fund and three positions (-1.50 FTE), and a total funds reduction of \$138,377 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Criminal Justice Information Systems

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	7,234,262	6,132,907	7,494,659	7,467,045
Other Funds	10,515,203	17,407,975	18,090,587	18,133,609
Federal Funds	1,486,592	3,948,533	4,132,355	4,127,042
Total Funds	19,236,057	27,489,415	29,717,601	29,727,696
Positions	88	89	95	95
FTE	86.51	92.21	94.21	95.00

Program Description

The Criminal Justice Information Services Division maintains Oregon's central computerized repository of criminal offender records and related law enforcement information, and it provides for the immediate and secure access of these confidential records. The Division serves the criminal justice information needs and requirements of

Oregon law enforcement at the city, county, state, and federal levels. The customer base is primarily external to the Department but includes the Department as one of approximately 700 agencies served.

This Division consists of two sections, the Law Enforcement Data System (LEDS) and the Identification Services Section (ISS). LEDS connects law enforcement, criminal justice agencies, and other authorized users to centrally maintained files including data relating to wanted and missing persons, sex offenders, drug manufacturers, stolen vehicles, concealed handgun licenses, criminal records, restraining orders, and offenders under parole or probation supervision. LEDS also operates the Oregon Uniform Crime Reporting Program, which collects, processes, and distributes Oregon crime and arrest statistics; and provides Oregon data to the FBI for the national crime statistics program. Identification Services is comprised of the Criminal History, Regulatory Compliance, Automated Fingerprint Identification System, and Firearms programs.

Revenue Sources and Relationships

Other Funds supports 61% of this Division's operations. The major source of Other Funds revenue comes from fees for Identification Services including records checks of criminal histories, firearms, concealed gun, and employment and licensing background checks (\$14.8 million). The Division also receives federal grant funds from the U.S. Department of Justice (\$4.1 million) for improving criminal history records.

Budget Environment

Oregon Revised Statute (ORS) 181A.280 directs OSP to establish a Law Enforcement Data System (LEDS), a criminal justice information system for storage and retrieval of criminal justice information submitted by criminal justice agencies in the State of Oregon. LEDS functions as the control point for access to similar programs operated by other states and the federal government; undertakes projects as necessary for the speedy collection and dissemination of information relating to crime and criminals; and provides information as available to all qualified criminal justice agencies and designated agencies. OSP provides criminal justice information to local, state, and federal law enforcement agencies for enforcement and criminal justice purposes.

The Identification Services unit's core function of maintaining the state's criminal history repository is critical not only to the criminal justice community and law enforcement through positive fingerprint identification of reported arrestees, but to non-criminal justice users such as regulatory agencies making employment and licensing decisions, as well as the public. *LEDS 20/20* is a mission critical system that must operate 24 hours a day, 7 days a week, 365 days a year, with a 99.95% required uptime.

The database to support the repository was purchased more than two decades ago and is no longer supported by the vendor. A project to replace the system (*LEDS 20/20*) was approved by the Legislature in 2015. As of Spring 2019, the agency has implemented the new message switch and user interface systems and had conducted user acceptance testing. Additional data migration and user interface phases of the project are underway as of this writing, with an estimated project completion date of October 2020. The total project cost is currently estimated to be \$14.3 million.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Criminal Justice Information Systems Division of \$29.7 million total funds is 8.1% more than the 2017-19 legislatively approved budget. Modest changes include \$19,568 General Fund, \$185,104 Other Funds expenditure limitation, and 0.79 FTE for three re-classified positions, overtime, and shift differential expenses. A total funds reduction of \$194,577 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Gaming Enforcement Division

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	977,832	--	--	181,456
Other Funds	10,351,486	10,878,933	12,086,196	12,116,513
Total Funds	11,329,318	10,878,933	12,086,196	12,297,969
Positions	35	35	35	36
FTE	35.26	35.26	35.26	36.26

Program Description

The Gaming Enforcement Division provides regulatory, investigatory, and security services for the Oregon State Lottery, Oregon tribal gaming centers, and ring sports under the authority of the Oregon Athletic Commission. Activities include background investigations of vendors, contractors, and licensees; security against ticket counterfeiting or alteration and other means of fraudulent winning; and protecting the interests of professional athletes and the public concerning medical standards, fairness, financial fraud, and event environmental safety at boxing, wrestling, and mixed martial arts competitions.

Revenue Sources and Relationships

The Lottery Commission fully funds the Lottery Security Section services (\$8.1 million). Native American Tribes fund the Tribal Gaming Section activities (\$3.7 million). The Vendor Investigation Section is funded by both the Oregon Lottery and vendors conducting business with Oregon's Gaming Tribes (\$1.1 million). License fees and a gross receipts tax (6%) fund the Oregon Athletic Commission regulatory activities (\$247,000). Three-fourths of any ending balance for the Oregon Athletic Commission is sent to the Children's Trust Fund; however, there has not been an ending balance during the past few biennia.

General Fund resources are not budgeted for this program. However, in the past and with legislative approval, OSP has needed to rebalance existing General Fund appropriations to cover shortfalls in revenue for ring sport regulation and/or employment related expenditures that would not have been fairly allocated to the Lottery or the tribal gaming centers.

Budget Environment

The workload of the Gaming Division is driven by the number and complexity of games, the number of retailers, and changing technology. The Oregon Lottery Commission now offers approximately 56 scratch-it games per year, and has about 3,960 lottery retailers with nearly 11,000 video lottery terminals throughout the state. The Lottery Security Section conducts background investigations on all prospective Lottery employees, game retailers, vendors, and contractors; and conducts compliance inspections on Lottery retailers with a goal of inspecting 75% of retailers each year.

Currently, there are eight tribal casinos operating over 7,200 slot machines in this state. The vendors who conduct business with both the Lottery and the tribal casinos are adding to their business models, often by purchasing subsidiary companies that operate in the area of complex gaming technology. This requires the Vendor Inspection Section to stay current in new technologies and to have adequate staff to provide appropriate investigations.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Gaming Division of \$12.3 million total funds is 13% more than the 2017-19 legislatively approved budget. This budget includes an investment of \$181,456 General Fund, \$100,058 Other Funds expenditure limitation, and one position which will resolve one double-filled position and one re-classified position, and fund overtime and shift differential costs. A total funds reduction of \$69,741

implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

State Fire Marshal

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	1,633,735	26,544,866	434,224	435,274
Other Funds	27,569,959	36,139,880	24,420,995	28,595,229
Federal Funds	492,671	524,590	545,233	544,696
Total Funds	29,696,365	63,209,336	25,400,452	29,575,199
Positions	68	68	65	67
FTE	65.92	68.00	65.00	66.88

Program Description

The Office of the State Fire Marshal (OSFM) protects life and property from fire and hazardous materials. It contains the following four major program areas:

- State Fire Marshal Leadership branch – Responsible for fire prevention and investigation, emergency response including the Conflagration Act, administration of the Uniform Fire Code, a clearing house for fire prevention information, and collection of fire incident data.
- Fire and Life Safety Education Services – Provides fire education and training resources for adults and youth, conducts fire data analytics, and tracks hazardous substance response by emergency personnel. Educational resources focus on structural and wildland-urban interface fire prevention and safety and fire prevention and intervention with youth. Fire data analytics are provided to fire organizations, consumer interest groups, and regulatory agencies, and are used to develop education programs and to target fire and building code enforcement.
- Emergency Response Services – Protects people and the environment from hazardous materials spills and leaks. This unit equips, trains, and administers 13 Regional Hazardous Materials Response Teams statewide, serves as the State Emergency Response Commission, as required by federal regulations, and facilitates the activities of Local Emergency Planning Committees. The Regulatory Services unit regulates the storage and use of explosives, fireworks, and liquid petroleum. This unit also administers regulations governing non-retail fuel dispensing.
- Fire and Life Safety Service – Provides fire investigation, fire inspection services, and training in communities that do not have full-service fire departments. This unit develops and maintains the Oregon Fire Code, conducts plan reviews for above-ground flammable and combustible liquid storage tanks, and conducts inspections for state buildings, prisons, and health care facilities. There are 15 Deputy Fire Marshals and supervising Deputy Fire Marshals who serve Oregon communities that choose to not provide their own full-service fire prevention programs.

Revenue Sources and Relationships

This Division is almost completely supported by Other Funds. The largest Other Funds revenue source for the State Fire Marshal is the Fire Insurance Premium Tax (FIPT), which is assessed on insurance companies based on the premiums they collect for property casualty insurance. A portion of the FIPT funds are transferred to the Department of Public Safety Standards and Training (\$5.5 million) and to the OSP Criminal Investigation Division (\$3.9 million), \$1 million supports internal administrative functions, and the remainder (\$16.5 million) is used for State Fire Marshal programs.

Additional Other Funds revenues are generated through the hazardous substance user fees (\$4.6 million) for the Community Right to Know program; petroleum load fees (\$5.3 million) for the Hazardous Response Teams; non-retail fuel dispensing fees (\$840,000) for card lock enforcement; licenses and permits (relating to liquefied

petroleum gas and fireworks) totaling \$890,000; and from an interagency agreement with the Department of Human Services for fire and life safety inspections of Medicare and Medicaid funded facilities (\$528,000). Federal Funds revenue of \$566,000 is from Hazardous Materials Emergency Preparedness grants from the U.S. Department of Transportation.

Budget Environment

Western states, including Oregon, have seen more severe firefighting seasons than usual for the past several summers, 2019 excepted. The Governor declared 6 conflagrations in 2015, 3 conflagrations in 2016, 4 conflagrations in 2017, and 11 conflagrations in 2018. Under the Emergency Conflagration Act (ORS 476.510 et seq.), the State Fire Marshal is responsible for directing the Oregon fire service during major emergency fire operations in the state by mobilizing task forces, incident management teams, and firefighting equipment and personnel. Estimated conflagration mobilization expenses incurred in 2015 and 2016 total \$8.9 million; expenses for 2017 and 2018 totaled \$33.2 million. Fires that are fought on both state and federal or tribal lands are eligible for partial reimbursement of expenses from the federal government, a situation that creates both fiscal complexity for the agency due to the cash “float” required, and a shortfall for the state, as federal reimbursements have lagged for up to four years after an incident.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for the Office of the State Fire Marshal of \$29.6 million total funds is 53.2% less than the 2017-19 legislatively approved budget. This large reduction is entirely due to the phase-out of \$28.3 million one-time funds for 2017 and 2018 fire season costs. This budget includes a modest investment of \$2,444 General Fund, \$629,424 Other Funds expenditure limitation, and two positions (1.88) for two new positions, and overtime and shift differential costs. A one-time increase of \$3.6 million Other Funds expenditure limitation in the Regional Hazardous Materials Emergency Response Team program will allow the program to spend accumulated fund balance on replacement vehicles and equipment for the 13 hazardous materials response teams located throughout the state, and a total funds reduction of \$57,121 implements reductions to state government service charges, Attorney General rates, PERS rate adjustments, and other statewide assessments.

Debt Service

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	--	--	--	356,360
Other Funds	--	--	--	148,840
Total Funds	--	--	--	505,200

Program Description

SB 236 (2015) gave the Oregon State Police the authority to own real property. In 2017, the Department of Administrative Services transferred ownership of the Central Point patrol facility to OSP, which assumed the four years of debt service remaining on bonds issued in 2002 to upgrade the Forensics Lab in the facility. The 2017-19 legislatively adopted budget included a budget-neutral action that converted \$508,000 of rent expense into principal and interest payments on the debt.

Legislatively Adopted Budget

Debt service is broken out in a separate OSP budget structure for the first time in 2019-21. The total funds budget of \$505,200 is 0.5% less than debt service paid in 2017-19.

DEPARTMENT OF PUBLIC SAFETY STANDARDS AND TRAINING

Analyst: Neburka

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	10,052,511	9,795,963	9,665,010	9,665,010
Other Funds	39,321,468	49,438,284	50,395,589	48,102,591
Federal Funds	6,394,657	8,338,314	7,364,566	7,689,376
Total Funds	55,768,636	67,572,561	67,425,165	65,456,977
Positions	154	166	157	152
FTE	146.58	157.97	155.21	149.87

Overview

The Department of Public Safety Standards and Training (DPSST) is responsible for developing and maintaining standards for employment and providing training to over 45,000 public and private safety professionals in Oregon through five programs:

- Criminal Justice Training and Certification Program – Provides training and certification for state troopers, city, county, tribal and university police, sheriff deputies, local correctional officers, parole and probation officers, 9-1-1 telecommunicators, emergency medical dispatchers, Oregon Liquor Control Commission (OLCC) regulatory specialists, and Criminal Justice instructors. Mandated training is set out by statute or rule, and ranges from 16 weeks for the basic police course, six weeks for local correctional officers, five weeks for parole and probation officers (with an additional week for those who carry firearms), three weeks for telecommunicators, and one week for emergency medical dispatchers. The first training class for the certification of regulatory specialists was in 2016, mandated by SB 1528 (2012). The Department of Corrections (DOC) continues to train its correctional officers using a Board-approved curriculum with DPSST auditing DOC's training program. DPSST maintains basic, intermediate, advanced, supervisory, management, and executive level certifications for approximately 14,000 state and local criminal justice professionals.
- Fire Training and Certification Program – Provides training across the state to over 13,000 career and volunteer firefighters through hundreds of classes annually. This program also certifies firefighters based on national standards, maintains approximately 49,300 certifications for fire service professionals, and accredits fire departments and local training programs that meet minimum Board-approved requirements.
- Private Security Program – Provides training and licensing to private security providers, private investigators and polygraph examiners to enhance professionalism, assist in meeting minimum standards and enforces certification and licensure requirements when applicable and necessary. There are about 1,500 private security entities/businesses that provide private security services and almost 22,000 private security providers statewide. There are approximately 772 active licensed private investigators in the state of Oregon and approximately 50 licensed polygraph examiners.
- Administration and Support Services Program – Includes the director's office, business and human resource functions, and information systems. In addition, this program includes the costs of operating the Salem training facility (including food service, housekeeping, operations, and maintenance), as well as the debt service for the facility's construction. This program provides accounting support for Oregon's federal High Intensity Drug Trafficking Area (HIDTA) grant program.
- Public Safety Memorial Fund – Provides financial assistance to family members of public safety officers who are killed or permanently and totally disabled in the line of duty.

Additionally, DPSST serves as the fiduciary agent for the Oregon-Idaho High Intensity Drug Trafficking Area (HIDTA) program, a cooperative effort to disrupt and dismantle drug trafficking and money-laundering

organizations and to reduce the availability of and demand for illegal drugs. This program is federally funded through the Office of National Drug Control Policy, which will provide \$7.4 million in the 2019-21 biennium to support the 26 initiatives operated by the Oregon-Idaho HIDTA program.

Most training is provided at DPSST's 236-acre Oregon Public Training Academy in Salem, completed in 2005. In addition to classroom and dormitory facilities, the training academy contains an emergency vehicle operations course, an indoor firearms range, a tactical tower for firefighter and search and rescue training, and various "scenario" buildings, replicating schools, homes, businesses, and other buildings typically found in Oregon communities. The agency also has regional offices in four locations – Central Point, Eugene, Hermiston, and Redmond. The agency has professional trainers on staff, but also relies heavily on part-time trainers who are practicing professionals in their fields.

Total Funds Budget by Program Area

Program Area	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
Criminal Justice	20,122,457	26,925,694	26,987,494	24,441,833
Fire Training	4,532,564	6,886,425	4,958,540	5,277,191
Private Security	2,130,437	2,489,187	2,523,497	2,727,462
Admin and Support	13,200,317	14,116,040	15,646,381	15,702,565
Debt Service	9,550,468	9,795,963	9,665,010	9,665,010
PS Memorial Fund	161,247	269,438	279,677	279,495
Oregon HIDTA	6,071,146	7,089,814	7,364,566	7,363,421
Total Funds	55,768,636	67,572,561	67,425,165	65,456,977

Revenue Sources and Relationships

General Fund resources support only debt service payments for the training facility in Salem. The agency's primary source of funding is an allocation from the Criminal Fine Account (CFA) totaling \$32 million, which supports the Criminal Justice Training and Certification, Administration, and Support Services Programs, and the Public Safety Memorial Fund. The second largest source of Other Funds is a transfer of \$5.5 million of Fire Insurance Premium Tax (FIPT) revenue from the Department of State Police, Office of the State Fire Marshal to support fire services training.

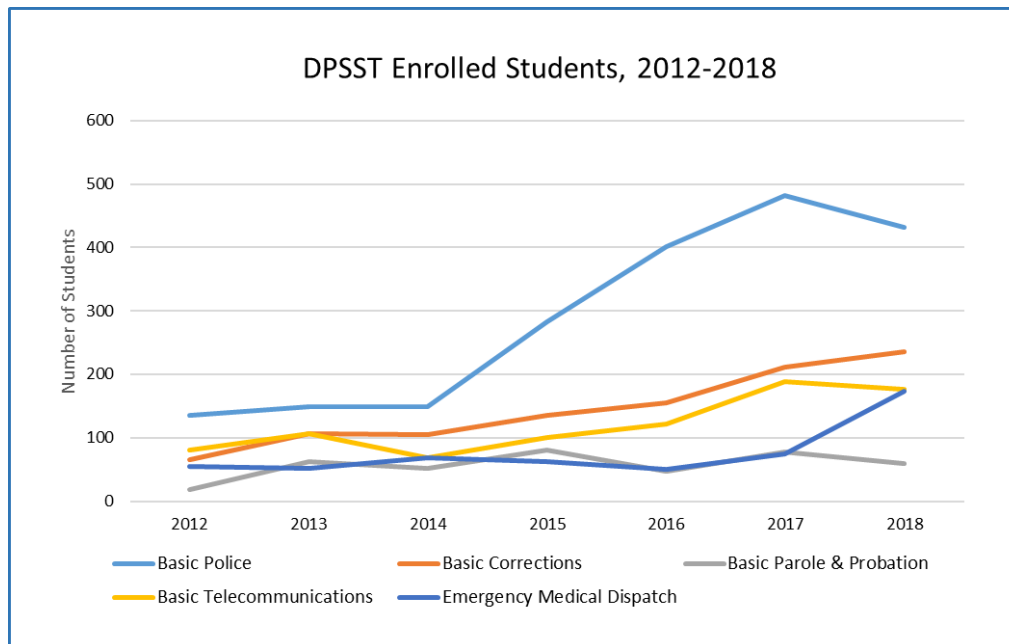
The agency charges licensing and certification fees to support the Private Security/Investigators Program (\$2.2 million), and receives traffic safety grant funding from the Oregon Department of Transportation (\$0.4 million). The 9-1-1 telephone excise tax (\$0.8 million) supports training services for telecommunicators and emergency medical dispatchers.

Federal dollars are received from the Federal Emergency Management Agency for training developed by the U.S. Fire Academy, and from the U.S. Department of Justice to coordinate training for the High-Intensity Drug Trafficking Area program. The agency annually applies for and receives a federal Assistance to Firefighters grant averaging about \$0.4 million from the U.S. Department of Homeland Security, available to state fire training academies for equipment, personal protective equipment, and vehicle acquisition.

Budget Environment

While not the sole source of continuing public safety training, DPSST is the sole provider of the statutorily mandated Basic criminal justice training, and is a primary provider of essential and perishable skills training for public safety professionals throughout Oregon. As local economies improved in the aftermath of the most recent recession and as the number of retiring "baby boomers" increased, state and local public safety agencies increased hiring in order to fill vacant positions. Demand for Basic Police classes increased dramatically between 2014-2017, leveling off during 2018. The 2019-21 budget reduced the number of budgeted Basic Police classes

from 20 to 16, but the agency may need to add classes to its 2019-21 schedule in order to certify new public safety officers in a timely manner in the event that public safety agency hiring picks up again.



HB 2355 (2017) created the Statistical Transparency of Policing (STOP) Program, which requires that data on traffic and pedestrian stops by law enforcement in Oregon be recorded, analyzed, and used to reduce the incidence of racial profiling. The program required DPSST to develop and provide training and procedures to law enforcement agencies in order for them to begin collecting data by July 1, 2018, and the 2017-19 legislatively approved budget contained \$431,330 of Other Funds expenditure limitation and two positions (1.84 FTE) to develop procedures and begin work on an educational program to reduce profiling. The 2019-21 legislatively adopted budget continues investment in the STOP program with Other Funds expenditure limitation of \$329,156 and two training positions (1.50 FTE) to provide training and technical assistance to local police agencies related to the prevention of profiling.

As of 2015, fiduciary responsibility for Oregon’s federal HIDTA grant program transferred from the Department of Justice (DOJ) to DPSST. DPSST now serves as the fiscal agent through which federal HIDTA grant funds flow to initiatives to reduce drug trafficking in the state. This role requires DPSST to submit requests to the federal government for funding, ensure that the federal fiscal rules are followed, and distribute funds to the various initiatives. Total HIDTA grant revenues for the 2019-21 biennium are projected at \$7,510,678. Of this amount, \$2,688,392 will be transferred to DOJ for its HIDTA initiative; \$4,214,456 will be granted to Oregon cities, counties, or multi-jurisdictional entities for drug trafficking reduction initiatives; and \$606,685 will be used by DPSST for grant accounting and administrative support.

The Oregon Public Safety Academy campus is 14 years old, and though the buildings are comparatively new and well-maintained, the facility is heavily used, and emergency repairs to fire and life-safety systems were required in 2017. A Facility Conditions Assessment was completed for the Public Safety Campus in 2018, which identified \$19.8 million of deferred maintenance items needing attention in the upcoming ten-year period. Of these projects, repairs to or replacement of various plumbing fixtures, kitchen equipment, heating units, and HVAC systems are identified as “currently critical” needs. Additional repairs to gutters and downspouts, exterior caulking and sealing, and window replacements are identified as “potentially critical,” and the 2019-21 budget includes \$436,945 Other Funds expenditure limitation on a one-time basis for these deferred maintenance projects.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget for this agency is \$65.5 million total funds, which is 3.1% less than the 2017-19 legislatively approved budget and 2.9% less than the current service level. Several budgetary actions net to this modest change in funding:

- The legislatively adopted budget reduced four Basic Police training classes and eliminated eight positions (8.00 FTE), for a Criminal Fines Account revenue savings of \$2.5 million. An additional \$428,082 of budgetary savings was achieved by eliminating the inflationary increment on services and supplies.
- A \$325,955 federal Assistance to Firefighters grant award was carried over into 2019-21 to purchase a new fire truck.
- The Statistical Transparency of Policing (STOP) program was increased by \$329,156 and two positions (1.50 FTE).
- One position (0.83 FTE) and \$211,676 Other Funds expenditure limitation was added to the fee-supported Private Security and Investigators program.
- \$436,945 Other Funds expenditure limitation (Criminal Fines Account) is provided on a one-time basis to address deferred maintenance items identified as “currently critical” or “potentially critical” in DPSST’s 2018 Facility Condition Assessment.

OREGON YOUTH AUTHORITY

Analyst: Neburka

Agency Totals

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	290,295,711	312,595,798	336,271,676	330,726,201
Other Funds	55,497,491	60,852,433	7,316,478	14,553,422
Federal Funds	26,348,882	37,328,320	40,671,277	40,643,083
Total Funds	372,142,084	410,776,551	384,259,431	385,922,706
Positions	1,014	1,023	972	1,008
FTE	981.80	950.68	944.13	980.88

Overview

The Oregon Youth Authority (OYA) is a fundamental partner in the state's juvenile justice system. Its statutory purpose is to protect the public, hold youth offenders accountable for their actions, and provide youth offenders with opportunities for reform in safe environments. OYA works closely with county juvenile departments, the judicial system, and other youth-serving systems.

OYA provides a balanced continuum of services through a statewide network of close-custody facilities and contracted community providers. OYA manages out-of-home placement of youth in foster homes and General Fund, Other Funds and Medicaid-funded residential treatment programs; provides parole and probation services; provides funding to counties for basic juvenile crime prevention services and diversion from OYA commitment; and operates the state juvenile corrections institutions. Youth correctional facilities are located in Albany, Burns, Grants Pass, Tillamook, and Woodburn; transition facilities are in Florence, La Grande, Albany, and Tillamook. OYA's facilities and services are designed to address:

- Offenders ranging in age from 12 through 24.
- Unique treatment and reformation needs for males and females.
- Diverse ethnic groups.
- Offenders whose crimes range from behavioral offenses and property crimes to person-to-person crimes, such as assault.
- Mentally ill and developmentally disabled offenders.

OYA's jurisdiction includes youth adjudicated as juveniles and young offenders convicted as adults who committed their crimes before age 18. There are no mandatory sentence lengths for juveniles whose cases are heard in juvenile court. Youth committed to OYA through adult court are in the legal custody of the Department of Corrections (DOC), but in the physical custody of OYA. OYA may keep youth until their 25th birthday, but may transfer offenders committed through adult court to DOC earlier if they are dangerous or if they can be better served in an adult facility. Ballot Measure 11 (1994) set mandatory sentences through adult court for 15-17 year old juveniles who are convicted of certain offenses. OYA is funded to provide 610 close-custody beds. Approximately half of the close custody capacity is for youth adjudicated in juvenile court. The remaining beds are for youth convicted in adult court or waived on Measure 11 offenses.

Revenue Sources and Relationships

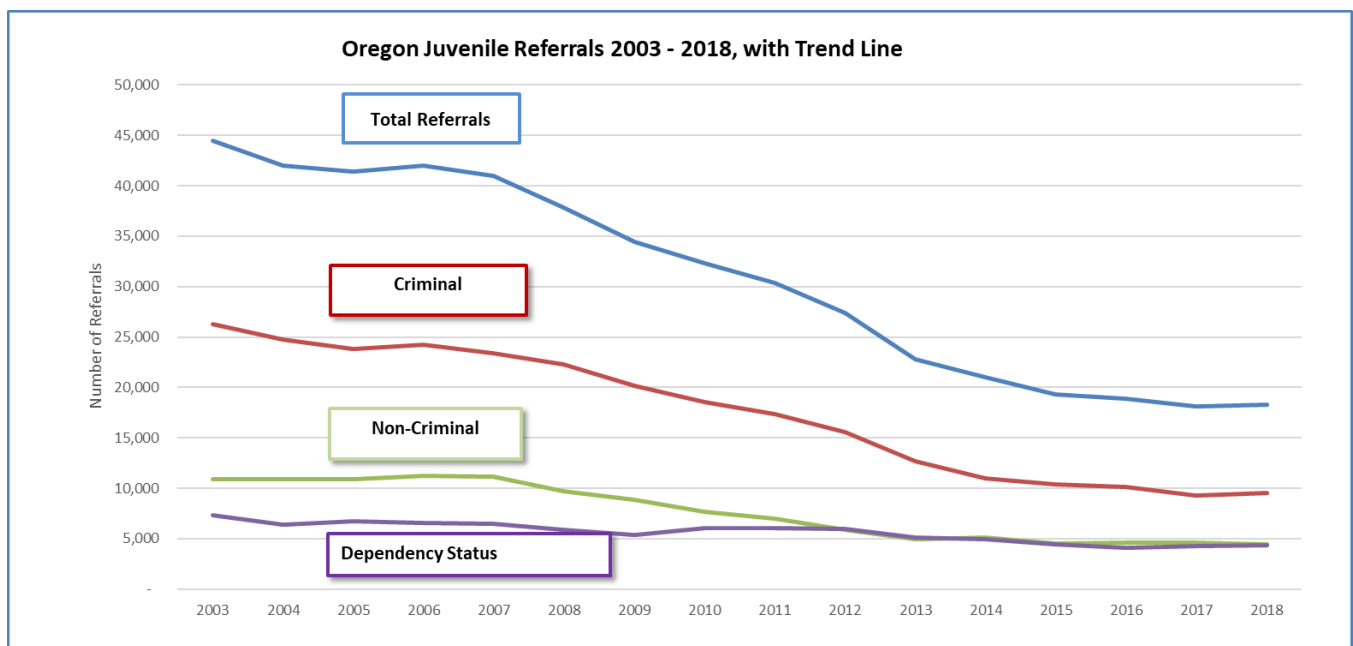
General Fund supports the majority of OYA's activities and operations. Typically, anywhere from 9% to 11% of the total operating budget comes from Federal Funds, and about 3% to 6% from Other Funds. The extensive capital construction program started in 2015-17 is bond-financed (Other Funds).

Federal Medicaid reimbursements partially pay for the cost of community residential treatment programs and targeted case management services provided by OYA juvenile parole and probation staff. The budget anticipates continuing revenue from this federal source, which provides about 48.9% of the funding for residential treatment and about 17% of parole and probation staff personnel costs. Overall, federal fund reimbursements will cover about 29% of the Community Services program costs in the 2019-21 biennium. Residential treatment room and board costs are supported with General Fund.

The largest Other Funds sources of operating revenues are child support recovery and youth trust fund reimbursements, and the U.S. Department of Agriculture (USDA) School Nutrition Program. The budget includes \$2.6 million Other Funds from child support and other assets of the youth, who are billed for part of the cost of care provided in OYA out-of-home placements and OYA close custody; and \$2 million from the USDA School Nutrition Program.

Budget Environment

The majority of youth enter Oregon's juvenile justice system through referrals to county juvenile departments. Oregon has experienced a substantial decline in referrals to county juvenile departments over the past 15 years. A simple comparison between 2003 and 2018 shows total referrals have declined by 59%. Furthermore, while not evident in the graph below, referrals in the two major crime types posted large decreases during the 2003–2018 period: felony (-63.6%) and misdemeanor (-63.4%). Also notable is that referral trends do not track the size of Oregon's at-risk population—youth age 10 to 17—which has remained almost completely flat (0.1% decrease from 2003 to 2018). Of the 11,856 youth who received a disposition on a referral in 2018, 20% were adjudicated delinquent and 17% of those adjudicated youth (3.4% of all youth dispositions) were placed on OYA supervision or committed to OYA close custody.



While juvenile referrals are dropping, there remains a need for services. The Department of Administrative Services' Office of Economic Analysis (OEA) prepares a semi-annual forecast of demand for close custody and community placements. The close custody forecast includes three major groups: juveniles convicted in adult court under Measure 11 or waived under ORS 419C.340 (also referred to as DOC youth); Public Safety Reserve (PSR) youth committed for certain violent crimes, but too young for Measure 11 to apply; and youth committed for new crimes and parole violations as part of the county discretionary bed allocation. A fourth category, community placement, covers youth committed to OYA and placed in residential treatment or foster care while on probation or parole.

DOC and PSR youth are considered mandatory caseload and are forecast like the DOC adult population. Forecasting discretionary close-custody and residential treatment demand is based on the Youth Reformation System (YRS), that determines recidivism risk based on a range of factors including the youth's placement. This model helps forecast the setting that best meets each youth's treatment needs and is most likely to lead to the lowest probability of committing another crime within three years of release from OYA's custody. The forecast is based on estimated demand and is indifferent to available budget, available close-custody capacity, or whether the demand is met.

In 2013, to address the declining youth population and the agency's increasing deferred maintenance requirements, the Legislature directed the agency to study and report on the optimum use of existing, aging facilities in the Willamette Valley to maximize the efficiency and effectiveness of operations. Additionally, the Legislature directed the agency to continue developing the Youth Reformation System method of determining the best evidence-based placement and treatment for each youth so that the youth is released from OYA prepared to be a productive, crime-free, healthy member of the community.

Accordingly, OYA developed the 10-Year Strategic Plan for Facilities, which recommended the following facility improvements. The current status of these improvements is noted in italicized font.

- Aligning programs with physical layout by changing close custody configuration at all facilities such that, for example, the number of beds per unit is reduced from 25 to 16 to provide more attention to the youth, starting with the MacLaren facility. ***Underway, as of 7/1/2019***
- Constructing 6, 16-bed single occupancy units at MacLaren. ***Complete***
- Closing the Hillcrest facility by June 30, 2017. ***Complete***.
- Opening and operating the existing young women's transitional housing facility at Oak Creek. ***Complete***
- Improving youth intake. ***Underway, as of 7/1/2019***
- Improving other facilities, such as adding a machine shop for expanded vocational education at the Burns facility. ***Complete***
- Addressing ADA, seismic, and deferred maintenance needs statewide. ***Underway, as of 7/1/2019***

In 2015, the Legislature authorized \$49 million in bond proceeds to fund the first half of the plan's implementation. The 2017-19 legislatively adopted budget included \$49.3 million in additional Article XI-Q bond proceeds and 6-year capital construction expenditure limitation to continue construction on improvements throughout the system as laid out in the 10-Year Strategic Plan. Some construction timelines have slipped and some estimated construction costs have increased; pending further modifications to the project scope, the revised timeframe for completion is June 2023.

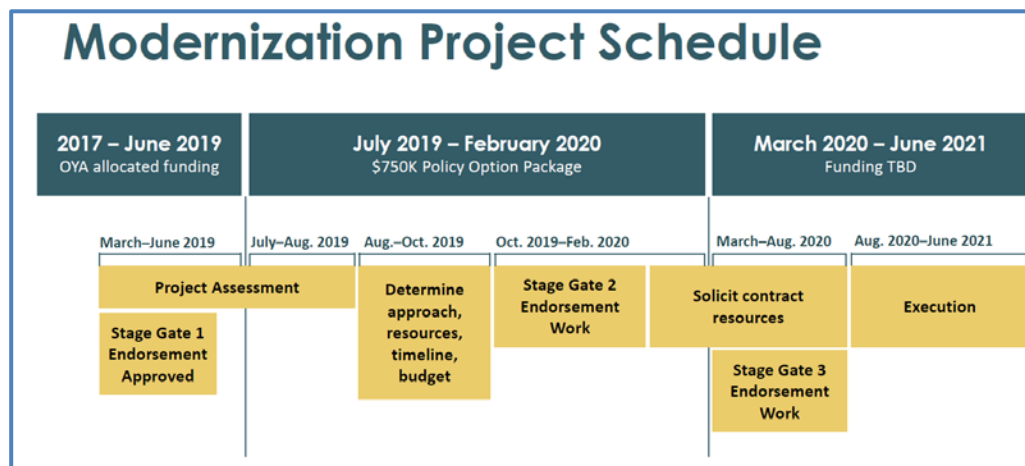
SB 267 (2003) requires state agencies that provide certain treatment programming to gradually increase the percentage of state-funded treatment that is evidence-based. From 2009-11 forward, compliance was defined as 75% of treatment funding being used for evidence-based programs. OYA operates evidence-based treatment and intervention programs such as sex offender or drug and alcohol treatment, family based treatment, and transition services. These programs exceed the Legislature's requirement, achieving 92% compliance, as reported in the September 2018 progress report to the interim Judiciary Committees.

Oregon is one of only three states in the nation to employ a statewide database for youth in the justice system. The Juvenile Justice Information System (JJIS) is used by OYA and by all 36 county juvenile departments for youth case management; the system is based on "one youth, one record," and contains over 20 years of data on the nearly half a million youth who have come into contact with the juvenile justice system in Oregon. This dataset is the foundational data source for the agency's Youth Reformation System, and supports program evaluation, case planning, legislation, policy development, and the predictive analytic tools used to manage risk and to match youth with services most likely to reduce recidivism.

JJIS was implemented in 1995 and its user interface is now functionally obsolete and unsupported by the vendor. Because it has no mobile capabilities, the current version of JJIS can only be accessed at the authorized user's

desk. Juvenile justice professionals across Oregon can't access JJIS via the web or mobile devices, which impedes their ability to make operational and data-informed decisions while engaging with youth at all hours in their homes, schools, or in the communities in which they live. In addition, the ability to integrate and interface JJIS with other applications is limited, which inhibits the Department's ability to develop key connections with other internally deployed or partner agency systems.

If JJIS fails because of obsolete technology, more than 2,500 juvenile justice workers will be unable to adequately do their jobs. OYA would have to completely restructure accounting operations related to youth services, including child support, Supplemental Security Income (SSI), youth trust accounts, and contracted provider payments. Additionally, if county-level juvenile justice agencies find that JJIS is not meeting their business needs (which is increasingly the case), they will stop using JJIS and pursue the acquisition and deployment of separate information systems. This would jeopardize the "one youth, one record" system that Oregon's juvenile justice system relies upon for decision support. The 2019-21 legislatively adopted budget includes \$750,000 General Fund to begin the JJIS Modernization Project.



Legislatively Adopted Budget

The 2019-21 legislatively adopted budget of \$385.9 million total funds is 6% less than the 2017-19 legislatively approved budget; the General Fund budget of \$330.7 million is 5.8% higher than 2017-19 and 1.6% less than current service level. The total funds reduction is the result of a \$43 million reduction in Other Funds expenditure limitation for capital construction, described in more detail below. The Legislature kept direct county funding assistance at the current service level in county Juvenile Crime Prevention Basic Services, Diversion funding, and Multnomah County's gang intervention services.

Agency-wide changes include:

- Reduced funding for community residential treatment beds of \$2.2 million General Fund, to reflect lower-than-anticipated demand for residential treatment services.
- \$750,000 General Fund and \$24,218 Federal Funds expenditure limitation for planning an upgrade to the Juvenile Justice Information System.
- Increased funding of \$560,699 General Fund for Vocational Education Services for Older Youth (VESOY) service providers.
- \$155,655 General Fund and 0.75 FTE for improved dental services available to young women in the Oak Creek Youth Correctional Facility.
- A \$6 million net-zero re-allocation of budgeted funds between program areas, which added 33 positions (33.00 FTE) in the Facilities program and three positions in Program Support, and reduced residential treatment beds by 60 in the Community Services program.

- \$6,369,577 in Other Funds six-year Capital Construction expenditure limitation, to renovate medical and dental clinic spaces at the Tillamook and Oak Creek Youth Correctional Facilities, to renovate the infirmary and pharmacy spaces at MacLaren, and to update control rooms in OYA facilities.

Facility Programs

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	161,441,406	160,971,633	168,435,919	173,988,526
Other Funds	4,486,501	7,866,055	4,896,783	5,669,150
Federal Funds	--	8,162	129	129
Total Funds	165,927,907	168,845,850	173,332,831	179,657,805
Positions	761	753	704	737
FTE	729.79	681.43	676.50	710.25

Program Description

OYA operates close-custody facilities across the state with varying levels of security and structure and a range of treatment services. Facilities include:

- Oak Creek Youth Correctional Facility (YCF) for young women and the Young Women Transition Program (YWTP) in Albany
- Eastern Oregon YCF in Burns
- Camp Florence Youth Transitional Facility (YTF) in Florence
- Rogue Valley YCF in Grants Pass
- Camp Riverbend YTF in La Grande
- Camp Tillamook YTF and Tillamook YCF in Tillamook
- MacLaren YCF in Woodburn

The following two facilities closed in the first quarter of the 2017-19 biennium:

- Hillcrest YCF in Salem
- North Coast YCF in Warrenton

The total of 610 beds budgeted for 2019-21 includes 521 beds in five youth correctional facilities for youth adjudicated for more serious offenses, and 89 beds in four formal transition facilities to help youth move successfully back into the community. The agency continues to implement its Ten-Year Plan for Facilities, and as of September 1, 2017, closed the Hillcrest YCF and moved all youth, staff, and programs to MacLaren, which serves a variety of populations, as well as providing statewide male intake and parole violator intake assessment activities. Other facilities range in size from 14 to 100 beds, and serve targeted populations such as male sex offenders, male youth receiving substance abuse services, and female youth.

The focus in the facilities is on reformation and rehabilitation in the context of public safety, and restitution to victims and the community. The facilities provide treatment services, educational programs, and work experience for youth. Treatment, health, and mental health services are provided by OYA employees and through contracts with community professionals. Local school districts or education service districts provide education and vocational programs. Education services for eligible youth are supported by the state school fund, while vocational and other educational services for older youth are paid for within the OYA budget.

Budget Environment

Referrals for juvenile delinquency have gone down consistently for the past fifteen years, and sharply since 2007, to just 41% of the number of referrals in 2003. The acuity of youth in close-custody facilities with mental health and substance abuse disorders remains high, however, so in addition to providing “bed and board” for youth

offenders, the facilities provide a range of services as needed for correctional treatment; physical, dental, and mental health; substance abuse; recreation; classroom and vocational education; life skills and work experience; and other support services. OYA uses risk and needs assessment tools to develop individual correctional case plans for all youth placed in its custody, whether in a close-custody or community placement. OYA reports in the 2018 Biopsychosocial Summary that 62% of male and 78% of female offenders in its custody have been assessed as substance-abusive or -dependent. Further, about 77% of the males and 90% of the females meet the psychiatric requirements for a mental health disorder.

OYA has taken significant steps toward providing services tailored for young women. Female youth in the juvenile justice system tend to have more acute physical and mental health needs, respond to untreated trauma differently than male youth, and commit different offenses than do male youth. A 2016 audit found that young women in OYA custody did not have equitable transition services, which help youth to develop skills they need to successfully return to the community. In 2015-17, the agency operated the young women's transition project on a pilot basis; the 2017-19 budget made the program ongoing.

Legislatively Adopted Budget

The legislatively adopted total funds Facilities budget of \$179.7 million is 6.4% higher than the 2017-19 legislatively approved budget, and is 3.6% more than the current service level budget. The significant change to this program is the establishment of 30 Group Life Coordinator 2 positions (\$4.7 million General Fund) in the close custody facilities to provide relief staff coverage on an ongoing basis. These positions replace temporary staff used for relief coverage, and eliminate 30 double-filled positions; they are funded by a reduction in the budget for community residential treatment beds in the Community Services Division, for a net zero impact to the agency's budget in the 2019-21 biennium.

Other modest changes include:

- Establishing three positions (3.00 FTE) to improve the provision of substance abuse, psychological, and health services in close custody facilities, \$603,346 General Fund. This budget increase is funded by a reduction in the budget for community residential treatment beds in the Community Services Division, for a net zero impact to the agency's budget in the 2019-21 biennium.
- Increasing the FTE of three Dental Services positions to provide dental services more efficiently to young women at the Oak Creek Youth Correctional Facility, \$155,655 General Fund and 0.75 FTE.
- Providing \$560,699 General Fund to improve the rate paid to providers of Vocational Education Services for Older Youth (VESOY).
- Statewide budget changes that net to \$270,274 total funds, including reductions to State Government Service and Attorney General charges, PERS rate adjustments, changes to other assessments, and the cost of issuance on bonds authorized in HB 5005 (2019).

Community Programs

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	79,834,316	94,897,126	103,206,777	94,812,977
Other Funds	1,898,222	3,590,925	2,340,247	2,340,247
Federal Funds	25,053,891	35,995,745	39,142,262	39,101,434
Total Funds	106,786,429	134,483,796	144,689,286	136,254,658
Positions	140	140	138	138
FTE	139.25	139.25	137.63	137.63

Program Description

Community Programs provide community-based supervision and services to youth offenders committed to OYA by the juvenile courts. Agency staff members design an individual treatment and reformation plan for each youth in OYA's custody. The Community Programs budget includes funding for community residential services and foster care; parole and probation services; individualized community services; and assistance to county juvenile departments for diverting high-risk youth offenders from OYA placement, basic local juvenile justice services, and youth gang services in Multnomah County.

Budget Environment

As of July 2019, OYA had 400 youth in the community on probation and 330 youth on parole. OYA staff provide case management services to youth on probation and parole, and case planning in facilities. Further, the agency contracts for a range of other treatment services and residential placements with foster care or Behavioral Rehabilitation Services (BRS) providers.

Rates paid to BRS providers were first established in 1997 and were updated only for small inflationary increases during the following decade. Providers have faced steadily increasing operating costs, such as liability insurance and utility costs, and are serving more youth with greater needs. In September 2011, the Alliance of Children's Programs filed a lawsuit against the state alleging, among other things, that BRS service providers were not being reimbursed adequately for children's room and board, as required by federal rules. In late June 2014, state agencies and the Alliance of Children's Programs signed a settlement agreement in which the affected state agencies – DHS, OHA, and OYA – agreed to undertake a comprehensive review of all BRS programs, the rate methodology used to develop the rates, and to seek to implement recommended reforms or rate increases. The Legislature approved BRS rate increases for the three agencies in the 2015-17 biennium and again in the 2017-19 biennium.

Funding for Behavioral Rehabilitation Services may need to be revisited again due to the passage of SB 171 (2019), which requires the Oregon Department of Human Services (DHS) to make program changes to align state law and practice with requirements under the federal Family First Prevention Services Act. Some of these requirements may increase the payments made to service providers used by both DHS and OYA that are qualified residential treatment programs (QRTP); other requirements prohibit DHS from placing a child or state ward in a residential care facility that also serves OYA or county juvenile department youth, which may limit resources available to the Department.

Legislatively Adopted Budget

The Community Programs 2019-21 legislatively adopted total funds budget of \$136.3 million is 1.3% more than the 2017-19 legislatively approved budget and 5.8% below the current service level. This level of funding provides about 380 community treatment, foster care, and residential beds, reduced from a funded bed level of 500 in the 2017-19 biennium. As of July 2019, the agency housed an average of 304 youth in residential placements throughout the state.

The 2019-21 payments to counties for juvenile crime prevention and diversion are set at \$19.2 million General Fund. State support for gang prevention, intervention, and enforcement activities in Multnomah County is budgeted at \$5.7 million General Fund, which is a 3.8% increase from 2017-19 service levels. The amount includes \$2 million General Fund specifically designated for the East Metro Gang Enforcement Team and \$3.7 million for Multnomah County gang intervention.

Program Support

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	42,934,078	43,897,090	48,008,565	48,312,857
Other Funds	93,333	76,539	79,448	79,448
Federal Funds	1,294,991	1,324,413	1,528,886	1,541,520
Total Funds	44,322,402	45,298,042	49,616,899	49,933,825
Positions	113	130	130	133
FTE	112.76	130.00	130.00	133.00

Program Description

The Program Support unit includes the director's office and OYA's business services, such as accounting, employee services, budget and contracts, and information systems staff and expenditures. It also includes the agency's internal audits office, the Office of Professional Standards, and Development Services, which consists of offices that oversee Behavioral Health and Treatment Services, Education and Vocation, Family Engagement, Inclusion and Intercultural Relations, and the Youth Reformation System/Positive Human Development. The operational costs of the statewide Juvenile Justice Information System (JJIS) are also part of this budget. Agency-wide costs that are not allocated to other programs, such as insurance premiums and attorney general costs, complete this budget. A primary responsibility of this division is developing and managing implementation of the Youth Reformation System.

Budget Environment

The major cost driver in this budget is intergovernmental service charges, which pay for some shared government functions and pooled costs, such as risk insurance. These costs make up a substantial portion of the Program Support budget.

Legislatively Adopted Budget

The 2019-21 Program Support total funds budget of \$49.9 million is 10.2% higher than the 2017-19 legislatively approved budget and 0.6% above current service level. The budget includes \$750,000 General Fund to move the Juvenile Justice Information System (JJIS) modernization project through Stagegate 2; three positions (3.00 FTE), \$672,680 General Fund, and \$21,737 Other Funds to establish two Information Systems Specialist positions and one Internal Investigator position; and a net total funds reduction of \$1.2 million for statewide budget changes to State Government Service and Attorney General charges, PERS rate adjustments, and changes to other assessments.

Debt Service

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	5,340,858	11,294,254	15,026,340	12,017,766
Other Funds	--	--	--	95,000
Total Funds	5,340,858	11,294,254	15,026,340	12,112,766

Program Description

OYA pays debt service on Article XI-Q bonds issued through the Department of Administrative Services. The 2019-21 budget includes \$11.1 million General Fund for previously financed infrastructure and deferred maintenance needs in OYA's facilities and \$0.9 million General Fund for new debt service on bonds anticipated to be sold during the current biennium. Since 2009, projects have included control room and HVAC renovations at Burns, Albany, La Grande, and Warrenton, as well as significant facilities renovations at Albany, Hillcrest (Salem), MacLaren (Woodburn), Rogue Valley (Grants Pass), and the Youth Correctional Facility in Tillamook.

Budget Environment

OYA's debt service budget is supported by General Fund and reflects the estimated cost of debt on all certificates of participation and Article XI-Q bonds sold or approved to be sold for the agency. The Legislature approved \$49.3 million in new debt obligations in 2017-19, and another \$34.4 million was approved for 2019-21. Bond sales planned for October 2019, March 2020, and May 2021 will require an additional \$0.9 million General Fund for debt service in the 2019-21 biennium.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget is set at a level to cover existing and new debt. The new debt service in the amount of \$0.9 million General Fund is associated with project work described in the following Capital Construction section. Other Funds limitation is provided at \$0.8 million for the cost of issuing \$34.4 million in Article XI-Q bonds. Cost of issuance is budgeted in the Facility Program.

Capital Improvements and Capital Construction

	2015-17 Actual	2017-19 Legislatively Approved	2019-21 Current Service Level	2019-21 Legislatively Adopted
General Fund	745,053	1,535,695	1,594,075	1,594,075
Other Funds	49,019,435	49,318,914	--	6,369,577
Total Funds	49,764,488	50,854,609	1,594,075	7,963,652

Program Description

The capital budgets reflect spending on OYA's 90 buildings at 7 locations, which have an estimated \$219.2 million replacement value. Capital Improvement covers land and building improvements that cost more than \$5,000 but less than \$1 million (General Fund in the above display). The Capital Construction Program provides safe and secure facilities through new construction, building, or system renovation; land acquisitions; assessments; and improvements or additions to existing buildings with an aggregate cost of \$1 million or more, and is represented in the Other Funds line in the previous display. Planning for future capital construction projects is also included in this category.

Budget Environment

The agency constructed the regional youth correctional facilities in 1997. These facilities have reached an age where maintenance and repair needs have increased. Most of OYA's other facilities are much older, and while all

the agency's buildings are in fair condition, maintenance continues to be deferred and necessary improvements remain in building safety, security, and functionality. Also relevant is that the building designs no longer comport with evidence-based best practices around living, learning, and therapeutic space. Current remodeling and construction projects in close-custody facilities are intended to bring facilities into alignment with the Youth Reformation System.

Legislatively Adopted Budget

The 2019-21 legislatively adopted budget includes \$34.4 million in Article XI-Q bond proceeds for current and prior-biennia capital projects as laid out in the 10-Year Strategic Plan for Facilities. Ongoing projects include:

- The West 7 Cottages renovation project at the MacLaren Youth Corrections Facility (YCF) in Woodburn.
- Renovation of four living units at the Rogue Valley YCF (Grants Pass).
- Completing electronic security improvements in all OYA close-custody facilities.
- Deferred Maintenance and Capital Improvements across all facilities.

New capital construction 6-year expenditure limitation of \$6.4 million will pay for the following:

- Renovations to the medical and dental clinic at the Tillamook Youth Correctional Facility.
- Renovations to the infirmary and pharmacy spaces at MacLaren.
- Renovations to the medical and dental clinic at the Oak Creek Youth Correctional Facility.
- Renovations to control rooms throughout the Department's close custody facilities.

The total 10-Year Plan cost is currently estimated at just over \$100 million through 2019-21; the first four years' worth of projects both in progress and completed have cost \$48.4 million as of March 31, 2019.