

BUDGET REPORTS—2011 LEGISLATIVE SESSION

76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 3560-B

Carrier – House: Rep. G. Smith

Carrier – Senate: Sen. Nelson

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: June 20, 2011

Agency
Oregon Department of Agriculture

Budget Page
F-4

LFO Analysis Page
123

Biennium
2011-13

Budget Summary*

	2009-11	2011-13	2011-13	2011-13	Committee Change from	
	Legislatively Approved Budget	Current Service Level	Governor's Budget	Committee Recommendation	2009-11 Leg Approved	
					\$ Change	% Change
General Fund				\$ 100,000	\$ 100,000	

Summary of Revenue Changes

House Bill 3560 appropriates \$100,000 General Fund to the Oregon Department of Agriculture.

Summary of Natural Resources Subcommittee Action

House Bill 3560 requires the Department of Agriculture to establish and implement a wolf depredation compensation and financial assistance grant program to provide grants to assist counties in implementing county programs to prevent wolf depredation and compensate ranchers when wolf depredation occurs. The Department’s grant program will use moneys in the Wolf Management Compensation and Proactive Trust Fund established by the bill. The bill establishes criteria under which counties become eligible for funding under the Department’s grant program and requires counties to contribute at least 10 percent of the cost of their wolf depredation prevention and compensation programs. The Subcommittee approved a one-time appropriation of \$100,000 General Fund (Special Payments) to the Oregon Department of Agriculture for the 2011-13 biennium to implement the wolf depredation compensation and financial assistance grant program. The bill requires the Department to prepare a report on grant program activities every biennium.

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5002-A

Carrier – House: Rep. Jenson

Carrier – Senate: Sen. Edwards

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

– Nays:

– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters

– Nays:

– Exc:

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: May 13, 2011

Agency
Department of Agriculture

Budget Page
F-4

LFO Analysis Page
123

Biennium
2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
General Fund	\$ 13,012,720	\$ 15,586,409	\$ 11,939,880	\$ 12,610,616	-402,104	-3.1%
Lottery Funds	10,143,165	10,766,321	9,463,296	6,356,014	-3,787,151	-37.3%
Other Funds	49,680,325	50,408,598	54,574,473	52,132,748	2,452,423	4.9%
Federal Funds	12,287,361	12,718,208	12,665,265	11,945,878	-341,483	-2.8%
Total	\$ 85,123,571	\$ 89,479,536	\$ 88,642,914	\$ 83,045,256	-2,078,315	-2.4%

Position Summary

Authorized Positions	504	501	506	468	-36
Full-time Equivalent (FTE) Positions	357.69	354.41	359.89	343.29	-14.40

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Agriculture is supported with General Fund, Lottery Funds, Other Funds, and Federal Funds. General Fund comprises about 15 percent of the budget approved by the subcommittee. Lottery Funds, at about eight percent, support Oregon Plan activities and county fair administration. The largest revenue component is Other Funds, supporting about 63 percent of the agency's budget. Sources include fees for licenses, registrations, inspections, certifications, and reimbursements under federal service contracts. The U.S. Department of Agriculture and other federal agencies support the remaining 14 percent of the agency budget.

The subcommittee approved House Bill 5003, which ratifies fees the agency increased by administrative rule during the 2009-11 biennium. These include fees for field inspection of vegetable and specialty seed crops for seed producers, fees for official seed sampling and inspection and verification services requested by owners or producers, fees for molecular analysis of seeds for regulated pests, fees for determining the adequacy of a fence, and fees for permits and for renewal of permits to keep exotic animals in captivity.

The subcommittee recommendation includes expenditure limitation for revenue dependent on the passage of Senate Bill 119 – Shellfish Fees, Senate Bill 120 – Confined Animal Feeding Operation Fees, and Senate Bill 121 – Seed Dealers License Increase.

Summary of Natural Resources Subcommittee Action

The Department of Agriculture ensures food safety, provides consumer protection, protects natural resources, and promotes agricultural economic development. For budget purposes, the Department's activities are grouped into four program units: Administration and Support Services, Food

Safety Policy Area, Natural Resources Policy Area, and Agricultural Development Policy Area. The subcommittee approved an agency total funds budget of \$83,045,256 and 468 positions (343.29 full-time equivalents). This is a 2.4 percent decrease from the 2009-11 Legislatively Approved Budget. This decrease included a shift of Lottery Funds expenditure limitation for weed control grants to the Oregon Watershed Enhancement Board.

Administration and Support Services

Administration and Support Services provides policy direction and support functions for the agency, including financial management, development and maintenance of information systems, public information, personnel, purchasing, facilities management, fleet operations, and farm mediation. The subcommittee approved a budget of \$816,397 General Fund, \$8,873,594 Other Funds, and 38 positions (38.00 full-time equivalents).

The subcommittee approved Package 086 – Eliminate Inflation. This package is used on a statewide basis to eliminate standard and Attorney General inflation, and to adjust State Government Service Charges. The package reduces General Fund by \$1,475 and Other Funds expenditure limitation by \$23,896.

The subcommittee approved Package 087 – Personal Service Adjustments. This package reflects a 5.5 percent across-the-board reduction in total Personal Services expenditures from the Current Service Level budget. The package reduces General Fund by \$68,448 and Other Funds expenditure limitation by \$353,088.

The subcommittee approved Package 090 – Analyst Adjustments. This package includes reductions made in accordance with the Governor's Enterprise Budget for the Natural Resources policy area. The package reduces General Fund by \$537,581 and eliminates two positions (2.28 full time equivalents), which are restored in Package 092.

The subcommittee approved Package 092 – Fund Shifts/Sweeps. This package provides Other Funds revenues, expenditure limitation, and position authority necessary to offset 090 General Fund reductions.

The subcommittee approved Package 105 – Information Technology Maintenance & Upgrade. This package provides expenditure limitation to implement a life-cycle replacement program for critical business systems and to allow field staff to gain efficiencies through technology. The project is funded through indirect charges on Other Funds and Federal Funds programs. The package increases Other Funds expenditure limitation by \$975,000.

The subcommittee approved Package 801 – Targeted Statewide Adjustments. This package implements a statewide reduction action included in the Co-Chairs' Budget, which is a 6.5 percent reduction from total General Fund Services and Supplies expenditures included in the Governor's Recommended Budget. This package reduces General Fund by \$8,898. This is in addition to Package 086, which eliminates most Services and Supplies inflation originally built into the budget.

The subcommittee approved Package 819 – Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs’ budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency’s total biennial General Fund and/or Lottery Funds budget or approximately 7 percent to be taken from the second year of the budget. The package reduces General Fund by \$29,703.

Food Safety Policy Area

The Food Safety Policy Area protects the food supply, keeps livestock healthy, and ensures measurement device accuracy. Activities include inspecting food facilities, performing laboratory tests, checking scales, and recording livestock brands. The subcommittee approved a budget of \$5,277,489 General Fund, \$18,476,681 Other Funds, \$972,513 Federal Funds, and 169 positions (110.25 full-time equivalents).

The subcommittee approved Package 086 – Eliminate Inflation. This package is used on a statewide basis to eliminate standard and Attorney General inflation, and to adjust State Government Service Charges. The package reduces General Fund by \$42,772, Other Funds expenditure limitation by \$116,993, and Federal Funds expenditure limitation by \$12,420.

The subcommittee approved Package 087 – Personal Service Adjustments. This package reflects a 5.5 percent across-the-board reduction in total Personal Services expenditures from the Current Service Level budget. Final personal services decisions will be determined by policy decisions and future labor negotiations. The package reduces General Fund by \$240,552, Other Funds expenditure limitation by \$828,763, and Federal Funds expenditure limitation by \$2,911.

The subcommittee approved Package 090 – Analyst Adjustments, as modified. This package includes reductions made in accordance with the Governor’s Enterprise Budget for the Natural Resources policy area. It also adds \$100,000 General Fund to Special Payments as partial add-back for Predator Control. The subcommittee approved a modification that removes the \$100,000 General Fund increase for Predator Control and moves this funding to Package 240. The resulting package reduces General Fund by \$1,497,641 and eliminates seven positions (7.56 full-time equivalents). A vacant District Veterinarian position is not restored in Package 092.

The subcommittee approved Package 092 – Fund Shifts/Sweeps. This package provides Other Funds revenues, expenditure limitation, and position authority necessary to offset Package 090 General Fund reductions to the Food Safety, Feeds, Shellfish, and Animal Health programs. The package increases Other Funds expenditure limitation by \$1,385,000 and adds six positions (6.56 full-time equivalents). Two of the fund shift actions included in this package are reversed in Package 810.

The subcommittee approved Package 200 – Agency Fees Adjusted Administratively. This package increases Other Funds revenue related to fees that were adopted administratively during the 2009-11 biennium. Ratification of these fee modifications is included in House Bill 5003.

The subcommittee approved Package 230 – Shellfish Fee. This package provides expenditure limitation associated with additional revenues generated by higher shellfish cultivation and millage fees contained in Senate Bill 119. The package increases Other Funds expenditure limitation by \$66,691.

LEGISLATIVE ACTION

The subcommittee approved Package 240 – Predator Control. This package provides funding to partially restore cuts made during the 2009 legislative session to payments to the U.S. Department of Agriculture Wildlife Services for the predator control program. The package increases General Fund by \$250,000.

The subcommittee approved Package 801 – Targeted Statewide Adjustments. This package implements a statewide reduction action included in the Co-Chairs’ Budget, which is a 6.5 percent reduction from total General Fund Services and Supplies expenditures included in the Governor’s Recommended Budget. This package reduces General Fund by \$127,026. This is in addition to Package 086, which eliminates most Services and Supplies inflation originally built into the budget.

The subcommittee approved Package 802 – Vacant Position Savings. This package eliminates primarily long-term vacant positions that have been reviewed and determined not to be critical for supporting the agency’s core programs. The positions are from the Livestock Brands program and include five supervisors. The package reduces Other Funds expenditure limitation by \$258,836 and eliminates 11 positions (2.73 full-time equivalents).

The subcommittee approved Package 810 – Analyst Adjustments. This package reverses the Animal Health and Shellfish program fund shifts by restoring General Fund support eliminated in Package 090 and reducing the Other Funds expenditure limitation increased in Package 092. The package increases General Fund by \$565,717 and reduces Other Funds expenditure limitation by \$565,717.

The subcommittee approved Package 811 – Position Alignment Actions to implement the following: Abolish a management position, Principal Executive / Manager B, in the Weights and Measures program and make an existing part-time Office Specialist 2 position full-time. Also reclassify two existing laboratory staff: reclassify a Metrologist to a Natural Resource Specialist 4 and reclassify a Natural Resource Specialist 4 to a Natural Resource Specialist 5; the duties of both lab positions have evolved to a higher level and are necessary to ensure laboratory certification is maintained by the National Institute of Standards and Technology. A related action reclassifies two existing vacant Compliance Specialist 2 positions and moves them from Weights and Measures to the Lab Services section. One of these two positions is reclassified down to a half-time Chemist 2 to provide support and data analysis. The other is reclassified up to a Natural Resource Specialist 4 to serve as the Quality Assurance Officer. The package reduces Other Funds expenditure limitation by \$107,763 and eliminates one position (1.04 full-time equivalents).

The subcommittee approved Package 819 – Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs’ budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency’s total biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget. The package reduces General Fund by \$194,510.

Natural Resources Policy Area

The Natural Resources Policy Area conserves, protects, and develops natural resources. It also maintains fertilizer and pesticide standards. Employees inspect and certify nursery stock, Christmas trees, and seed crops toward controlling and excluding foreign pests and plant diseases. Under the Oregon Plan, the program activities help to restore and enhance salmon/steelhead populations and watersheds and implement agricultural water quality plans. The subcommittee approved a budget of \$3,065,681 General Fund, \$6,335,856 Lottery Funds, \$13,537,783 Other Funds, \$5,097,098 Federal Funds, and 131 positions (110.65 full-time equivalents).

The subcommittee approved Package 086 – Eliminate Inflation. This package is used on a statewide basis to eliminate standard and Attorney General inflation, and to adjust State Government Service Charges. The package reduces General Fund by \$12,583, Lottery Funds by \$56,747, Other Funds expenditure limitation by \$104,259, and Federal Funds expenditure limitation by \$71,813.

The subcommittee approved Package 087 – Personal Service Adjustments. This package reflects a 5.5 percent across-the-board reduction in total personal services expenditures from the Current Service Level budget. Final personal services decisions will be determined by policy decisions and future labor negotiations. The package reduces General Fund by \$196,474, Lottery Funds by \$324,485, Other Funds expenditure limitation by \$463,293, and Federal Funds expenditure limitation by \$164,148.

The subcommittee approved Package 090 – Analyst Adjustments, as modified. This package includes reductions made in accordance with the Governor’s Enterprise Budget for the Natural Resources policy area. The package also added \$1.9 million Other Funds from the Pacific Coastal Salmon Recovery Fund (PCSRF) on a one-time basis, via the Oregon Watershed Enhancement Board, to the base Ag Water Quality Program and to enhance monitoring and program effectiveness activities that had been requested in Package 300. The subcommittee removed that funding and positions. The subcommittee also approved a technical correction to the Governor’s budget by adding two positions (1.83 full-time equivalents). The resulting package reduces General Fund by \$787,584 and Lottery Funds by \$48,038, increases Other Funds expenditure limitation by \$1,008,775, and eliminates two positions (1.48 full-time equivalents).

The subcommittee approved Package 092 – Fund Shifts/Sweeps. This package provides Other Funds revenues, expenditure limitation, and position authority necessary to offset Package 090 reductions for the Pesticide Analytical and Response Center (PARC), Confined Animal Feeding Operations (CAFO), and Pesticides programs. The package increases Other Funds expenditure limitation by \$730,000 and adds four positions (2.95 full-time equivalents).

The subcommittee approved Package 300 – Monitoring Ag Water Quality Program Effectiveness. This package adds positions and resources to evaluate riparian conditions along agricultural lands, to monitor ambient water quality sites that have strong agricultural influence, and to fully participate in state water quality monitoring efforts. The agency had requested Lottery Funds to fund this package; however, due to its reliance on Lottery Funds which are projected to be insufficient for activities in the 2011-13 biennium, it was not approved initially. As part of the Governor’s Enterprise Budget for the Natural Resources policy area, the policy option was funded using PCSRF Other Funds that originated from the Oregon Watershed Enhancement Board and added to Package 090. The subcommittee approved the Legislative Fiscal Office adjustment that moves the funding and positions from Package 090 to Package 300 with the understanding that the positions are limited duration and the funding is provided on a one-time basis and will be phased out during development of the 2013-15 biennium budget, as will all fund shifts involving one-time use of PCSRF monies. The package increases Other Funds expenditure limitation by \$897,727 and adds three positions (3.00 full-time equivalents).

The subcommittee approved Package 315 – CAFO Fee. This package provides \$105,399 Other Funds expenditure limitation for additional revenue associated with higher license fees and cost recovery fees for the Confined Animal Feeding Operations (CAFO) program contained in Senate Bill 120. The package also adds one position (0.50 full-time equivalent).

The subcommittee approved Package 325 – Base Pesticide Positions, as modified. This package establishes two permanent, full-time Natural Resource Specialist 3 positions to continue the 2009-11 biennium level of outreach and compliance monitoring activities in the Base Pesticides Program provided by limited duration positions. The package makes permanent two positions added as limited duration in 2009-11. The subcommittee approved the two positions as limited duration for the 2011-13 biennium. The package increases Other Funds expenditure limitation by \$420,471 and adds two positions (2.00 full-time equivalents).

The subcommittee approved Package 801 – Targeted Statewide Adjustments. This package implements a statewide reduction action included in the Co-Chairs’ Budget, which is a 6.5 percent reduction from total General Fund and Lottery Funds services and supplies expenditures included in the Governor’s Recommended Budget. This package reduces General Fund by \$18,393 and Lottery Funds by \$113,783. This is in addition to Package 086, which eliminates most services & supplies inflation originally built into the budget.

The subcommittee approved Package 802 – Vacant Position Savings. This package eliminates primarily long-term vacant positions that have been reviewed and determined not to be critical for supporting the agency’s core programs. Eliminated positions are primarily from the Weed Control, Insect Pest Prevention, and Pesticides programs. Vacancies include four full-time positions and 17 part-time seasonal positions. The package reduces Lottery Funds by \$126,336, Other Funds expenditure limitation by \$571,640, Federal Funds expenditure limitation by \$253,314, and eliminates 21 positions (8.99 full-time equivalents).

The subcommittee approved Package 810 – Analyst Adjustments. This package eliminates General Fund and dedicated Lottery Funds support for the Oregon Invasive Species Council due to Lottery Fund constraints contained in Ballot Measure 76, which limit state agency expenditures of dedicated Lottery Funds. General Fund support is reduced due to statewide General Fund constraints. The package reduces General Fund by \$16,401 and Lottery Funds by \$76,997.

The subcommittee approved Package 811 – Position Alignment Actions to implement the following: Reclassify a Soil and Water Conservation District management position, Principal Executive / Manager D, down to a represented Natural Resource Specialist 4; supervisory and budget management responsibilities will be transferred to an existing management position. Abolish two vacant half-time positions in the Pesticide Analytical and Response Center (PARC), a Natural Resource Specialist 3 and an Office Specialist 2. The abolishment of the two positions requires a transfer of the Personal Services limitation to Services and Supplies because the agency has historically used the limitation from the two positions to contract with scientific experts for PARC cases. The package reduces Lottery Funds by \$12,105 and eliminates two positions (0.96 full-time equivalent).

The subcommittee approved Package 813 – Move Weed Control Grants to OWEB. This package is a technical adjustment that moves Measure 76 Lottery Funds expenditure limitation for weed control grants made by the Weed Board to the Oregon Watershed Enhancement Board (OWEB). The Governor’s budget has these grants being funded out of the 65 percent of Measure 76 dedicated Lottery Funds that cannot be expended by a state agency other than OWEB; therefore, the expenditure limitation needs to be moved to OWEB to allow these grants to be funded out of the capital grant fund. The Department will still assist the operations of the Weed Board and then forward their grant recommendations to OWEB. The package reduces Lottery Funds by \$2,544,125.

The subcommittee approved Package 819 – Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs’ budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency’s total biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget. The package reduces General Fund by \$110,997 and Lottery Funds by \$232,124.

Agricultural Development Policy Area

Agricultural Development Policy Area staff work with the agriculture industry to increase sales of Oregon products in the United States and abroad. The subcommittee approved a budget of \$3,451,049 General Fund, \$20,158 Lottery Funds (General Purpose), \$11,244,690 Other Funds, \$5,876,267 Federal Funds, and 130 positions (84.39 full-time equivalents).

The subcommittee approved Package 086 – Eliminate Inflation. This package is used on a statewide basis to eliminate standard and Attorney General inflation, and to adjust State Government Service Charges. The package reduces General Fund by \$21,070, Lottery Funds by \$430, Other Funds expenditure limitation by \$81,873, and Federal Funds expenditure limitation by \$69,339.

The subcommittee approved Package 087 – Personal Service Adjustments. This package reflects a 5.5 percent across-the-board reduction in total personal services expenditures from the Current Service Level budget. Final personal services decisions will be determined by policy decisions and future labor negotiations. The package reduces General Fund by \$132,594, Lottery Funds by \$340, Other Funds expenditure limitation by \$521,986, and Federal Funds expenditure limitation by \$59,364.

The subcommittee approved Package 090 – Analyst Adjustments. This package includes reductions made in accordance with the Governor’s Enterprise Budget for the Natural Resources policy area. The package reduces General Fund by \$207,755 and eliminates one position (1.08 full-time equivalents).

The subcommittee approved Package 092 – Fund Shifts/Sweeps. This package provides Other Funds revenues, expenditure limitation, and position authority necessary to offset Package 090 General Fund reductions. The package increases Other Funds expenditure limitation by \$216,000 and adds one position (1.08 full-time equivalents).

The subcommittee approved Package 200 – Agency Fees Adjusted Administratively. This package increases Other Funds revenues related to fee changes that were adopted administratively during the 2009-11 biennium. Ratification of these fee modifications is included in House Bill 5003.

The subcommittee approved Package 405 – Seed License Fee. This package provides Other Funds expenditure limitation associated with a proposed increase in wholesale seed dealer license fees contained in Senate Bill 121. The fee modifications contained in Senate Bill 121 are included in the Co-Chairs’ budget plan. The package increases Other Funds expenditure limitation by \$99,800.

The subcommittee approved Package 410 – Slow Pay / No Pay. This package provides Other Funds expenditure limitation associated with House Bill 2159 that would modify Oregon’s seed law in several ways, including requiring a license to contract for production within Oregon. The package increases Other Funds expenditure limitation by \$22,523.

The subcommittee approved Package 415 – Certification Specialists. This package provides position authority and \$303,945 Other Funds expenditure limitation to add two permanent, full-time positions within the Commodity Inspection Division to provide sufficient capacity to meet industry demand for a variety of voluntary certifications. The positions are one Natural Resource Specialist 1 position (1.00 full-time equivalent) and one Administrative Specialist 1 position (1.00 full-time equivalent).

The subcommittee approved Package 801 – Targeted Statewide Adjustments. This package implements a statewide reduction action included in the Co-Chairs’ Budget, which is a 6.5 percent reduction from total General Fund and Lottery Funds Services and Supplies expenditures included in the Governor’s Recommended Budget. This package reduces General Fund by \$72,281 and Lottery Funds by \$1,049. This is in addition to Package 086, which eliminates most Services and Supplies inflation originally built into the budget.

During the discussion of the Lottery Funds reductions in to the County Fair Commission, the subcommittee received a letter from one of the Co-Chairs to the agency asking that the Director of the department become more actively involved in the oversight of the County Fair Commission.

The subcommittee approved Package 802 – Vacant Position Savings. This package eliminates primarily long-term vacant positions that have been reviewed and determined not to be critical for supporting the agency’s core programs. This package eliminates two seasonal Plant Health positions (1.50 full-time equivalents) that are vacant due to lack of Federal Funds. The package reduces Federal Funds expenditure limitation associated with the two positions by \$139,021.

The subcommittee approved Package 810 – Analyst Adjustments. This package adds three permanent full-time positions (2.75 full-time equivalents) and \$660,025 General Fund to the Ag Development and Marketing program to increase economic activity in the agriculture sector. The positions will find solutions and provide marketing opportunities for the state’s food and agriculture industry both domestically and internationally. The first position is an International Trade Manager. The second position is a Federal and International Trade and Certification Policy Specialist. Finally, the third position is a New Media Product Promotion and Placement Specialist. This enhancement is included in the Co-Chairs’ budget plan. These new positions are assumed to be filled by September 1, 2011; therefore, funding for the 2011-13 biennium is based on only 22 months.

The subcommittee approved Package 811 – Position Alignment Actions. Abolishes two Shipping Point Inspector 1 positions (1.96 full-time equivalents) and reclassifies two other Shipping Point Inspector 1 positions, one to a Natural Resource Specialist 1 and the other to a Natural Resource Specialist 2. Upward reclassification allows the two positions to be self-supervised. The package reduces Other Funds expenditure limitation by \$161,011.

The subcommittee approved Package 819 – Supplemental Statewide Ending Balance. This package includes, per the Co-Chairs’ budget plan, a supplemental statewide ending balance hold back adjustment. The result is about a 3.5 percent across-the-board reduction to an agency’s total biennial General Fund and/or Lottery Funds budget or approximately seven percent to be taken from the second year of the budget. The package reduces General Fund by \$126,797 and Lottery Funds by \$763.

The recommended budget for this agency includes a reduction of General and Lottery Funds for a supplemental ending balance. The reductions are explained in each of the program unit narratives (Package 819). The reduction is intended to be applied against spending levels in the second

year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial General Fund appropriation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored during the February 2012 session to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage their budgets accordingly.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5002-A

Department of Agriculture
Art Ayre -- (503) 378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 13,012,720	\$ 10,143,165	\$ 49,680,325	\$ 0	\$ 12,287,361	\$ 0	\$ 85,123,571	504	357.69
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 15,586,409	\$ 10,766,321	\$ 50,408,598	\$ 0	\$ 12,718,208	\$ 0	\$ 89,479,536	501	354.41
2011-13 Governor's Recommended Budget*	\$ 11,939,880	\$ 9,463,296	\$ 54,574,473	\$ 0	\$ 12,665,265	\$ 0	\$ 88,642,914	506	359.89
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Administration and Support Services</u>									
Package 110: Global Warming									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ (136,583)	\$ 0	\$ (136,583)	(1)	-1.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ (40,469)	\$ 0	\$ (40,469)	0	0.00
Special Payments	\$ 0	\$ 0	\$ 0	\$ 0	\$ (150,000)	\$ 0	\$ (150,000)	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	\$ (8,898)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (8,898)	0	0.00
Package 819: Supplemental Statewide Ending Balance									
Personal Services	\$ (24,947)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (24,947)	0	0.00
Services and Supplies	\$ (4,756)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (4,756)	0	0.00
<u>Food Safety Policy Area</u>									
Package 090: Analyst Adjustments									
Special Payments	\$ (100,000)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (100,000)	0	0.00
Package 235: Animal Health Fee									
Services and Supplies	\$ 0	\$ 0	\$ (278,642)	\$ 0	\$ 0	\$ 0	\$ (278,642)	0	0.00
Package 240: Predator Control									
Special Payments	\$ 250,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,000	0	0.00
Package 801: Targeted Statewide Adjustments									
Services and Supplies	\$ (127,026)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (127,026)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	\$ 0	\$ 0	\$ (258,836)	\$ 0	\$ 0	\$ 0	\$ (258,836)	(11)	-2.73
Package 810: Analyst Adjustments									
Personal Services	\$ 396,847	\$ 0	\$ (396,847)	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
Services and Supplies	\$ 168,870	\$ 0	\$ (168,870)	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00

*Excludes Capital Construction Expenditures

LEGISLATIVE ACTION

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 811: Position Alignment Actions										
Personal Services	\$ 0	\$ 0	\$ (107,763)	\$ 0	\$ 0	\$ 0	(107,763)	(1)	-1.04	
Package 819: Supplemental Statewide Ending Balance										
Personal Services	\$ (114,517)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(114,517)	0	0.00	
Services and Supplies	\$ (71,115)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(71,115)	0	0.00	
Special Payments	\$ (8,878)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	(8,878)	0	0.00	
<u>Natural Resources Policy Area</u>										
Package 090: Analyst Adjustments										
Personal Services	\$ 5,503	\$ 0	\$ (458,214)	\$ 0	\$ 0	\$ 0	(452,711)	(1)	-1.17	
Services and Supplies	\$ 147,188	\$ 0	\$ (388,434)	\$ 0	\$ 0	\$ 0	(241,246)	0	0.00	
Special Payments	\$ (152,691)	\$ 0	\$ (48,279)	\$ 0	\$ 0	\$ 0	(200,970)	0	0.00	
Package 300: Monitoring Ag Water Quality Program Effectiveness (one-time funding from PCSRF)										
Personal Services - Limited Duration Positions	\$ 0	\$ 0	\$ 452,711	\$ 0	\$ 0	\$ 0	452,711	3	3.00	
Services and Supplies	\$ 0	\$ 0	\$ 244,046	\$ 0	\$ 0	\$ 0	244,046	0	0.00	
Special Payments	\$ 0	\$ 0	\$ 200,970	\$ 0	\$ 0	\$ 0	200,970	0	0.00	
Package 330: NPDES										
Personal Services	\$ 0	\$ 0	\$ (366,303)	\$ 0	\$ 0	\$ 0	(366,303)	(3)	-3.00	
Services and Supplies	\$ 0	\$ 0	\$ (109,613)	\$ 0	\$ 0	\$ 0	(109,613)	0	0.00	
Capital Outlay	\$ 0	\$ 0	\$ (25,000)	\$ 0	\$ 0	\$ 0	(25,000)	0	0.00	
Package 801: Targeted Statewide Adjustments										
Services and Supplies	\$ (18,393)	\$ (113,783)	\$ 0	\$ 0	\$ 0	\$ 0	(132,176)	0	0.00	
Package 802: Vacant Position Savings										
Personal Services	\$ 0	\$ (126,336)	\$ (571,640)	\$ 0	\$ (253,314)	\$ 0	(951,290)	(21)	-8.99	
Package 810: Analyst Adjustments										
Services and Supplies	\$ (16,401)	\$ (76,997)	\$ 0	\$ 0	\$ 0	\$ 0	(93,398)	0	0.00	
Package 811: Position Alignment Actions										
Personal Services	\$ 0	\$ (12,105)	\$ (143,129)	\$ 0	\$ 0	\$ 0	(155,234)	(2)	-0.96	
Services and Supplies	\$ 0	\$ 0	\$ 143,129	\$ 0	\$ 0	\$ 0	143,129	0	0.00	
Package 813: Move Weed Control Grants to OWEB										
Special Payments	\$ 0	\$ (2,544,125)	\$ 0	\$ 0	\$ 0	\$ 0	(2,544,125)	0	0.00	
Package 819: Supplemental Statewide Ending Balance										
Personal Services	\$ (95,373)	\$ (170,620)	\$ 0	\$ 0	\$ 0	\$ 0	(265,993)	0	0.00	
Services and Supplies	\$ (15,624)	\$ (61,504)	\$ 0	\$ 0	\$ 0	\$ 0	(77,128)	0	0.00	

*Excludes Capital Construction Expenditures

HB 5002-A
Page 2 of 3

LEGISLATIVE ACTION

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Agricultural Development Policy Area</u>									
Package 801: Targeted Statewide Adjustments									
Services and Supplies	\$ (72,281)	\$ (1,049)	\$ 0	\$ 0	\$ 0	\$ 0	(73,330)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ (139,021)	\$ 0	(139,021)	(2)	-1.50
Package 810: Analyst Adjustments									
Personal Services	\$ 457,232	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	457,232	3	2.75
Services and Supplies	\$ 202,793	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	202,793	0	0.00
Package 811: Position Alignment Actions									
Personal Services	\$ 0	\$ 0	\$ (161,011)	\$ 0	\$ 0	\$ 0	(161,011)	(2)	-1.96
Package 819: Supplemental Statewide Ending Balance									
Personal Services	\$ (89,950)	\$ (203)	\$ 0	\$ 0	\$ 0	\$ 0	(90,153)	0	0.00
Services and Supplies	\$ (36,847)	\$ (560)	\$ 0	\$ 0	\$ 0	\$ 0	(37,407)	0	0.00
TOTAL ADJUSTMENTS	\$ <u>670,736</u>	\$ <u>(3,107,282)</u>	\$ <u>(2,441,725)</u>	\$ <u>0</u>	\$ <u>(719,387)</u>	\$ <u>0</u>	\$ <u>(5,597,658)</u>	<u>(38)</u>	<u>(16.60)</u>
SUBCOMMITTEE RECOMMENDATION *	\$ <u>12,610,616</u>	\$ <u>6,356,014</u>	\$ <u>52,132,748</u>	\$ <u>0</u>	\$ <u>11,945,878</u>	\$ <u>0</u>	\$ <u>83,045,256</u>	<u>468</u>	<u>343.29</u>
% Change from 2009-11 Leg Approved Budget	-3.1%	-37.3%	4.9%	0.0%	-2.8%	0.0%	-2.4%	-7.1%	-4.0%
% Change from 2011-13 Current Service Level	-19.1%	-41.0%	3.4%	0.0%	-6.1%	0.0%	-7.2%	-6.6%	-3.1%
% Change from 2011-13 Gov's Recommended Budget	5.6%	-32.8%	-4.5%	0.0%	-5.7%	0.0%	-6.3%	-7.5%	-4.6%

*Excludes Capital Construction Expenditures

HB 5002-A
Page 3 of 3

Legislatively Approved 2011-2013 Key Performance Measures

Agency: AGRICULTURE, DEPARTMENT of

Mission: The Oregon Department of Agriculture has a threefold mission: 1) Ensure Food Safety and Provide Consumer Protection; 2) Protect Agricultural Natural Resources; and 3) Promote Economic Development in the Agricultural Industry.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - Food Safety - Ensure high levels of compliance with each of the ten risk factors identified by Centers for Disease Control in retail stores.		Approved KPM	95.69	92.00	92.00
2 - Motor Fuel - Percent of motor fuel samples found in compliance with posted octane levels.		Approved KPM	99.59	98.40	98.40
3 - Top 100 Exclusions - Percent of plant pests, diseases, or weeds on the Oregon 100 Most Dangerous Invaders list successfully excluded each year.		Approved KPM	99.00	100.00	100.00
4 - Noxious Weed Control - Percentage of state-listed noxious weeds successfully excluded from the state or with stable or decreasing populations.		Approved KPM	74.00	70.00	70.00
5 - T&E Plants - Percent of listed T&E plants with stable or increasing populations as a result of department management and recovery efforts.		Approved KPM		24.00	24.00
6 - Pesticide Investigations - Percent of pesticide investigations that result in enforcement actions.		Approved KPM	26.70	20.00	20.00
7 - Non-traditional production certification - Number of acres certified where the Department of Agriculture provided technical assistance or auditing services.		Approved KPM	71,154.00	25,000.00	25,000.00
8 - Trade Activities - Sales as a result of trade activities with Oregon producers and processors.		Approved KPM	12,600,000.	12,000,000.	12,000,000
9 - Ag Employment - Number of jobs saved or created as a result of activities to retain or expand existing Oregon agricultural and food processing capacity. Measured in numbers of jobs based on telephone and email surveys of companies assisted.		Approved KPM	145.00	160.00	160.00

LEGISLATIVE ACTION

Agency: AGRICULTURE, DEPARTMENT of

Mission: The Oregon Department of Agriculture has a threefold mission: 1) Ensure Food Safety and Provide Consumer Protection; 2) Protect Agricultural Natural Resources; and 3) Promote Economic Development in the Agricultural Industry.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
10 - CAFOs - Percent of permitted Oregon Confined Animal Feeding Operations (CAFOs) found to be in compliance with their permit during annual inspections.		Approved KPM	87.00	90.00	90.00
11 - Smoke Management - No increase above 2002 levels in hours of 'significant smoke intrusions' due to field burning in key cities in the Willamette Valley as measured by nephelometer readings.		Approved KPM	6.00	8.00	8.00
12 a - Water Quality - Percent of monitored stream sites associated with predominantly agriculture use with significantly increasing trends in water quality.		Approved KPM	11.00	33.00	33.00
12 b - Water Quality - Percent of monitored stream sites associated with predominantly agriculture use with water quality in good to excellent condition.		Approved KPM	58.00	60.00	60.00
12 c - Water Quality - Percent of monitored stream sites associated with predominantly agriculture use with decreasing trends in water quality.		Approved KPM	17.00	8.00	8.00
13 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	96.40	90.00	90.00
13 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	93.70	90.00	90.00
13 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	96.00	90.00	90.00
13 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	96.60	90.00	90.00

Print Date: 5/10/2011

Page 2 of 3

LEGISLATIVE ACTION

Agency: AGRICULTURE, DEPARTMENT of

Mission: The Oregon Department of Agriculture has a threefold mission: 1) Ensure Food Safety and Provide Consumer Protection; 2) Protect Agricultural Natural Resources; and 3) Promote Economic Development in the Agricultural Industry.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
13 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	95.30	90.00	90.00
13 - Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent"; overall customer service, timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	94.30	90.00	90.00

LFO Recommendation:

Look for new measure for weights & measures to replace KPM 2 "Motor Fuel". Rework or delete KPM 7 "Non-traditional production certification". Adjust targets for KPMs 1, 4, 6, & 10.

Sub-Committee Action:

Approved the LFO recommendations

Print Date: 5/10/2011

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5035-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. G. Smith

Carrier – Senate: Sen. Nelson

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 25 – 0 – 0

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Jim Carbone, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Meeting Date: June 29, 2011

Agency

Various Agencies – Lottery Allocation

Budget Page

LFO Analysis Page

Biennium

2011-13

Summary of Revenue Changes

The Oregon Lottery collects revenues from traditional and video lottery gaming. It pays player prizes and its operating expenses out of these revenues and then transfers the balance (net profits) to the Administrative Services Economic Development Fund (EDF). The Department of Administrative Services (DAS) then distributes funds from the EDF in adherence with constitutional and statutory funding priorities, including specific Legislative allocations. The amounts outlined in this bill are based on the Lottery revenue forecast from the DAS Office of Economic Analysis as of May 12, 2011 plus unspent dollars from the 2009 School Facilities Task Force lottery allocation that are transferred to the EDF by Senate Bill 939. As actual amounts vary, the allocations or distributions set forth within may also vary – in some cases requiring related expenditure limitation adjustments.

The Oregon Lottery transfers Lottery Funds to the Administrative Services EDF on a quarterly basis. From each quarterly transfer, a number of dedicated distributions are required by the Oregon Constitution or are provided for in Oregon Revised Statutes (ORS), including:

- The Oregon Constitution requires that 18 percent of net proceeds be distributed to the Education Stability Fund.
- The Oregon Constitution requires that 15 percent of net proceeds be distributed to the Parks and Natural Resources Fund.
- Oregon statute requires that 2.5 percent of net proceeds of video lottery gaming be distributed to the counties for economic development projects. Beginning with the 2005-07 biennium, 50 percent of the operating costs for the Economic Revitalization Team (ERT) established by ORS 284.555 are also funded from this source.
- Oregon statute requires that one percent of net profits be distributed to the Sports Lottery Account for sports programs at state institutions of higher education and for scholarships.
- Oregon statute requires that one percent of net profits be transferred to the Oregon Health Authority for Gambling Addiction prevention and treatment programs.
- Oregon statute requires that one percent of the net profits, not to exceed \$1.53 million annually, be transferred to the County Fair account. The maximum amount is adjusted each biennium pursuant to certain changes in the Consumer Price Index.
- Oregon statute requires that annual debt service payments for outstanding lottery bonds be satisfied before allocating for other purposes.

Finally, the Legislature makes other allocations from the EDF within authorized public purposes. These purposes include job creation, economic development and public education. Currently, the bulk of allocations are made to the Department of Education for the State School Fund and to the Oregon Business Development Department for various program expenditures. During the 2011-13 biennium, debt service requirements will comprise approximately 21.8 percent of the total distributions from this account.

Debt service allocations are paid annually. Interest earned on the EDF remains within the fund itself. If at the end of any quarter funds remain undistributed, they will remain in the EDF for allocation in future quarters. If in any quarter revenue in the EDF is insufficient to pay for quarterly distribution of allocations, DAS will first fund debt service obligations. Remaining revenues will be distributed in a prorated manner.

Summary of Capital Construction Subcommittee Action

Allocation of Lottery Revenue

House Bill 5035 allocates lottery revenue from the EDF. The amounts outlined in this bill are based on the Lottery revenue forecast from the DAS Office of Economic Analysis as of May 12, 2011, with the adjustment identified in the prior section. The attached tables display the Lottery Funds allocated by the Subcommittee from the EDF. The allocations are summarized below.

- A total of \$240.4 million Lottery Funds is allocated for debt service for outstanding and newly-authorized bonds. These funds are allocated to the DAS since the DAS Capital Investment Section manages debt service for the state. DAS will transfer the necessary funding to the Department of Education, Department of Higher Education, Oregon Business Development Department, Housing and Community Services Department, Department of Transportation, Department of Community Colleges and Workforce Development, Department of Forestry, Department of Energy, and the Water Resources Department for the payment of debt on existing and new lottery bonds. New lottery bond projects for the 2011-13 biennium, authorized by House Bill 5036, include the following:
 - Lane Transit EmX Extension
 - The Willow Creek / SAGE Center Improvements
 - Eastern Oregon Trade Center
 - Roseburg Veterans' Home
 - Milton-Freewater levee and bridge improvements
 - Oregon Historical Society
 - Oregon State University - Cascades Campus Graduate Studies Building
 - Oregon Institute of Technology - Portland Campus Consolidation
 - Oregon State University – New business education building
 - Southern Oregon University – Science Building deferred maintenance and seismic upgrade
 - Western Oregon University – Natural Science Laboratory Annex
 - Eastern Oregon University – Quinn Coliseum deferred maintenance
 - Oregon University System – System-wide capital renewal, code compliance and safety projects
 - Oregon Department of Water Resources - Umatilla Basin
 - Department of Forestry – Gilchrist Forest
 - Oregon Department of Transportation – Connect Oregon IV
 - Housing and Community Services – Affordable Housing Grants

- The State School Fund is allocated \$374.7 million Lottery Funds.
- DAS is allocated \$18,354 for transfer to the Department of Agriculture for administration of county fairs.
- A total of \$53.6 million Lottery Funds is allocated for the programs of the Oregon Business Development Department. This total excludes amounts allocated for debt service payments on Lottery revenue bonds, but includes \$6.8 million for Shared Services; \$45.5 million for Business, Innovation and Trade; and \$1.2 million for the Film and Video Office.
- The Office of the Governor is allocated \$1.9 million Lottery Funds for the Economic Revitalization Team. Half of this funding will come from a reduction in the video lottery proceeds that are distributed to counties for economic development.

Education Stability Fund

A constitutional amendment approved by Oregon voters in 1997, and amended in 2002, requires that 18 percent of net lottery proceeds be transferred to the Education Stability Fund. Interest earnings on this fund are continuously appropriated for the benefit of education programs. These earnings are split 75 percent to the Oregon Education Fund, which is currently used to help pay debt service on lottery bonds that were previously issued for the Department of Education, and 25 percent to the Oregon Student Assistance Commission.

Five percent of the amount deposited in the Education Stability Fund is deposited into the Oregon Growth Account within the Fund. All declared earnings from this account are continuously appropriated to the Oregon Education Fund and the Oregon Student Assistance Commission. After June 30, 2013 the amount credited to the Oregon Growth Account will increase to ten percent of the deposits into the Education Stability Fund. The transfers and distributions relating to the Education Stability Fund as described here are established by the Oregon Constitution and by other statutes – therefore House Bill 5035 does not include provisions relating to them.

Parks and Natural Resources Fund

Ballot Measure 76, approved by Oregon voters in 2010, requires 15 percent of net lottery proceeds to be transferred to the Parks and Natural Resources Fund. This fund is continuously appropriated for the benefit of parks and recreation and for native species protection and restoration. This transfer is established by the Oregon Constitution; House Bill 5035, therefore, does not include provisions relating to it.

County Economic Development

ORS 461.547 requires that 2.5 percent of net proceeds of video lottery gaming be distributed to the counties for economic development projects. Beginning with the 2005-07 biennium, 50 percent of the operating costs for the Economic Revitalization Team (ERT) established by ORS 284.555 have also been funded from this source.

The Subcommittee approved allocating a fixed dollar amount for county economic development during the 2011-13 biennium, rather than the percentage allocation described in statute. The fixed dollar amount is \$37,118,584, which is equal to 2.5 percent of the amount of video lottery proceeds forecasted in the May 2011 revenue forecast, minus one-half of the Economic Revitalization Team allocation.

Gambling Addiction Prevention and Treatment

The 1999 Legislature statutorily dedicated one percent of net lottery proceeds to be transferred to the Oregon Health Authority to fund gambling addiction programs in the state.

Instead of the percentage allocation described in statute, the Subcommittee approved a fixed allocation of \$10,972,521 for the 2011-13 biennium.

Oregon University System Sports Lottery Account

Beginning in 2007, one percent of net lottery proceeds are dedicated to the Oregon University System for distribution to institutions to offset the costs of intercollegiate athletic programs and for academic scholarships.

Instead of the percentage allocation described in statute, the Subcommittee approved a fixed allocation of \$8,825,680 for the 2011-13 biennium.

County Fairs

The 2001 Legislature statutorily dedicated one percent of net lottery proceeds, with certain limitations, for distribution to county fair programs throughout the state. This amount is adjusted by inflation each biennium.

Instead of the percentage allocation described in statute, the Subcommittee approved a fixed allocation of \$3,600,135 for the 2011-13 biennium.

Lottery Funds Expenditure Limitation

Lottery Funds expenditure limitation related to these allocations is generally contained within the respective agency budget bills and Senate Bill 5508.

LOTTERY FUNDS CASH FLOW SUMMARY

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	Percent Change
ECONOMIC DEVELOPMENT FUND			
RESOURCES			
Beginning Balance	\$1,352,767	\$244,821	-81.9%
REVENUES			
Transfers from Lottery	1,056,788,127	1,120,295,553	6.0%
Net Proceeds	29,304,809	8,000,000	-72.7%
Administrative Savings			
Other Revenues	1,112,572	1,100,000	-1.1%
Interest Earnings			
Other		1,361,248	
Total Revenue	1,087,205,508	1,130,756,801	4.0%
TOTAL RESOURCES	1,088,558,275	1,131,001,622	3.9%
DISTRIBUTIONS / ALLOCATIONS			
Distribution of Video Revenues to Counties	(30,520,693)	(37,118,584)	21.6%
Distribution to Higher Education for Sports Programs	(9,665,082)	(8,825,680)	-8.7%
Distribution to Education Stability Fund	(195,496,728)	(203,093,200)	3.9%
Distribution to Parks and Natural Resources Fund	(162,913,940)	(169,244,333)	3.9%
Distribution for Gambling Addiction	(8,739,929)	(10,972,521)	25.5%
Allocation to State School Fund	(428,422,165)	(374,741,287)	-12.5%
Debt Service Allocations	(216,404,804)	(240,443,627)	11.1%
Other Agency Allocations	(36,150,173)	(59,040,014)	63.3%
TOTAL DISTRIBUTIONS / ALLOCATIONS	(1,088,313,454)	(1,103,479,246)	1.4%
ENDING BALANCE	\$244,821	\$27,522,376	11141.8%
EDUCATION STABILITY FUND (not including OGA or ORTDF)			
RESOURCES			
Beginning Balance	0	5,022,586	
Revenues			
Transfer from the Economic Development Fund	185,721,892	192,938,540	3.9%
Interest Earnings	1,466,342	1,606,173	9.5%
Total Revenue	187,188,233	194,544,713	3.9%
TOTAL RESOURCES	187,188,233	199,567,299	6.6%
DISTRIBUTIONS			
Interest Distributions	(1,466,463)	(1,606,173)	9.5%
Transfers to the State School Fund	(180,699,184)	(182,239,000)	0.9%
TOTAL DISTRIBUTIONS	(182,165,647)	(183,845,173)	0.9%
ENDING BALANCE	\$5,022,586	\$15,722,126	213.0%

LFO: HB 5035-A (6/29/11)

2011-13 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	LAB Expenditure Limitation	Ending Lottery Balance
ECONOMIC DEVELOPMENT FUND					
DEBT SERVICE COMMITMENTS					
Department of Education	47,811,752	340,029	509,719	47,811,752	849,748
Outstanding bonds	13,223,235	695,350	0	13,918,585	0
Department of Higher Education	214,871	70,881	0	214,871	0
Outstanding bonds	79,199,162	25,711	0	79,270,043	0
Business Development Department	10,045,891	0	0	10,071,602	0
Outstanding bonds -	312,164	0	0	312,164	0
Housing and Community Services Dept.	69,455,197	245,345	0	69,700,542	0
Outstanding bonds	6,823,325	59,991	0	6,883,316	0
Department of Transportation	1,281,027	0	0	1,281,027	0
Outstanding bonds	6,841,327	41,316	0	6,882,643	0
Community Colleges & Workforce Development	2,274,497	3,613	0	2,278,110	0
Outstanding bonds	175,837	0	0	175,837	0
Department of Forestry	2,079,252	9,187	0	2,088,439	0
New bonds	553,635	661	0	554,296	0
Department of Energy	152,455	0	0	152,455	0
Outstanding bonds	8,825,680	0	0	8,825,680	0
Water Resources Department	374,741,287	0	0	374,741,287	0
New bonds	18,354	5,010	0	20,158	3,206
OTHER ALLOCATIONS	3,600,135	2,265	0	3,576,453	25,947
Department of Higher Education	6,822,694	0	0	6,822,694	0
Sports Lottery Account	45,534,264	3,406,557	120,000	49,060,821	0
Department of Education	1,207,893	0	0	1,207,893	0
State School Fund	1,856,674	84,902	0	1,856,674	84,902
Department of Administrative Services	10,972,521	0	573,040	10,779,583	765,978
For Department of Agriculture County Fairs Admin.	\$694,023,129	\$4,980,818	\$1,202,759	\$698,486,925	\$1,729,781
Distribution to County Fairs	401,543	0	0	401,543	0
Business Development Department	1,041,422	4,325,602	0	4,499,878	867,146
Shared Services					
Business, Innovation, Trade					
Film and Video					
Office of the Governor					
Economic Revitalization Team					
Oregon Health Authority					
Gambling Addiction Treatment					
TOTAL ECONOMIC DEVELOPMENT FUND					
EDUCATION STABILITY FUND / OREGON EDUCATION FUND					
Student Assistance Commission					
Opportunity Grant					
Department of Education					
Education bonds outstanding					
TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND					

LFO: HB 5035-A (6/29/11)

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5056-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Olson
Carrier – Senate: Sen. Winters**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 21 – 4 – 0

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Whisnant
– Nays: Freeman, Thatcher
– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Johnson, Monroe, Nelson, Thomsen, Verger, Winters
– Nays: Girod, Whitsett
– Exc:

Prepared By: Linda Gilbert, Department of Administrative Services

Reviewed By: John Borden and Robin LaMonte, Legislative Fiscal Office

Meeting Date: June 27, 2011

Agency
Various agencies

Budget Page
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LFO Analysis Page
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Biennium
2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ Change	% Change
<u>Judicial Department</u>						
General Fund				\$ 14,940,000	+14,940,000	
<u>Housing and Community Services Department</u>						
General Fund				470,000	+470,000	
<u>Oregon University System</u>						
General Fund				330,000	+330,000	
<u>Department of Agriculture</u>						
General Fund				150,000	+150,000	
<u>Department of Human Services</u>						
General Fund				30,000	+30,000	
Total Funds				\$ 15,920,000	+15,920,000	

Summary of Revenue Changes

This measure appropriates General Fund that is generated from civil filing fee revenues under House Bill 2710.

Summary of Capital Construction Subcommittee Action

House Bill 5056 appropriates \$15,920,000 of General Fund for eligible entities identified in House Bill 2710 for the 2011-13 biennium:

- \$7.4 million to the Oregon Judicial Department for County Law Libraries;
- \$7.4 million to the Oregon Judicial Department Conciliation and Mediation Services;
- \$140,000 to the Oregon Judicial Department for Appellate Mediation services;
- \$470,000 to the Housing and Community Services Department for the Low Income Rental Housing Fund;
- \$330,000 to the Oregon University System for Domestic Violence Legal Education;
- \$150,000 to the Department of Agriculture for agricultural mediation; and
- \$30,000 to the Department of Human Services Children’s Ombudsman program.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5056-A

Various
Linda Gilbert -- (503) 378-4588

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Judicial Department</u>									
Personal Services - Appellate Mediation	\$ 140,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 140,000	0	0.00
Special Payments - County Law Libraries	\$ 7,400,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,400,000	0	0.00
Special Payments - Conciliation and Mediation Services	\$ 7,400,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 7,400,000	0	0.00
<u>Housing and Community Services Department</u>									
Special Payments to Non Govt Organizations	\$ 470,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 470,000	0	0.00
<u>Oregon University System</u>									
Services and Supplies	\$ 330,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 330,000	0	0.00
<u>Department of Agriculture</u>									
Services and Supplies	\$ 150,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 150,000	0	0.00
<u>Department of Human Services</u>									
Services and Supplies	\$ 30,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 30,000	0	0.00
TOTAL ADJUSTMENTS	\$ 15,920,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,920,000	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ 15,920,000	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 15,920,000	0	0.00

*Excludes Capital Construction Expenditures

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 805-B

Carrier – House: Rep. McLane

Carrier – Senate: Sen. Courtney

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 22 – 0 – 3

House – Yeas: Beyer, Buckley, Cowan, Garrard, Komp, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

– Nays:

– Exc: Freeman, Kotek

Senate – Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters

– Nays:

– Exc: Bates

Prepared By: Art Ayre, Department of Administrative Services

Reviewed By: John Terpening, Legislative Fiscal Office

Meeting Date: May 20, 2011

Agency

Department of Agriculture

Budget Page

F-4

LFO Analysis Page

123

Biennium

2011-13

Budget Summary*

	2009-11		2011-13		2011-13		Committee Change from	
	Legislatively Approved Budget (1)		Current Service Level		Governor's Budget		2009-11 Leg Approved	
	\$		\$		\$		\$ Change	% Change
General Fund	\$	0	\$	0	\$	0	\$ 65,470	0.0%

Position Summary

Authorized Positions	0	0	0	0	0	0
Full-time Equivalent (FTE) Positions	0.00	0.00	0.00	0.00	0.00	0.00

(1) Includes adjustments through March 2011.

* Excludes Capital Construction expenditures

Summary of Revenue Changes

Senate Bill 805-A authorizes a civil penalty not to exceed \$2,500 for violations of the provisions of the act. The civil penalty revenue as a result of this measure is indeterminate.

Summary of Natural Resources Subcommittee Action

Senate Bill 805-A creates the offense of unlawfully confining an egg-laying hen that does not comply with rules adopted by the Department of Agriculture. The measure defines the minimum standards for enclosure and allows the Department to impose a maximum civil penalty of \$2,500. The penalties recovered are paid into the General Fund. The measure requires commercial farm owners or operators that engage in egg production to submit a business plan describing plans to comply with the Department’s rules on confinement at time of licensure renewal. These requirements become operative January 1, 2012.

The measure directs the Department to inspect commercial farms engaged in egg production for compliance beginning July 1, 2015, and allows the Department to collect fees for the inspections. The moneys from the fees collected must be deposited into the Department of Agriculture Service Fund and are continuously appropriated to the Department for compliance enforcement. The Department is directed to report annually to the Legislative Assembly on the commercial farm compliance rates.

The measure adjusts the confinement rules beginning July 1, 2017; requires that 25 percent or more of enclosures meet certain standards by 2020; requires that 65 percent or more of enclosures meet certain standards by 2023; and beginning July 1, 2026 the measure removes the requirement for commercial farms to submit business plans and the annual reporting requirements of the Department to the Legislative Assembly.

LEGISLATIVE ACTION

The Subcommittee recommends one-time startup costs for the program at \$65,470 General Fund in 2011-13. Included in these costs are rule-making, consultation fees for expertise, and public outreach. The Department assumes that the anticipated workload for startup costs and reviewing business plans will be accomplished by existing staff through reprioritizing duties and responsibilities.

The Department further assumes that additional General Fund support would be required in 2015-17 to begin implementation of the inspections until fees generated from the inspections can fund the program.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 805-B

Oregon Department of Agriculture
Art Ayre -- (503) 378-3108

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
2011-13 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
2011-13 Governor's Recommended Budget*	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	0	0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Food Services Policy Area</u>									
<u>Senate Bill 805-A Implementation</u>									
Personal Services	\$ 32,900	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,900	0	0.00
Services and Supplies	\$ 32,570	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 32,570	0	0.00
TOTAL ADJUSTMENTS	\$ 65,470	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,470	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$ 65,470	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 65,470	0	0.00
% Change from 2009-11 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change from 2011-13 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
% Change from 2011-13 Gov's Recommended Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

*Excludes Capital Construction Expenditures

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5508-A

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. Richardson

Carrier – Senate: Sen. Devlin

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

– Nays:

– Exc:

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Whitsett, Winters

– Nays:

– Exc: Verger

Prepared By: Sheila Baker, Legislative Fiscal Office

Reviewed By: Daron Hill, Legislative Fiscal Office

Meeting Date: June 29, 2011

<u>Agency</u>	<u>Budget Page</u>	<u>LFO Analysis Page</u>	<u>Biennium</u>
Emergency Board	L-1	263	2011-13
Various Agencies			2009-11

LEGISLATIVE ACTION

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>Emergency Board</u>				
General Fund - General Purpose	-	-	\$ 25,000,000	\$ 25,000,000
General Fund - Special Purpose Appropriations				
Department of Human Services/ Oregon Health Authority			\$ 8,000,000	\$ 8,000,000
Department of Justice			\$ 2,000,000	\$ 2,000,000
<u>Various Agencies -- see Attachment A</u>				
General Fund	-	-	\$ (3,802,558)	\$ (3,802,558)
General Fund Debt Service	-	-	\$ (17,335,341)	\$ (17,335,341)
Lottery Funds	-	-	\$ (72,114)	\$ (72,114)
Lottery Funds Debt Service	-	-	\$ (24,405,711)	\$ (24,405,711)
Other Funds	-	-	\$ (8,304,448)	\$ (8,304,448)
Other Funds Debt Service	-	-	\$ (25,605,072)	\$ (25,605,072)
Federal Funds	-	-	\$ (2,633,061)	\$ (2,633,061)
<u>ADMINISTRATION PROGRAM AREA</u>				
<u>Department of Administrative Services</u>				
General Fund	-	-	\$ 1,325,000	\$ 1,325,000
Lottery Funds Debt Service	-	-	\$ 903,119	\$ 903,119
Other Funds	-	-	\$ 19,514,631	\$ 19,514,631
<u>Office of the Governor</u>				
General Fund	-	-	\$ 3,000,000	\$ 3,000,000
Federal Funds	-	-	\$ 825,616	\$ 825,616
<u>Secretary of State</u>				
General Fund	-	-	\$ 80,000	\$ 80,000
Other Funds	-	-	\$ 380,312	\$ 380,312
Federal Funds	-	-	\$ 634,419	\$ 634,419

*Excludes Capital Construction

LEGISLATIVE ACTION

2011-13 Budget Summary*

	<u>2009-11 Legislatively Approved Budget</u>	<u>2011-13 Legislatively Adopted Budget</u>	<u>2011-13 Committee Recommendation</u>	<u>Committee Change</u>
<u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u>				
<u>Oregon Health Licensing Agency</u>				
Other Funds	-	-	\$ 46,356	\$ 46,356
<u>Real Estate Agency</u>				
Other Funds	-	-	\$ 496,400	\$ 496,400
<u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u>				
<u>Oregon Business Development Department</u>				
Lottery Funds	-	-	\$ 1,300,000	\$ 1,300,000
Other Funds	-	-	\$ 106,207	\$ 106,207
Other Funds Nonlimited	-	-	\$ 10,000,000	\$ 10,000,000
<u>Housing and Community Services Department</u>				
Other Funds	-	-	\$ (4,879,057)	\$ (4,879,057)
<u>Department of Veterans' Affairs</u>				
General Fund	-	-	\$ 800,000	\$ 800,000
<u>EDUCATION PROGRAM AREA</u>				
<u>Department of Education</u>				
General Fund	-	-	\$ 2,327,153	\$ 2,327,153
Lottery Funds	-	-	\$ 2,822,847	\$ 2,822,847
Other Funds	-	-	\$ 625,000	\$ 625,000
<u>Department of Community Colleges and Workforce Development</u>				
General Fund	-	-	\$ 3,900,000	\$ 3,900,000
General Fund Debt Service	-	-	\$ (363,510)	\$ (363,510)
<u>Oregon University System</u>				
General Fund	-	-	\$ (8,974,046)	\$ (8,974,046)
General Fund Debt Service	-	-	\$ 5,660,047	\$ 5,660,047
Other Funds	-	-	\$ 1,753,642	\$ 1,753,642

*Excludes Capital Construction

LEGISLATIVE ACTION

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>HUMAN SERVICES PROGRAM AREA</u>				
<u>Department of Human Services</u>				
General Fund	-	-	\$ 2,753,263	\$ 2,753,263
Federal Funds	-	-	\$ 5,077,079	\$ 5,077,079
<u>Oregon Health Authority</u>				
General Fund	-	-	\$ 600,000	\$ 600,000
Other Funds	-	-	\$ 14,205,000	\$ 14,205,000
Federal Funds	-	-	\$ 23,360,000	\$ 23,360,000
<u>JUDICIAL BRANCH</u>				
<u>Judicial Department</u>				
General Fund	-	-	\$ 30,497,095	\$ 30,497,095
General Fund Debt Service	-	-	\$ (486,738)	\$ (486,738)
Other Funds	-	-	\$ (28,627,911)	\$ (28,627,911)
<u>LEGISLATIVE BRANCH</u>				
<u>Legislative Counsel Committee</u>				
Other Funds	-	-	\$ (275,000)	\$ (275,000)
<u>NATURAL RESOURCES PROGRAM AREA</u>				
<u>State Department of Agriculture</u>				
Lottery Funds	-	-	\$ 543,000	\$ 543,000
<u>State Department of Energy</u>				
Other Funds	-	-	\$ 500,000	\$ 500,000
<u>State Department of Fish and Wildlife</u>				
Other Funds Debt Service	-	-	\$ 726,928	\$ 726,928

*Excludes Capital Construction

LEGISLATIVE ACTION

2011-13 Budget Summary*

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>State Forestry Department</u>				
Other Funds	-	-	\$ 114,881	\$ 114,881
<u>Water Resources Department</u>				
General Fund	-	-	\$ 487,062	\$ 487,062
<u>PUBLIC SAFETY PROGRAM AREA</u>				
<u>Oregon Criminal Justice Commission</u>				
Other Funds	-	-	\$ 176,384	\$ 176,384
<u>Department of Justice</u>				
General Fund	-	-	\$ 600,000	\$ 600,000
<u>Oregon Military Department</u>				
General Fund Debt Service	-	-	\$ 618,000	\$ 618,000
Other Funds	-	-	\$ 7,657,737	\$ 7,657,737
<u>Oregon Youth Authority</u>				
General Fund	-	-	\$ 300,000	\$ 300,000
<u>TRANSPORTATION PROGRAM AREA</u>				
<u>Department of Transportation</u>				
General Fund	-	-	\$ 2,000,000	\$ 2,000,000
Other Funds	-	-	\$ 13,053,627	\$ 13,053,627
2011-13 Budget Summary				
General Fund Total	-	-	\$ 58,985,427	\$ 58,985,427
Lottery Funds Total	-	-	\$ (18,908,859)	\$ (18,908,859)
Other Funds Total	-	-	\$ 1,665,617	\$ 1,665,617
Federal Funds Total	-	-	\$ 27,264,053	\$ 27,264,053

*Excludes Capital Construction

2009-11 Supplemental Appropriations

	<u>2009-11 Legislatively Approved Budget</u>	<u>2009-11 Committee Recommendation</u>	<u>Committee Change</u>
<u>Public Utility Commission</u>			
Other Funds	-	\$ 10,000	\$ 10,000
<u>Oregon University System (Department of Higher Education)</u>			
Federal Funds	-	\$ 3,550	\$ 3,550
<u>Judicial Department</u>			
General Fund	-	\$ 499,999	\$ 499,999
<u>Public Defense Services Commission</u>			
General Fund	-	\$ 802,570	\$ 802,570
<u>Oregon Watershed Enhancement Board</u>			
Federal Funds	-	\$ 800,000	\$ 800,000
<u>Department of Transportation</u>			
Lottery Funds Debt Service	-	\$ 2	\$ 2

LEGISLATIVE ACTION

2011-13 Position Summary

	2009-11 Legislatively Approved Budget	2011-13 Legislatively Adopted Budget	2011-13 Committee Recommendation	Committee Change
<u>Office of the Governor</u>				
Authorized Positions	-	-	3	3
Full-time Equivalent (FTE) positions	-	-	2.50	2.50
<u>Secretary of State</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	0.50	0.50
<u>Department of Community Colleges and Workforce Development</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<u>Department of Education</u>				
Authorized Positions	-	-	1	1
Full-time Equivalent (FTE) positions	-	-	1.00	1.00
<u>State Commission on Children and Families</u>				
Authorized Positions	-	-	0	0
Full-time Equivalent (FTE) positions	-	-	(0.25)	(0.25)
<u>State Department of Energy</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00
<u>Water Resources Department</u>				
Authorized Positions	-	-	2	2
Full-time Equivalent (FTE) positions	-	-	2.00	2.00

Summary of Revenue Changes

The General Fund appropriations made in the bill are within resources available as projected in the May 2011 economic and revenue forecast by the Department of Administrative Services Office of Economic Analysis, supplemented by transfers from various agency accounts to the General Fund for general governmental purposes as authorized in Senate Bill 939, plus other actions to reduce state agency expenditures.

Summary of Capital Construction Subcommittee Action

Senate Bill 5508 appropriates General Fund to the Emergency Board for general purpose and targeted special purpose appropriations, and makes other adjustments to individual agency budget and position authority as described below.

Emergency Board

The Emergency Board allocates General Fund and provides Lottery Funds, Other Funds, and Federal Funds expenditure limitation to state agencies for unanticipated needs in approved agency budgets when the Legislature is not in session. The Subcommittee appropriated \$25 million General Fund to the Emergency Board for general purposes.

Senate Bill 5508 makes two special purpose appropriations to the Emergency Board, totaling \$10 million General Fund:

- \$8 million General Fund for the Department of Human Services and/or the Oregon Health Authority for caseloads or costs for programs and services. This appropriation is in addition to the resources, and the special purpose appropriation to the Emergency Board, included in the budget bills for the Department of Human Services (House Bill 5030) and the Oregon Health Authority (Senate Bill 5529).
- \$2 million General Fund for the Department of Justice for: 1) the on-going legal costs associated with the state's defense of the revenue stream generated from the Master Settlement Agreement entered into with major tobacco companies; and 2) the Defense of Criminal Convictions program. This appropriation is in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

If these special purpose appropriations are not allocated by the Emergency Board before December 1, 2012, any remaining funds become available to the Emergency Board for general purposes.

Adjustments to Approved 2011-13 Budgets

OMNIBUS ADJUSTMENTS

Omnibus adjustments reflect savings in multiple agencies based on reductions in Department of Administrative Services' assessments and charges for services, including the State Data Center; Secretary of State audit assessments; and Office of Administrative Hearings charges. Agencies will need to reconcile these changes in the appropriate line items with consideration for the 6.5% overall reduction in services and supplies applied to most agency budgets and reductions in uniform/self-support rent charges. Debt service costs are also adjusted based on

updated bonding information, including a net \$24.4 million reduction in Lottery Funds debt service costs. The combined results of these changes on individual agency budgets are shown in Attachment A. Total savings are \$21.1 million General Fund, \$24.5 million Lottery Funds, \$33.9 million Other Funds, and \$2.6 million Federal Funds.

ADMINISTRATION

Oregon Department of Administrative Services

Senate Bill 5508 includes General Fund appropriations to the Department for the following programs:

- \$100,000 for the Confluence Project, a collaborative effort of Pacific Northwest tribes, civic groups from Washington and Oregon, artists, architects, and landscape designers. Each of its seven sites along the Columbia River features an art installation interpreting the area's ecology and history.
- \$400,000 for the Boardman Health Clinic, which gives Columbia River Community Health Services the amount needed to complete the funding package for this project. The new 15,000 square foot medical facility replaces a 5,000 square foot building that can no longer expand with the existing footprint.
- \$400,000 for Southwestern Oregon Community College's Curry Campus project. The money will help finish equipping and furnishing the facility.
- \$425,000 for Port Orford to purchase a building for the planned marine reserve research and interpretive center.

The Subcommittee added \$19,514,631 Other Funds for costs of issuance and special payments associated with the distribution of proceeds from several Lottery Bond sales; projects are detailed below and approved in the Lottery Bond bill (House Bill 5036). Also included is \$903,119 Lottery Funds to cover the 2011-13 debt service on those bonds.

- \$3,251,756 Other Funds for disbursement to the Port of Morrow for the purpose of Willow Creek/Sage Center Improvements, including construction of sidewalks or other walkways. For debt service, \$173,981 Lottery Funds is approved.
- \$6,478,890 Other Funds for disbursement to the City of Hermiston for the purpose of acquiring, developing, constructing and equipping the Eastern Oregon Trade Center. For debt service, \$346,294 Lottery Funds is approved.
- \$2,950,809 Other Funds for disbursement to the Milton-Freewater Water Control District for public infrastructure improvements, including levee restoration/repair projects and bridge projects in Milton-Freewater and surrounding areas. For debt service, \$157,711 Lottery Funds is approved.
- \$2,549,322 Other Funds for disbursement to the Oregon Historical Society for payment of mortgage costs associated with the society's storage facility in Gresham. For debt service, \$225,133 Lottery Funds is approved.
- \$4,283,854 Other Funds for disbursement to the Lane Transit District for the West Eugene EmX Extension; this project supports the acquisition, construction and procurement of the components of an extension of the bus rapid transit system in west Eugene. Debt service for this project was included as part of the omnibus adjustments mentioned previously.

Office of the Governor

The Subcommittee appropriated \$3 million General Fund and increased Federal Funds expenditure limitation by \$825,616 for the purpose of implementing Senate Bill 909, which creates the Oregon Education Investment Board and the Early Learning Council. Three positions (2.50 FTE) were also approved: a Chief Investment Officer and Early Learning Systems Director (both Principal Executive/Manager G) and one half-

time Executive Support Specialist 2. An estimated \$354,067 General Fund will be spent on Personal Services and services and supplies. The Governor's Office anticipates expending the balance of the General Fund resources for professional services contracts for change management, development of a school-readiness assessment tool, and development of a comprehensive early childhood education and care budget. The federal funds, from the federal State Early Childhood Advisory Council grant received during the 2009-11 biennium, will support the Early Learning System Director, the half-time executive support position, associated services and supplies and Professional Services costs for the work of the Early Learning Council.

Secretary of State

The budget for the Secretary of State is increased by \$80,000 General Fund for House Bill 2257, which expands electronic filing requirements of statements to the Elections Division; by \$380,312 Other Funds for House Bill 3247, which requires the agency to establish the "One Stop Shop for Oregon Business" internet portal; and by \$634,419 Federal Funds for two federal grants, with the understanding that the Department of Administrative Services will unschedule the Federal Funds expenditure limitation pending award of the grants. One limited-duration Operations and Policy Analyst 2 position (0.50 FTE) is also established for development of the internet portal. The General Fund appropriation is to finance one-time costs and will be phased out in development of the agency's 2013-15 biennium budget. All but \$75,000 of the Other Funds for the internet portal will also be phased out in the development of the 2013-15 biennium budget. The remaining \$75,000 is projected to cover the ongoing maintenance costs of the internet portal.

CONSUMER AND BUSINESS SERVICES

Oregon Health Licensing Agency

The Subcommittee approved \$46,356 Other Funds expenditure limitation to support licensing and regulatory oversight of Polysomnographic Technologists within the Respiratory Therapist and Polysomnographic Technologist Licensing Board, as established in Senate Bill 723. The Other Funds revenue results from applications, licensure, renewals, and other fees associated with licensing the Polysomnographic Technologists.

Real Estate Agency

The Other Funds expenditure limitation for the agency is increased by \$496,400 to cover expenses for an online licensing system. The agency received a \$500,000 limitation for this project during the 2009-11 biennium. However, due to delays in project implementation, vendor payments will not be made until the first quarter of the 2011-13 biennium.

ECONOMIC AND COMMUNITY DEVELOPMENT

Oregon Business Development Department

Senate Bill 5508 establishes \$1.3 million in new Lottery Funds expenditure limitation for the Department. Of this amount, \$1 million is established for identifying regional governance solutions to improve economic development opportunities and for developing a West Coast strategy to create jobs while reducing carbon emissions and the costs of doing business by retrofitting and redesigning the built environment. The remaining \$300,000 is established for a pilot project providing economic gardening services. An additional \$106,207 Other Funds expenditure limitation is provided for payment of costs to issue lottery revenue bonds for the Department. Bond proceeds will provide the source

of these Other Funds. These bonds are associated with the authorization in House Bill 5036 of \$10,000,000 of lottery revenue bond proceeds for infrastructure financing. A total of \$10,000,000 of lottery revenue bond proceeds will be deposited into the Special Public Works Fund and the Water/Waste Water Fund, where they will be used to provide loans and grants to municipalities with eligible infrastructure projects. The Department is authorized to make these loans and grant payments as Nonlimited Other Funds. The Lottery Funds, Other Funds, and Nonlimited Other Funds expenditures are one-time expenditures that will be phased out in the development of the Department's 2013-15 biennium budget.

Of the Lottery Funds available to the Department in the 2011-13 biennium budget, the amount of \$20,000 is designated for the purpose of promoting Oregon businesses at the 2011 and 2012 China International Fairs for Investment & Trade in Xiamen, China.

Housing and Community Services Department

Other Funds expenditure limitation for the Housing and Community Services Department is reduced by \$4,879,057 to reconcile the amount of Lottery Bond proceeds approved in the Capital Construction budget for the purpose of preserving low income housing with expiring federal subsidies. The low income housing preservation package is anticipated to provide gap financing to preserve about 125 units of affordable housing. The total amount approved is \$5,000,000 Other Funds for project costs and \$120,943 Other Funds for costs of issuance.

Department of Veterans' Affairs

Senate Bill 5508 appropriates a total of \$800,000 General Fund to the Department of Veterans' Affairs for the following purposes:

- \$350,000 to augment payments to county veterans' service organizations for the 2011-13 biennium.
- \$350,000 in one-time funding for interim operation of the Military HelpLine service for veterans until federal funding is secured for the service by the Oregon Military Department.
- \$100,000 in one-time funding to provide assistance with medical transportation to veterans who use wheelchairs.

EDUCATION

Department of Education

The State School Fund is adjusted in Senate Bill 5508 to reflect a rebalance of statewide resources, decreasing General Fund and increasing Lottery Funds expenditure limitation by \$2,822,847.

The Subcommittee approved a one-time appropriation of \$150,000 General Fund for the For Inspiration and Recognition of Science and Technology (FIRST) program.

The Oregon Court of Appeals affirmed a ruling against the Department of Education for breach of contract with Vantage Learning which provided standardized testing in Oregon schools. The resulting judgments total \$3.5 million plus accrued interest at 9% per annum from October 2006 to date of payment, which will exceed \$5 million in total. The Subcommittee approved \$5 million General Fund to assist in covering this liability. The Department estimates that approximately \$2.4 million may be available within its existing 2009-11 legislatively approved budget that would otherwise be reverted to the General Fund. The Department is to first utilize its 2009-11 legislatively approved budget to the greatest

extent possible to address the payments due to Vantage Learning; any remaining balance due may be paid from this new appropriation. Any remaining funds from the \$5 million will be disappropriated when the Legislature convenes in 2012.

One position (1.00 FTE) is established for the Director of the Office of Regional Educational Services approved in Senate Bill 250.

The Subcommittee approved an increase of \$625,000 Other Funds expenditure limitation for the Oregon School for the Deaf (OSD) to support building improvements, repairs and maintenance costs, with the understanding that the Department of Administrative Services (DAS) will unschedule \$450,000 pending a joint report from DAS Facilities Division and OSD. The \$175,000 that is not uncheduled is for replacing carpet in the elementary/middle school building and the building used for the infirmary, food service and administration, as the old carpet is a safety hazard for children. Consistent with the direction provided by the Emergency Board in December 2010, the agency and DAS shall bring forward a five-year maintenance plan that is inclusive of funding available within the existing operating budget, community donations, proceeds from the sale of the School for the Blind, and any resources available from other state agencies. The report should also include an update on facility utilization with the improvements sponsored by the Extreme Makeover: Home Edition program. This report shall be considered in conjunction with the work of a legislative interim work group to review deferred maintenance needs and sustainability of the OSD and the staffing model prepared by ODE in response to a budget note adopted with House Bill 5020 (2011) prior to rescheduling the balance of the expenditure limitation.

Department of Community Colleges and Workforce Development

The Subcommittee approved a net increase of \$3.54 million General Fund for the following purposes:

- \$3.4 million General Fund for Oregon's National Career Readiness Certificate (NCRC) and on-the-job training programs which support the Governor's "Getting Oregon Back to Work" initiative. The Subcommittee also approved establishing one limited duration Program Analyst position (1.00 FTE) to support the NCRC. The position is grant funded and the Department has sufficient Federal Funds expenditure limitation.
- \$500,000 General Fund for a one-time expenditure of \$100,000 to the Trucking Solutions Consortium for administration and \$400,000 for a loan program for students participating in commercial driver license training. These loans are not part of a State program and funding is provided only to establish the private program.
- Decreased debt service by \$363,510 to reflect updated principal and interest payments following the April 2011 sale of Article XI-G bonds.

Oregon University System

The Oregon University System (OUS) budget is adjusted in Senate Bill 5508 to reflect the fiscal impact of Senate Bill 242. The OUS budget was reduced \$7,440,000 General Fund to reflect the System now retaining interest on all monies it receives. The interest on tuition and other revenues was previously deposited in the General Fund. To mitigate the impact of this change on the General Fund, OUS agreed to a reduction in its base budget to offset the lost General Fund revenues. OUS is further directed to phase-out an additional \$14,603,000 General Fund during development of its 2013-15 budget request to reflect the 2013-15 lost General Fund revenue estimate of \$22,043,000. Additional changes due to approval of Senate Bill 242 include a \$1,947,230 General Fund reduction to eliminate funding included in the budget to pay Department of Justice costs now that OUS will no longer be represented by the State. OUS estimates it will cost more to retain outside legal counsel, however, so the budget was increased by \$2,307,230 Other Funds to accommodate the increase in legal costs. Reductions of \$236,816 General Fund and

\$1,018,168 Other Funds are made to reflect OUS not paying DAS assessments after July 1, 2012. Additional Other Funds adjustments related to the fiscal impact of Senate Bill 242 include adding \$250,000 for a risk management consultant, \$200,000 for a study on alternative health plans, and \$14,580 due to increasing the membership of the Board of Higher Education to 15 people. Overall, these changes reduce the OUS budget for education and general services by \$9.6 million General Fund and add \$1.8 million Other Funds expenditure limitation. For complete details on the fiscal effects of Senate Bill 242, see the fiscal impact statement issued for Senate Bill 242-C.

Senate Bill 5508 also appropriates \$5,660,047 General Fund for debt service on outstanding Article XI-Q general obligation bonds. The budget for OUS included no debt service for these bonds, which have largely replaced the use of Certificates of Participation.

The Subcommittee approved an additional \$500,000 General Fund for Dispute Resolution services at the University of Oregon and an additional \$150,000 General Fund for the Labor Education Research Center at the University of Oregon. Both increases were made as one time additions in General Fund support for the 2011-13 biennium only.

HUMAN SERVICES

Oregon Health Authority

The Subcommittee approved an additional \$13.9 million Other Funds and \$23.3 million Federal Funds expenditure limitation for the increased hospital benefits for clients in the Oregon Health Plan Standard program. These increased benefits were part of the hospital provider tax expansion, but were contingent on the passage of Senate Bill 204. For this reason the limitation was not included in Senate Bill 5529, the budget bill for the Oregon Health Authority. The Subcommittee also approved the addition of \$600,000 General Fund to mitigate the reduction to the reimbursement rate for durable medical equipment.

In addition, \$300,000 Other Funds expenditure limitation was added to Public Health to restore funding to the Oregon Trauma System. The Seniors Farmers Market Program was increased by \$5,000 Other Funds and \$60,000 Federal Funds expenditure limitation. Revenues from increased medical marijuana fees will fund the state portion of these two items.

The Subcommittee directed the following budget note related to contracts for managed care plans:

BUDGET NOTE

The Oregon Health Authority (OHA) priority shall be to renew contracts of prepaid managed care plans under contract January 1, 2011 within budgetary constraints. The OHA shall not use a competitive bid process or similar process in the renewal of the contracts for prepaid managed care organizations. OHA will work cooperatively with plans to develop capitation rates using realistic pricing structures which are actuarially sound and which address the fiscal viability of the plans given the budget reductions. This structure should reflect the legislatively approved budget and its reductions as well as the need for federal approval in the most expeditious and fiscally prudent manner.

Department of Human Services

The Subcommittee added \$1.5 million Federal Funds expenditure limitation to the Children, Adults and Families budget, based on a federal bonus for Oregon's low negative error rate in administering the Supplemental Nutrition Assistance Program (SNAP/food stamps). The agency expects to use the one-time federal award to offset General Fund expenditures in program administration. The General Fund will be shifted to the Temporary Assistance to Needy Families (TANF) program budget to continue, for at least the first year of the biennium, the \$50 monthly Post-TANF payments for families who are transitioning from TANF cash assistance to employment. House Bill 5030, the department's budget bill, anticipated eliminating these payments for the full 2011-13 biennium as a budget savings action.

The Subcommittee approved an additional \$500,000 General Fund for Oregon Project Independence. Together with funding in House Bill 5030, this brings program funding to \$9.5 million General Fund for the 2011-13 biennium.

After completion of the DHS budget in House Bill 5030, DHS discovered that the budgeted funding level for Type B Area Agencies on Aging (AAAs), who determine long-term care service and financial eligibility and provide adult protective services for seniors and people with physical disabilities, was not sufficient to fund the AAAs at 85% equity relative to state office costs as was intended. The funding level in House Bill 5030 would instead fund Type B AAAs at 83.7% equity. The Subcommittee approved \$279,161 General Fund and \$260,139 Federal Funds to fund the AAAs at 85% equity through February 2012. This allows time for DHS and the AAAs to review the funding allocation model, overall costs, revenues and caseload trends, with the intent that DHS and the AAAs make a recommendation to the 2012 Legislative Assembly for addressing this issue for the balance of the 2011-13 biennium.

An additional \$2 million General Fund and \$3.3 million Federal Funds was approved to partially restore rate reductions slated for certain providers of developmental disability (DD) comprehensive services. The budget continues the DD provider rate reductions implemented as part of the DHS allotment reductions for the 2009-11 biennium, but the added funding will avoid, at least through February 2012, further reductions otherwise expected for the 2011-13 biennium. The added funding will delay the October 1, 2011 4% comprehensive services rate reduction through February 2012 for Adult Supportive Living Services, Adult and Children's 24-Hour DD Residential Services, Employment Services and Children's Proctor Care; and fund brokerage administration at 89% of equity. The funding will not impact the following reductions set to take effect October 1, 2011: 10% reduction to Adult DD Foster Care providers and Community Developmental Disability Programs; a further 4% reduction in Children's DD Foster Care; and a 4% reduction to non-Alternatives to Employment program transportation.

State Commission on Children and Families

An additional 0.25 FTE reduction is made as a technical adjustment to reflect the Commission's final staffing plan to implement its legislatively adopted budget in Senate Bill 5550.

JUDICIAL BRANCH

Judicial Department

The Subcommittee approved adjustments to the budget for the Judicial Department as follows:

- House Bill 2710 transfers funding of the Collection and Revenue Management Program from Other Funds back to the General Fund. This results in a \$28.2 million Other Funds expenditure limitation reduction, with General Fund appropriations of \$9.3 million for third party debt collection fees and \$18.9 million for Personal Service and services and supplies costs. This action does not result in any change to the Department's positions or FTE.
- A General Fund appropriation of \$2 million for Trial and Appellate level operations costs.
- General Fund appropriations for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000).
- An Other Funds reduction of \$405,816 for the costs of issuance for Oregon eCourt Program Article XI-Q bonds. The Department's budget will retain \$100,000 for the \$6 million of Article XI-Q bonds approved in House Bill 5005.
- A General Fund Debt Service reduction of \$486,738, which reflects a lower Article XI-Q bond issuance for the Oregon eCourt Program than was assumed in the Governor's recommended budget.

LEGISLATIVE BRANCH

Legislative Counsel Committee

The Other Funds expenditure limitation for the Legislative Counsel Committee is decreased by \$275,000 for payments to the Oregon Law Commission (\$223,000) and the Council on Court Procedures (\$52,000). For the 2011-13 biennium, these two entities will receive a General Fund appropriation through the Oregon Judicial Department (see the Judicial Branch program area narrative above).

NATURAL RESOURCES

State Department of Agriculture

Lottery funds expenditure limitation is increased by \$543,000 on a one-time basis to accommodate 2009-11 carry forward for weed control activities. Due to the excessively wet spring, the Department was unable to complete all the weed control projects originally planned for the 2009-11 biennium.

State Department of Energy

Senate Bill 5508 increases the Department's Other Funds expenditure limitation by \$100,000 for financing and technical assistance to school districts for investments in energy efficiency in the 2011-13 biennium; this includes one limited-duration finance position (1.00 FTE). It also increases Other Funds by \$400,000 for the expenses of one limited-duration Governor's energy policy advisor position (1.00 FTE), for supporting the development of a 10-year plan for energy, and for coordinating other activities related to energy policy within the Office of the Governor and the Department.

The following budget note was approved:

BUDGET NOTE

The Department of Energy will establish a work group to develop policy recommendations to be provided to the Legislature during the February 2012 session relating to large single load customers that result in small utilities being re-designated as large utilities under the renewable portfolio standard. Members of the workgroup shall consist of nine members, appointed as follows:

- The Department of Energy shall appoint:
 - two representatives of the Umatilla Electric Cooperative;
 - one representative of the environmental community;
 - one representative of the natural resource community; and
 - one representative of consumer owned utilities.
- The Co-Speakers of the House of Representatives shall appoint two members, one from each caucus, who shall serve as ex-officio members.
- The Senate President shall appoint two members, one from each caucus, who shall serve as ex-officio members.

A representative of the Governor's office, designated by the Governor, is also invited to participate.

The work group shall:

- examine issues and develop policy recommendations relating to small utilities that have large single load customers, which result in the utilities being reclassified as large utilities under the renewable portfolio standard;
- examine complications resulting from contract requirements between the Bonneville Power Administration and preferred energy customers for Tier II energy contracts, and make recommendations for potential rule or policy changes; and
- submit a report, including findings and recommendations, to the Department of Energy and the interim legislative committees relating to energy and consumer protection no later than February 1, 2012.

Department of Environmental Quality

The Subcommittee approved the following budget note relating to the implementation of new water quality standards:

BUDGET NOTE

By February 15, 2013, DEQ shall report to the Seventy-seventh Legislative Assembly on the status of the water quality standards rules proposed for adoption in June 2011, including whether the rules were adopted by the Environmental Quality Commission (EQC) and approved by the Environmental Protection Agency (EPA). If the standards are adopted and approved, the report shall also include, but need not be limited to:

- the number and types of variances granted;
- a summary of the conditions contained in the variances;
- for each variance application received by DEQ, the cost incurred by a permittee to prepare the variance application as made available by the applicant; and,
- information provided by permittees who applied for a variance on the estimated costs associated with implementing the pollution prevention plan required by the variance and other related fiscal impacts.

By February 15, 2015, DEQ shall report to the Seventy-eighth Legislative Assembly on the status and implementation of the human health toxics standards and any related standards adopted by the EQC and approved by EPA after June 2011. The report shall also include but not be limited to the information listed above.

State Department of Fish and Wildlife

Senate Bill 5508 establishes \$726,928 Other Funds expenditure limitation for State Department of Fish and Wildlife debt service payments for the agency's headquarters building project to be financed with Article XI-Q bonds authorized in HB 5005.

State Forestry Department

The Subcommittee approved an increase of \$414,881 Other Funds for the cost of issuance related to the sale of lottery bonds (\$1.9 million) authorized in House Bill 5036 for the purchase of land in the Gilchrist Forest. The Subcommittee reduced the Private Forests Other Funds expenditure limitation by \$300,000 to remove limitation related to contract services funded by the harvest tax revenue. These services will be accommodated within the Department's total budget authorization for the 2011-13 biennium.

Water Resources Department

Senate Bill 5508 appropriates \$487,062 General Fund to restore a Water Availability Modeler position (\$152,972), a Groundwater Hydro-geologist position (\$159,090) and groundwater research funds (\$125,000) that the Governor's recommended budget proposed to eliminate, and provide \$50,000 services and supplies to contract data systems maintenance and software applications related to the program. Restoring the two positions (2.00 FTE) enables the department to maintain water availability models and hydrographic data needed to make decisions when water right applications, permits, and transfers are evaluated; and identify aquifer boundaries, define water budgets, document the interaction between surface water and groundwater and quantify the impacts of future allocations on senior users and the water resource.

PUBLIC SAFETY

Oregon Criminal Justice Commission

Other Funds expenditure limitation for the Criminal Justice Commission is increased by \$176,384 to provide sufficient limitation for payment to drug courts to comply with the 2005 law that requires the Commission pay 20% of forfeiture collections to drug courts.

LEGISLATIVE ACTION

Department of Justice

The Subcommittee appropriated \$600,000 General Fund to the Department of Justice for two Crime Victims' programs. The Child Abuse Multidisciplinary Account (CAMI) is to receive \$458,940 General Fund and the Oregon Domestic and Sexual Violence Abuse program is to receive \$141,060 General Fund. These appropriations are in addition to the resources included in the budget bill for the Department of Justice (Senate Bill 5518).

Oregon Military Department

The Subcommittee approved \$7.5 million Other Funds expenditure limitation for the expenditure of Article XI-M seismic rehabilitation bonds approved in House Bill 5005. Additionally, the Subcommittee appropriated \$618,000 in General Fund debt service for the Article XI-M bonds and added \$114,000 Other Funds expenditure limitation for the cost of issuance.

The Subcommittee approved a \$43,737 Other Funds expenditure limitation increase for the cost of issuance of The Dalles Readiness Center's Article XI-Q bonds, as approved in House Bill 5005. This issuance, which will occur late in the 2011-13 biennium, does not have any associated General Fund debt service during the biennium.

Oregon Youth Authority

An additional \$300,000 General Fund is appropriated to the Oregon Youth Authority to enhance funding for east Multnomah County gang intervention services.

TRANSPORTATION

Department of Transportation

The Subcommittee added \$2 million General Fund for Senior and Disabled Transportation operating grants in the Oregon Transportation Department's Public Transit division. Public transit activities include offering mobility grants to communities to ensure equality of opportunity to access transportation systems and services for seniors and individuals with disabilities.

The Subcommittee approved an increase of \$12,503,912 Other Funds expenditure limitation to implement provisions of House Bill 5036 authorizing issuance of lottery bonds for Connect Oregon IV for multimodal transportation projects. This amount includes the cost of issuance and the amount of bond proceeds that is anticipated to be distributed during the biennium.

An additional \$549,715 Other Funds expenditure limitation was approved to correct a calculation error in vacancy savings for Motor Carrier Transportation (\$193,815), Transportation Program Development (\$334,957), and the Transportation Safety Program (\$20,943).

Adjustments to 2009-11 Budgets

Public Utility Commission

Senate Bill 5508 increases the Commission's Other Funds expenditure limitation by \$10,000 for the Board of Maritime Pilots related to Attorney General charges associated with rate cases.

Oregon University System (Department of Higher Education)

Federal Funds expenditure limitation for the Oregon University System is increased by \$3,550. Unallocated federal American Recovery and Reinvestment Act funding is added for 2009-11 to ensure the correct distribution of these funds is maintained between the education sectors as required by the granting authority.

Judicial Department

The Judicial Department budget is increased with a \$499,999 General Fund appropriation for operations. The amount of the appropriation is to ensure that the Department receives seven quarters of House Bill 2287 revenues (\$22,002,005) as anticipated in the Department's 2009-11 legislatively approved budget.

Public Defense Services Commission

The Subcommittee approved a supplemental General Fund appropriation of \$802,570 for the Public Defense Services Account for trial-level public defense. The amount of the appropriation is to ensure that the agency receives seven quarters of House Bill 2287 revenues (\$12,380,573) as anticipated in the Commission's 2009-11 legislatively approved budget.

Oregon Watershed Enhancement Board

Expenditure limitation for this Board is increased by \$800,000 Federal Funds to pay out federal land acquisition grants that the agency expects to expend late in the current biennium.

Department of Transportation

The Subcommittee added \$2 Lottery Funds expenditure limitation for debt service payments for Connect Oregon II for multimodal transportation projects and the Southeast Metro Milwaukie Extension bonds.

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
ADMINISTRATION								
ADVOCACY COMMISSIONS OFFICE	Operating Expenses	HB 5001	01	GF	(229)	-	-	-
DEPT OF ADMIN SERVICES	Mill Creek Debt Service	SB 5502	01-02	GF	(114,267)	-	-	-
DEPT OF ADMIN SERVICES	Operating Expenses	SB 5502	02-01	OF	-	-	(1,039,691)	-
DEPT OF ADMIN SERVICES	Debt Service (Other)	SB 5502	02-05	OF	-	-	(625,330)	-
DEPT OF ADMIN SERVICES	Debt Service - OPB	SB 5502	03-01	LF	-	(311,063)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Tillamook FEMA Match	SB 5502	03-06	LF	-	(559,068)	-	-
DEPT OF ADMIN SERVICES	Debt Service - Lane Transit District EmX	SB 5502	03-07	LF	-	238,158	-	-
OREGON STATE TREASURY	Administrative Expenses - Operations	HB 5048	01-01	OF	-	-	(92,844)	-
OREGON STATE TREASURY	Administrative Expenses - College Savings	HB 5048	01-02	OF	-	-	(3,362)	-
RACING COMMISSION	Operating Expenses	SB 5543	01	OF	-	-	(48,788)	-
PUB EMPLOYEES RETIREMNT SYSTEM	Administrative and operating expenses	HB 5039	01-01	OF	-	-	(34,511)	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	01-01	GF	(249)	-	-	-
SECRETARY OF STATE	Elections Division	HB 5041	01-02	GF	(6,360)	-	-	-
SECRETARY OF STATE	Archives Division	HB 5041	01-03	GF	(404)	-	-	-
SECRETARY OF STATE	Executive Office, BSD, ISD, HRD	HB 5041	02-01	OF	-	-	(2,390)	-
SECRETARY OF STATE	Audits Division	HB 5041	02-03	OF	-	-	(4,419)	-
SECRETARY OF STATE	Archives Division	HB 5041	02-04	OF	-	-	(122)	-
SECRETARY OF STATE	Corporation Division	HB 5041	02-05	OF	-	-	10,191	-
SECRETARY OF STATE	Help America Vote Act	HB 5041	03	FF	-	-	-	(45)
LIQUOR CONTROL COMMISSION	Administrative expenses	SB 5522	01-01	OF	-	-	6,755	-
DEPT OF REVENUE	Administrative Expenses	HB 5040	01	GF	(259,006)	-	-	-
DEPT OF REVENUE	Operating Expenses	HB 5040	02	OF	-	-	(56,229)	-
EMPLOYMENT RELATIONS BOARD	Assessments of agencies transferred to DAS	SB 5510	03	OF	-	-	(1,811)	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	01	GF	(8,746)	-	-	-
OFFICE OF THE GOVERNOR	Economic Revitalization Team	HB 5025	03	LF	-	(943)	-	-
OFFICE OF THE GOVERNOR	Operating Expenses	HB 5025	04	OF	-	-	(862)	-
GOVERNMENT ETHICS COMMISSION	Other Funds	HB 5024	01	OF	-	-	(1,354)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	01	GF	(1,859)	-	-	-
OREGON STATE LIBRARY	Operating Expenses - Assessments	SB 5521	03	OF	-	-	(2,711)	-
OREGON STATE LIBRARY	Operating Expenses - Non-Assessment	SB 5521	02	OF	-	-	(71)	-
OREGON STATE LIBRARY	Operating Expenses	SB 5521	04	FF	-	-	-	(1,776)
CONSUMER AND BUSINESS SERVICES								
STATE BOARD OF ACCOUNTANCY	Operating Expenses	SB 5501	01	OF	-	-	(9,129)	-
TAX PRACTITIONERS BOARD	Operating Expenses	HB 5044	01	OF	-	-	(3,095)	-
CONSTRUCTION CONTRACTOR BOARD	Operating Expenses	HB 5012	01	OF	-	-	(10,154)	-
COUNSELORS AND THERAPISTS BRD	Operating Expenses	HB 5015	01	OF	-	-	1,195	-
PSYCHOLOGISTS EXAMINERS BOARD	Operating Expenses	HB 5038	01	OF	-	-	(42,775)	-
CHIROPRACTIC EXAMINERS BOARD	Operating Expenses	HB 5007	01	OF	-	-	3,255	-
CLINICAL SOCIAL WORKERS BOARD	Operating Expenses	HB 5008	01	OF	-	-	(441)	-
OREGON BOARD OF DENTISTRY	Operating Expenses	HB 5017	01	OF	-	-	(7,473)	-
HEALTH RELATED LICENSING BRDS	State Mortuary and Cemetary Board	HB 5028	02	OF	-	-	10,034	-
HEALTH RELATED LICENSING BRDS	Board of Naturopathic Examiners	HB 5028	03	OF	-	-	11,026	-
HEALTH RELATED LICENSING BRDS	Occupational Therapy Licensing Board	HB 5028	04	OF	-	-	(207)	-
HEALTH RELATED LICENSING BRDS	Board of Medical Imaging	HB 5028	05	OF	-	-	(4,822)	-
HEALTH RELATED LICENSING BRDS	State Board of Examiners for Speech-Language Pathology and Audiology	HB 5028	06	OF	-	-	1,452	-

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
HEALTH RELATED LICENSING BRDS	Oregon State Veterinary Medical Examining Board	HB 5028	07	OF	-	-	4,633	-
OREGON HEALTH LICENSING AGENCY	Operating Expenses	HB 5026	01	OF	-	-	(19,614)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	01	GF	(10,650)	-	-	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	02	OF	-	-	(3,637)	-
BUREAU OF LABOR AND INDUSTRIES	Operating Expenses	SB 5519	04	FF	-	-	-	(819)
PUBLIC UTILITY COMMISSION	Utility program	SB 5542	01-01	OF	-	-	(5,168)	-
PUBLIC UTILITY COMMISSION	Residential Service Protection Fund	SB 5542	01-02	OF	-	-	(286)	-
PUBLIC UTILITY COMMISSION	Administration	SB 5542	01-03	OF	-	-	(17,065)	-
PUBLIC UTILITY COMMISSION	Board of Maritime Pilots	SB 5542	01-04	OF	-	-	(71)	-
PUBLIC UTILITY COMMISSION	Operating Expenses	SB 5542	02	FF	-	-	-	(36)
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	01	OF	-	-	(506,788)	-
DEPT OF CONSUMER/BSN SERVICES	Operating Expenses	HB 5013	02	FF	-	-	-	(2,438)
REAL ESTATE AGENCY	Operating Expenses	SB 5544	01	OF	-	-	(33,430)	-
BOARD OF NURSING	Operating Expenses	SB 5527	01	OF	-	-	(55,413)	-
OREGON MEDICAL BOARD	Operating Expenses	SB 5526	01	OF	-	-	(2,002)	-
PHARMACY, OREGON BOARD OF	Operating Expenses	SB 5536	01	OF	-	-	2,463	-
ECONOMIC DEVELOPMENT								
OREGON BUSINESS DEVELOPMENT DEF Arts		SB 5528	01	GF	(1,316)	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	02-01	OF	-	-	(912)	-
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	02-02	OF	-	-	(9,335)	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	02-03	OF	-	-	(1,923)	-
OREGON BUSINESS DEVELOPMENT DEF Arts & Cultural Trust		SB 5528	02-04	OF	-	-	(1,614)	-
OREGON BUSINESS DEVELOPMENT DEF Debt Service		SB 5528	02-05	OF	-	-	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	03-01a	LF	-	(8,976)	-	-
OREGON BUSINESS DEVELOPMENT DEF Shared Services		SB 5528	03-01b	LF	-	(11,753)	-	-
OREGON BUSINESS DEVELOPMENT DEF Debt service on lottery bonds		SB 5528	03-01d	LF	-	(7,636,301)	-	-
OREGON BUSINESS DEVELOPMENT DEF Business, Innovation and Trade		SB 5528	04-01	FF	-	-	-	(8)
OREGON BUSINESS DEVELOPMENT DEF Infrastructure Financing		SB 5528	04-02	FF	-	-	-	(158)
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	01	GF	822	-	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	02-01	OF	-	-	140,692	-
DEPT OF HOUSING/COMMUNITY SVCS	Debt service on lottery bonds	SB 5515	03	LF	-	(893,958)	-	-
DEPT OF HOUSING/COMMUNITY SVCS	Operating Expenses	SB 5515	04	FF	-	-	-	26,833
DEPT OF VETERANS AFFAIRS	Vets' Services Organizations Payments	SB 5546	01-03	GF	(572)	-	-	-
DEPT OF VETERANS AFFAIRS	Vets' Services Organizations Payments	SB 5546	02-01	OF	-	-	(39,377)	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	02-01	OF	-	-	1,204,757	-
DEPT OF EMPLOYMENT	Operating budget	SB 5509	05	FF	-	-	-	(365,884)
EDUCATION								
TEACHER STANDARDS/PRACTICES	Operating Expenses	SB 5545	01	OF	-	-	7,367	-
STUDENT ASSISTANCE COMMISSION	Office of Degree Authorization	HB 5043	01-04	GF	(359)	-	-	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	02	OF	-	-	(5,890)	-
STUDENT ASSISTANCE COMMISSION	Operations	HB 5043	01-03	GF	(3,546)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	01-01	GF	(79,021)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	01-02	GF	(6,578)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	01-03	GF	(6,176)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	01-04	GF	(760)	-	-	-

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF HIGHER EDUCATION	Debt service on outstanding general obligation bonds	SB 5532	01-05-a	GF	(4,613,989)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Debt service for COPs	SB 5532	01-05-b	GF	(8,483,611)	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Repayment to Dept of Energy (Debt Service)	SB 5532	01-05-c	GF	2,085,658	-	-	-
DEPARTMENT OF HIGHER EDUCATION	Education and general services of higher education	SB 5532	02-01	OF	-	-	(247,055)	-
DEPARTMENT OF HIGHER EDUCATION	Agricultural Experiment Station and the branch experiment stations of Oregon State University	SB 5532	02-02	OF	-	-	(2,191)	-
DEPARTMENT OF HIGHER EDUCATION	Extension Service of Oregon State University	SB 5532	02-03	OF	-	-	(1,361)	-
DEPARTMENT OF HIGHER EDUCATION	Forest Research Laboratory of Oregon State University	SB 5532	02-04	OF	-	-	(1,466)	-
DEPARTMENT OF HIGHER EDUCATION	Debt service on lottery bonds	SB 5532	04	LF	-	(2,450,028)	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	01-01	GF	(9,475)	-	-	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	02-01	OF	-	-	(4,956)	-
COMMUNITY COLLEGES DEPARTMENT	Oregon Youth Conservation Corps	HB 5011	02-02	OF	-	-	(67)	-
COMMUNITY COLLEGES DEPARTMENT	Operations	HB 5011	03	FF	-	-	-	(18,423)
COMMUNITY COLLEGES DEPARTMENT	Debt service on lottery bonds	HB 5011	08	LF	-	(586,989)	-	-
DEPT OF EDUCATION	Operations	HB 5020	01-01	GF	(242,493)	-	-	-
DEPT OF EDUCATION	Operations	HB 5020	03-01	OF	-	-	(95,444)	-
DEPT OF EDUCATION	Oregon State Schools for the Deaf	HB 5020	03-02	OF	-	-	(2,358)	-
DEPT OF EDUCATION	Youth Corrections Education Program	HB 5020	03-05	OF	-	-	(1,229)	-
DEPT OF EDUCATION	Operations	HB 5020	04-01	FF	-	-	-	(75,881)
DEPT OF EDUCATION	Debt service on lottery bonds	HB 5020	07	LF	-	(935,761)	-	-
DEPT OF EDUCATION	Debt service on lottery bonds (OEF)	HB 5020	08	LF	-	(322,502)	-	-
HUMAN SERVICES								
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	01	GF	(1,439)	-	-	-
LONG TERM CARE OMBUDSMAN	Operating Expenses	SB 5524	02	OF	-	-	(183)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	01	GF	(1,512)	-	-	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	02	OF	-	-	(5,298)	-
COMMISSION FOR THE BLIND	Operating Expenses	SB 5503	03	FF	-	-	-	(41,149)
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	01	GF	(552)	-	-	-
PSYCHIATRIC REVIEW BOARD	Operating Expenses	SB 5539	02	OF	-	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	01-01	GF	(5,183)	-	-	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	01-02	GF	(693,929)	-	-	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	01-03	GF	(250,138)	-	-	-
DEPT OF HUMAN SERVICES	Debt Service	HB 5030	01-04	GF	(73,213)	-	-	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	02-01	OF	-	-	(946)	-
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	02-02	OF	-	-	(38,928)	-
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	02-03	OF	-	-	(6,453)	-
DEPT OF HUMAN SERVICES	Shared Services	HB 5030	02-04	OF	-	-	(175,921)	-
DEPT OF HUMAN SERVICES	Central Services	HB 5030	03-01	FF	-	-	-	30,542
DEPT OF HUMAN SERVICES	Children, Adults and Families	HB 5030	03-02	FF	-	-	-	(824,071)
DEPT OF HUMAN SERVICES	Seniors and People with Disabilities	HB 5030	03-03	FF	-	-	-	(400,838)
COMMISSION ON CHILDREN/FAMILIES	General Fund	SB 5550	01	GF	(5,608)	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	01-01	GF	(578,758)	-	-	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	01-02	GF	(8,386)	-	-	-
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	01-04	GF	96,134	-	-	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	02-01	OF	-	-	(164,642)	-
OREGON HEALTH AUTHORITY	Central Services	SB 5529	02-02	OF	-	-	(2,149)	-
OREGON HEALTH AUTHORITY	Shared Services	SB 5529	02-03	OF	-	-	(306,791)	-

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
OREGON HEALTH AUTHORITY	Debt Service	SB 5529	02-04	OF	-	-	(7,053,790)	-
OREGON HEALTH AUTHORITY	Programs	SB 5529	04-01	FF	-	-	-	(412,885)
OREGON HEALTH AUTHORITY	Central Services	SB 5529	04-02	FF	-	-	-	57,432
JUDICIAL BRANCH								
JUDICIAL FIT OR DISABILITY COM	Operations	SB 5517	01-01	GF	(45)	-	-	-
JUDICIAL DEPARTMENT	Operations	SB 5516	01-02	GF	(136,824)	-	-	-
JUDICIAL DEPARTMENT	Mandated payments	SB 5516	01-03	GF	(272)	-	-	-
JUDICIAL DEPARTMENT	Debt Service	SB 5516	01-05	GF	(2,790,843)	-	-	-
JUDICIAL DEPARTMENT	Operations	SB 5516	02-01	OF	-	-	(801)	-
JUDICIAL DEPARTMENT	Operations	SB 5516	04	FF	-	-	-	(7)
PUBLIC DEFENSE SERVICES	Appellate Division	SB 5540	01-01	GF	(12,289)	-	-	-
PUBLIC DEFENSE SERVICES	Contract and Business Services Division	SB 5540	01-03	GF	(3,410)	-	-	-
LEGISLATIVE BRANCH								
LEGISLATIVE ADMIN COMMITTEE	General program	SB 5520	01-01	GF	(17,594)	-	-	-
LEGISLATIVE ASSEMBLY	Presiding Officers, caucuses, desks	SB 5520	04-01	GF	(24,066)	-	-	-
LEGISLATIVE ASSEMBLY	Assembly - interim	SB 5520	05-01	GF	(1,624)	-	-	-
LEGISLATIVE ASSEMBLY	Assembly - session	SB 5520	05-02	GF	(2,375)	-	-	-
LEGISLATIVE COUNSEL COMMITTEE	Operating Expenses	SB 5520	09	GF	(5,286)	-	-	-
LEGISLATIVE FISCAL OFFICER	Operating Expenses	SB 5520	12	GF	(2,667)	-	-	-
LEGISLATIVE REVENUE OFFICE	Operating Expenses	SB 5520	13	GF	(756)	-	-	-
INDIAN SERVICES COMMISSION	Operating Expenses	SB 5520	14	GF	(201)	-	-	-
NATURAL RESOURCES								
MARINE BOARD	Administration and education	SB 5525	01-01	OF	-	-	(11,610)	-
MARINE BOARD	Administration and education	SB 5525	02-01	FF	-	-	-	(466)
DEPARTMENT OF ENERGY	Operations	SB 5511	01	OF	-	-	(14,134)	-
DEPARTMENT OF ENERGY	Operations	SB 5511	03	FF	-	-	-	(181)
DEPT OF GEOLOGY AND INDUSTRIES	General Fund	SB 5514	01	GF	(2,846)	-	-	-
DEPT OF GEOLOGY AND INDUSTRIES	Other funds	SB 5514	02	OF	-	-	(663)	-
DEPT OF GEOLOGY AND INDUSTRIES	Federal funds	SB 5514	03	FF	-	-	-	(927)
DEPT OF PARKS AND RECREATION	Central Services	SB 5534	01-02	OF	-	-	(50,836)	-
DEPT OF PARKS AND RECREATION	Central Services	SB 5534	02-02	LF	-	(32,312)	-	-
LAND USE APPEALS BOARD	General Fund	HB 5034	01	GF	(597)	-	-	-
LAND USE APPEALS BOARD	Other funds	HB 5034	02	OF	-	-	(24)	-
DEPT OF WATER RESOURCES	Water resources program	HB 5049	01	GF	(15,771)	-	-	-
DEPT OF WATER RESOURCES	Debt service on lottery bonds	HB 5049	02	LF	-	152,455	-	-
DEPT OF WATER RESOURCES	Water resources program	HB 5049	03-01	OF	-	-	(2,485)	-
DEPT OF WATER RESOURCES	Water development fund	HB 5049	03-02	OF	-	-	(31)	-
DEPT OF WATER RESOURCES	Operating Expenses	HB 5049	04	FF	-	-	-	(22)
WATERSHED ENHANCEMENT BOARD	Watershed Improvement Operating Fund	SB 5547	05	LF	-	(8,025)	-	-
WATERSHED ENHANCEMENT BOARD	Operations - Oregon Plan Activities	SB 5547	06	FF	-	-	-	(133)
WATERSHED ENHANCEMENT BOARD	Operations - Oregon Plan Activities	SB 5547	07	OF	-	-	(15)	-
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	01-01	OF	-	-	(33,568)	-
DEPARTMENT OF STATE LANDS	Oregon Removal-Fill Mitigation Fund	HB 5042	01-02	OF	-	-	(44)	-
DEPARTMENT OF STATE LANDS	Natural Heritage Advisory Council	HB 5042	01-03	OF	-	-	(10)	-
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	01-04	OF	-	-	(1,056)	-

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPARTMENT OF STATE LANDS	Common School Fund programs	HB 5042	02-01	FF	-	-	-	(24)
DEPARTMENT OF STATE LANDS	South Slough National Estuarine Research Reserve operations	HB 5042	02-03	FF	-	-	-	(1,020)
DEPT OF AGRICULTURE	Food Safety	HB 5002	01-02	GF	(4,323)	-	-	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	01-03	GF	(2,085)	-	-	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	01-04	GF	(2,506)	-	-	-
DEPT OF AGRICULTURE	Administrative and Support Services	HB 5002	02-01	OF	-	-	(2,243)	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	02-02	OF	-	-	(11,003)	-
DEPT OF AGRICULTURE	Natural Resources	HB 5002	02-03	OF	-	-	(12,017)	-
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	02-04	OF	-	-	(8,294)	-
DEPT OF AGRICULTURE	Parks and Natural Resources Fund	HB 5002	03	LF	-	(4,557)	-	-
DEPT OF AGRICULTURE	Food Safety	HB 5002	04-01	FF	-	-	-	(47)
DEPT OF AGRICULTURE	Natural Resources	HB 5002	04-02	FF	-	-	-	(475)
DEPT OF AGRICULTURE	Agricultural Development	HB 5002	04-03	FF	-	-	-	(487)
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	01-01	GF	(507)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	01-02	GF	(1,856)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	01-03	GF	(54)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	01-04	GF	(23)	-	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	02-01	OF	-	-	(7,575)	-
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	02-02	OF	-	-	(4,865)	-
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	02-03	OF	-	-	(4,227)	-
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	02-04	OF	-	-	(6)	-
DEPT OF ENVIRONMENTAL QUALITY	Agency management	HB 5022	02-05	OF	-	-	(125,857)	-
DEPT OF ENVIRONMENTAL QUALITY	Parks and Natural Resources Fund	HB 5022	03	LF	-	(856)	-	-
DEPT OF ENVIRONMENTAL QUALITY	Air quality	HB 5022	05-01	FF	-	-	-	(814)
DEPT OF ENVIRONMENTAL QUALITY	Water quality	HB 5022	05-02	FF	-	-	-	(1,188)
DEPT OF ENVIRONMENTAL QUALITY	Land quality	HB 5022	05-03	FF	-	-	-	(1,348)
DEPT OF ENVIRONMENTAL QUALITY	Cross program	HB 5022	05-04	FF	-	-	-	(97)
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	01-01	GF	(257)	-	-	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	01-02	GF	(35)	-	-	-
DEPT OF FISH AND WILDLIFE	Administration Division	SB 5513	01-03	GF	(22,619)	-	-	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	02-01	OF	-	-	(4,106)	-
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	02-02	OF	-	-	(3,552)	-
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	02-03	OF	-	-	(99,257)	-
DEPT OF FISH AND WILDLIFE	Capital Improvement	SB 5513	02-04	OF	-	-	(172)	-
DEPT OF FISH AND WILDLIFE	Fish Division	SB 5513	04-01	FF	-	-	-	(3,120)
DEPT OF FISH AND WILDLIFE	Wildlife Division	SB 5513	04-02	FF	-	-	-	(987)
DEPT OF FISH AND WILDLIFE	Administrative Services Division	SB 5513	04-03	FF	-	-	-	(57)
DEPT OF FORESTRY	Fire Protection	HB 5023	01-01	GF	(25,985)	-	-	-
DEPT OF FORESTRY	Private forests	HB 5023	01-02	GF	(6,436)	-	-	-
DEPT OF FORESTRY	Debt Service	HB 5023	01-03	GF	(48,018)	-	-	-
DEPT OF FORESTRY	Agency administration	HB 5023	02-01	OF	-	-	(81,246)	-
DEPT OF FORESTRY	Protection from fire	HB 5023	02-02	OF	-	-	(66,576)	-
DEPT OF FORESTRY	State forests	HB 5023	02-03	OF	-	-	(61,666)	-
DEPT OF FORESTRY	Private forests	HB 5023	02-04	OF	-	-	(7,257)	-
DEPT OF FORESTRY	Debt Service	HB 5023	02-06	OF	-	-	(19,077)	-
DEPT OF FORESTRY	Equipment pool	HB 5023	02-07	OF	-	-	(26,752)	-
DEPT OF FORESTRY	Facilities maintenance and management	HB 5023	02-08	OF	-	-	(64)	-
DEPT OF FORESTRY	Debt service on lottery bonds	HB 5023	03	LF	-	175,837	-	-

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds
DEPT OF FORESTRY	Agency administration	HB 5023	04-01	FF	-	-	-	(472)
DEPT OF FORESTRY	Protection from fire	HB 5023	04-02	FF	-	-	-	(5,779)
DEPT OF FORESTRY	Private forests	HB 5023	04-04	FF	-	-	-	(2,808)
DEPT OF LAND CONSERVTN/DEVELOP	Planning program	HB 5032	01-01	GF	(8,499)	-	-	-
DEPT OF LAND CONSERVTN/DEVELOP	Operating expenses	HB 5032	02	OF	-	-	(55)	-
DEPT OF LAND CONSERVTN/DEVELOP	Planning program	HB 5032	03	FF	-	-	-	(3,008)
COLUMBIA RIVER GORGE COMMISSION	Operating Expenses	HB 5010	01	GF	(54)	-	-	-
PUBLIC SAFETY								
BOARD OF PAROLE/POST PRISON	General Fund	SB 5535	01	GF	(1,693)	-	-	-
OREGON STATE POLICE	Patrol services, criminal investigations and gaming enforcement	SB 5537	01-01	GF	(121,630)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	01-02	GF	(3,867)	-	-	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	01-03	GF	(20,086)	-	-	-
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	01-04	GF	(38,137)	-	-	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	02-02	OF	-	-	(14,755)	-
OREGON STATE POLICE	Forensic services and State Medical Examiner	SB 5537	02-03	OF	-	-	(195)	-
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	02-04	OF	-	-	(30,270)	-
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	03-02	FF	-	-	-	(737)
OREGON STATE POLICE	Administrative Services, Criminal Justice information services and Office of the State Fire Marshal	SB 5537	03-04	FF	-	-	-	(458)
OREGON STATE POLICE	Fish and wildlife enforcement	SB 5537	04-00	LF	-	(4,692)	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	01-01	GF	(45,050)	-	-	-
DEPT OF CORRECTIONS	Administration, public services, general services and human resources	SB 5505	01-02	GF	(781,145)	-	-	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	01-03	GF	(11,505)	-	-	-
DEPT OF CORRECTIONS	Debt Service	SB 5505	01-05	GF	(3,022,038)	-	-	-
DEPT OF CORRECTIONS	Operations and health services	SB 5505	02-01	OF	-	-	(4,402)	-
DEPT OF CORRECTIONS	Administration, public services, and general services	SB 5505	02-02	OF	-	-	(85,615)	-
DEPT OF CORRECTIONS	Transitional services	SB 5505	02-03	OF	-	-	(13)	-
CRIMINAL JUSTICE COMMISSION	General Fund	SB 5507	01	GF	(1,421)	-	-	-
CRIMINAL JUSTICE COMMISSION	Other funds	SB 5507	02	OF	-	-	(50)	-
CRIMINAL JUSTICE COMMISSION	Federal funds	SB 5507	03	FF	-	-	-	(191)
DISTRICT ATTORNEYS/DEPUTIES	Department of Justice for District Attorneys	HB 5019	01	GF	(3,060)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	01	GF	(107,062)	-	-	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	02	OF	-	-	(460,491)	-
DEPT OF JUSTICE	Operating Expenses	SB 5518	03	FF	-	-	-	(514,045)
DEPT OF MILITARY	Administration	HB 5037	01-01	GF	(8,530)	-	-	-
DEPT OF MILITARY	Operations	HB 5037	01-02	GF	(17,641)	-	-	-
DEPT OF MILITARY	Emergency Management	HB 5037	01-03	GF	(388)	-	-	-
DEPT OF MILITARY	Community Support	HB 5037	01-04	GF	(513)	-	-	-
DEPT OF MILITARY	Capital Debt Service and Related Costs	HB 5037	01-05	GF	(211,996)	-	-	-
DEPT OF MILITARY	Administration	HB 5037	02-01	OF	-	-	(466)	-
DEPT OF MILITARY	Operations	HB 5037	02-02	OF	-	-	(1,066)	-
DEPT OF MILITARY	Emergency Management	HB 5037	02-03	OF	-	-	(3,495)	-
DEPT OF MILITARY	Community Support	HB 5037	02-04	OF	-	-	(17)	-
DEPT OF MILITARY	Operations	HB 5037	03-01	FF	-	-	-	(26,146)

SENATE BILL 5508-A
ATTACHMENT A: 2011-13 Agency Adjustments

Agency Name	Appropriation Description	Bill Number	Section/ Sub	Fund	General Fund	Lottery Funds	Other Funds	Federal Funds	
DEPT OF MILITARY	Emergency Management	HB 5037	03-02	FF	-	-	-	(2,475)	
DEPT OF MILITARY	Community Support	HB 5037	03-03	FF	-	-	-	(1,647)	
PUBLIC SAFETY/STDS/TRAINING	Operations	SB 5541	02	OF	-	-	(40,497)	-	
OREGON YOUTH AUTHORITY	Operations	SB 5549	01-01	GF	(156,486)	-	-	-	
OREGON YOUTH AUTHORITY	Debt Service	SB 5549	01-02	GF	(159,158)	-	-	-	
OREGON YOUTH AUTHORITY	Operations	SB 5549	03	FF	-	-	-	(4,584)	
TRANSPORTATION									
AVIATION DEPARTMENT	Operations	HB 5004	01-01	OF	-	-	(2,668)	-	
OREGON DEPT OF TRANSPORTATION	Maintenance and emergency relief program	HB 5046	02-02	OF	-	-	(562,909)	-	
OREGON DEPT OF TRANSPORTATION	Preservation program	HB 5046	02-03	OF	-	-	(6,613)	-	
OREGON DEPT OF TRANSPORTATION	Bridge program	HB 5046	02-04	OF	-	-	(21,791)	-	
OREGON DEPT OF TRANSPORTATION	Operations program	HB 5046	02-05	OF	-	-	(76,146)	-	
OREGON DEPT OF TRANSPORTATION	Modernization program	HB 5046	02-06	OF	-	-	(3,562)	-	
OREGON DEPT OF TRANSPORTATION	Special programs	HB 5046	02-07	OF	-	-	(625,605)	-	
OREGON DEPT OF TRANSPORTATION	Local government program	HB 5046	02-08	OF	-	-	(7,778)	-	
OREGON DEPT OF TRANSPORTATION	Driver and motor vehicle services	HB 5046	02-09	OF	-	-	(1,862,141)	-	
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	02-10	OF	-	-	(92,287)	-	
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	02-11	OF	-	-	(103,298)	-	
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	02-13	OF	-	-	(3,625)	-	
OREGON DEPT OF TRANSPORTATION	Rail	HB 5046	02-14	OF	-	-	(11,201)	-	
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	02-15	OF	-	-	(14,980)	-	
OREGON DEPT OF TRANSPORTATION	Central services	HB 5046	02-16	OF	-	-	(1,903,041)	-	
OREGON DEPT OF TRANSPORTATION	Debt Service	HB 5046	02-17	OF	-	-	(17,906,875)	-	
OREGON DEPT OF TRANSPORTATION	Motor carrier transportation	HB 5046	03-02	FF	-	-	-	(1,123)	
OREGON DEPT OF TRANSPORTATION	Transportation program development	HB 5046	03-03	FF	-	-	-	(2,272)	
OREGON DEPT OF TRANSPORTATION	Public transit	HB 5046	03-04	FF	-	-	-	(5,164)	
OREGON DEPT OF TRANSPORTATION	Transportation safety	HB 5046	03-06	FF	-	-	-	(21,148)	
OREGON DEPT OF TRANSPORTATION	Debt service on lottery bonds	HB 5046	04-01	LF	-	(11,276,491)	-	-	
TOTAL						(21,137,899)	(24,477,825)	(33,909,520)	(2,633,061)

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5547-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. McLane
Carrier – Senate: Sen. Dingfelder**

Action: Do Pass as Amended and as Printed A-Engrossed

Vote: 22 – 0 – 3

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, G. Smith, Thatcher
– Nays:
– Exc: Richardson, Whisnant

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett
– Nays:
– Exc: Winters

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: June 3, 2011

Agency

Oregon Watershed Enhancement Board

Budget Page

F-29

LFO Analysis Page

163

Biennium

2011-13

Budget Summary

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg Approved	
					\$ change	% change
Lottery Funds	\$ 20,667,401	\$ 19,726,715	\$ 16,000,382	\$ 9,784,507	\$ (10,882,894)	-53%
Other Funds	2,009,705	1,880,865	1,764,253	1,773,549	\$ (236,156)	-12%
Federal Funds	23,220,144	29,066,758	44,106,297	45,479,409	\$ 22,259,265	96%
Total	\$ 45,897,250	\$ 50,674,338	\$ 61,870,932	\$ 57,037,465	\$ 11,140,215	22%

Position Summary

Authorized positions	31	28	34	32
Full-time equivalent positions (FTE)	31.00	28.00	34.00	31.50

(1) Includes adjustments through the March 2011 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Watershed Enhancement Board (OWEB) is funded primarily with Measure 76 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds. The agency also receives revenues from the sales of salmon license plates. Updated Lottery revenue forecast figures for the 2011-13 biennium show an increase, which was incorporated into the recommended budget.

Summary of Natural Resources Subcommittee Action

OWEB promotes and implements programs that restore, maintain, and enhance Oregon watersheds in order to protect the economic and social well being of the state and its citizens. The Subcommittee approved a total funds budget of \$112,057,403, with \$57,037,465 total funds approved in Senate Bill 5547 and the remaining \$55,019,938 total funds approved in Senate Bill 5548. Senate Bill 5547 also provides 31.50 FTE for the Board.

The approved budget implements Measure 76. The budget also eliminates inflation and reduces Services and Supplies, creates a supplemental ending balance, eliminates two positions, and reduces projected remaining personal services expenditures. It also eliminates the separate Research and Development program that existed under Measure 66 and rolls that funding into the remaining two programs. Any adjustments for services provided by central agencies such as the Department of Administrative Services will be made in a separate disappropriation bill later.

The recommended budget for this agency includes a reduction of Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent, the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial Lottery Fund limitation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored, during the February 2012 session, to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage their budgets accordingly.

Operations

This program includes planning, coordination, assessment, implementation activities, monitoring activities, education efforts, agreements with willing landowners for land interests, and expenses of the Independent Multidisciplinary Science Team. The Subcommittee approved a total funds budget of \$40,321,867 and 31.50 FTE. It also approved the following two budget notes.

Budget Note:

The Subcommittee directs OWEB to examine new operational guidelines for Oregon's Independent Multidisciplinary Science Team (IMST) in order to improve its operations and usefulness to OWEB and other state agencies. As part of its review, OWEB is directed to propose any necessary changes including a new structure for Team membership and new operations guidelines, if necessary, that would allow the IMST to more efficiently and effectively meet its scientific role regarding the Oregon Plan for Salmon and Watersheds. In carrying out this review, OWEB is expected to work with the Governor's Office and consult with appropriate state natural resources agencies and other interested stakeholders. OWEB will report its recommendations to the legislature prior to January 1, 2013.

Budget Note:

The Subcommittee recognizes that watershed councils are essential partners in accomplishing projects to protect, enhance and restore native fish and wildlife habitat and water quality and quantity. The Subcommittee thinks that after over a decade of millions of dollars in state investments in watershed council support grants, it is appropriate to review council's activities and oversight.

The Subcommittee directs OWEB to:

1. Work with appropriate local government entities to review the process for establishing and overseeing watershed councils, and identify whether any statutory or rule changes are needed.
2. Enhance watershed council reporting to OWEB for accountability and tracking of accomplishments.

3. Review criteria used to determine council eligibility for council support grants, to better ensure that investments go to groups that reflect the interests of the watershed and have proven successful in accomplishing their work plans in the past.
4. Report to the Seventy-sixth Legislative Assembly regarding progress and recommendations.

The Subcommittee approved Package 070, Revenue Shortfalls, which reduces Lottery Funds by \$741,823 to match the June 2010 revenue forecast and \$106,921 Other Funds.

The Subcommittee approved Package 086 and Package 087 which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved Package 100, Program Continuity, which adds \$60,000 Lottery Funds expenditure limitation and, \$329,110 Federal Funds expenditure limitation. It also includes the-establishment of one federal reporting specialist (1.00 FTE) and a fund shift of the Effectiveness Monitoring position to establish one limited duration (1.00 FTE) ecosystems services position. It includes expenditure limitation for a change in the agency's e-mail, network and internet provider, which had been the Oregon Business Development Department but that provider increased its monthly rates astronomically. A cheaper alternative was found by having the Water Resources Department provide network technical support and the Department of State Lands provide internet lines and technical support.

Package 120, Federal Commitments was approved on a one-time basis; it adds \$362,257 Federal Funds expenditure limitation for two limited duration positions. One position (1.00 FTE) will work on federal reporting requirements under the Pacific Coastal Salmon Recovery Fund. The second position (1.00 FTE) will work on Willamette Special Investment Partnership projects and is funded by the Bonneville Power Administration as part of its mitigation efforts.

The Subcommittee approved Package 132, PCSRF Grants, which adds \$14,231,552 Federal Funds expenditure limitation to bring the Federal Fiscal Year 2010 grant on-budget. This package provides funding for the Department of Environmental Quality water toxics study and Total Maximum Daily Load development, the Water Resources Department for instream restoration, the Department of Agriculture for water quality, and the Board for grants and the Independent Multidisciplinary Science Team. It also funds fish passage screens, western Oregon stream monitoring, fish conservation and recovery, John Day escapement and Salmon River coho work at the Department of Fish and Wildlife.

The Subcommittee approved Package 801, Targeted Statewide Adjustments, which reduces non-fixed Services and Supplies expenditures by 6.5 percent. This results in a \$76,044 Lottery Funds reduction. This package is a standard statewide package.

Package 802, Vacant Position Savings was approved; this package eliminates one position (1.00 FTE) that has long been vacant and was reviewed with the agency. The position was determined to be not critical for the agency's core functions. The package eliminates \$163,444 Other Funds expenditure limitation.

The Subcommittee approved Package 810, LFO Analyst Adjustments, which moves Soil and Water Conservation District and Watershed Council Funding from operations to local grants, eliminates funding for non-local grants, and shifts funding for a position from Lottery Funds to Other Funds. The net effect of the package is a reduction of \$2,975,000 Lottery Funds. Grants to support Watershed Councils and Soil and Water Conservation District watershed conservation work will be made from local grants, funding for which is contained in Senate Bill 5548.

Package 811, Position Alignment Actions was approved. It adds one limited duration position (0.50 FTE) to work as an education program analyst and is self-funded by moving \$115,000 from Special Payments to Personal Services, resulting in a package with no net impact on overall expenditures.

The Subcommittee also approved Package 812, Technical Adjustments, which adjusts Lottery Funds and Pacific Coastal Salmon Recovery Funds expenditure limitations for revised estimates of amounts to be carried over from the 2009-11 biennium. Lottery Funds expenditure limitation is reduced by \$200,000 and Federal Funds expenditure limitation is reduced by \$3,500,000. The Subcommittee clarified that these carry forward amounts and any other carry forward amounts approved to close out 2009-11 are to be removed as part of the agency's budget development for 2013-15. The agency will instead include a policy option package requesting any necessary carry forward amounts beginning in 2013-15.

Package 814, Remove Research and Development Program Area was approved. It adds \$875,000 Lottery Funds expenditure limitation to the Operations program. This amount represents the balance of the Research and Development program operations funds available under Measure 66 and projected under Measure 76. A companion package in Senate Bill 5548 adds Measure 66 capital and Measure 76 grant funds interest earnings from the Research and Development program to the Grants program. Funding for any Research and Development grants will be budgeted by the Board in the same manner they budget all other grant categories.

Package 819: Supplemental Statewide Ending Balance was approved; this package produces savings of \$352,147 Lottery Funds to create an increased statewide ending balance. General Fund agencies are contributing to this supplemental ending balance through a 3.5 percent biennial (or 7 percent in the second year of the biennium) reduction. The agency will be allowed to spend up to 54 percent of its biennial appropriation in the first year of the biennium, if necessary.

Capital Grants

This program is addressed primarily in Senate Bill 5548.

The Subcommittee approved Package 810, LFO Analyst Adjustments, which adds \$5,200,000 Federal Funds expenditure limitation for federal grants that were previously approved for submittal by the legislature. This expenditure limitation will be used entirely in the 2011-13 biennium.

Research and Development

This program unit funds research and development from interest earnings on Lottery Funds dedicated by Measure 66. The Subcommittee eliminated this program unit through package 814.

Package 814, Remove Research and Development Program Area was approved. It moves \$3,000,000 of existing fund balances into the Operations and Grants programs

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5547-A

Oregon Watershed Enhancement Board
 Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$0	\$20,667,401	\$2,009,705	\$0	\$23,220,144	\$0	\$45,897,250	31	31.00
2011-13 ORBITS printed Current Service Level (CSL)*	0	19,726,715	1,880,865	0	29,066,758	0	\$50,674,338	28	28.00
2011-13 Governor's Recommended Budget *	\$0	\$16,000,382	\$1,764,253	\$0	\$44,106,297	\$0	\$61,870,932	34	34.00
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Operations</u>									
Package 100: Program Continuity									
Personal Services:	0	(7,684)	(174,931)	0	0	0	(182,615)	(1)	(1.00)
Special Payments	0	0	184,227	0	0	0	184,227		
Package 120: Federal Commitments									
Personal Services:	0	0	0	0	(138,644)	0	(138,644)	(1)	(1.00)
Services and Supplies:	0	0	0	0	(24,800)	0	(24,800)		
Package 801: Targeted Statewide Adjustments									
Services and Supplies: 6.5% reduction non-fixed accounts	0	(76,044)	0	0	0	0	(76,044)	0	0.00
Package 802: Vacant Position Savings									
Personal Services	0	0	0	0	(163,444)	0	(163,444)	(1)	(1.00)
Package 810: LFO Analyst Adjustments									
Personal Services	0	(175,000)	175,000	0	0	0	0	0	0.00
Special Payments	0	(2,800,000)	(175,000)	0	0	0	(2,975,000)		
Package 811: Package Position Alignment Actions									
Personal Services	0	115,000	0	0	0	0	115,000	1	0.50
Special Payments	0	(115,000)	0	0	0	0	(115,000)		
Package 812: Technical Adjustments									
Special Payments	0	(200,000)	0	0	(3,500,000)	0	(3,700,000)	0	0.00
Package 814: Remove Research & Development Program Area									
Special Payments	0	875,000	0	0	0	0	875,000	0	0.00

LEGISLATIVE ACTION

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 819: Supplemental Statewide Ending Balance									
Services and Supplies: 3.5% biennial or 7% 2nd year reserve	0	(352,147)	0	0	0	0	(352,147)	0	0.00
<u>Grants</u>									
Package 810: LFO Analyst Adjustments Special Payments account 6995	0	0	0	0	5,200,000	0	5,200,000		
<u>Research and Development</u>									
Package 300: Research Grants Special Payments account 6995	0	(480,000)	0	0	0	0	(480,000)	0	0.00
Package 814: Remove Research & Development Program Area Special Payments	0	(3,000,000)	0	0	0	0	(3,000,000)	0	0.00
TOTAL ADJUSTMENTS	\$0	(\$6,215,875)	\$9,296	\$0	\$1,373,112	\$0	(\$4,833,467)	(2)	(2.50)
SUBCOMMITTEE RECOMMENDATION *	\$0	\$9,784,507	\$1,773,549	\$0	\$45,479,409	\$0	\$57,037,465	32	31.50
% Change from 2009-11 Leg Approved Budget	0.00%	-52.66%	-11.75%	0.00%	95.86%	0.00%	24.27%	3.23%	1.61%
% Change from 2011-13 Current Service Level	0.00%	-38.85%	0.53%	0.00%	3.11%	0.00%	-7.81%	14.29%	12.50%
% Change from 2011-13 Governor's Recommended Budget	0.00%	-38.85%	0.53%	0.00%	3.11%	0.00%	-7.81%	14.29%	12.50%

* Excludes Capital Construction Expenditures

Legislatively Approved 2011-2013 Key Performance Measures

Agency: WATERSHED ENHANCEMENT BOARD

Mission: To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - OPERATIONS--The percentage of total funding used in agency operations.		Approved KPM	6.00	6.00	6.00
2 - OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.		Approved KPM	100.00	150.00	150.00
3 - RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.		Approved KPM		90.00	90.00
4 - PAYMENTS--The percentage of complete grant payment requests paid within 30 days.		Approved KPM	100.00	100.00	100.00
5 - FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.		Approved KPM	100.00	75.00	75.00
6 - PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.		Approved KPM	0.48	1.00	1.00
7 - WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.		Approved KPM	95.00	100.00	100.00
8 - FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.		Approved KPM	32.00	45.00	45.00
9 - SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.		Approved KPM	0.32	0.25	0.25
11 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	95.90	91.00	91.00

LEGISLATIVE ACTION

Agency: WATERSHED ENHANCEMENT BOARD

Mission: To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
11 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	91.70	91.00	91.00
11 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	98.90	91.00	91.00
11 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	91.80	91.00	91.00
11 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	92.90	91.00	91.00
11 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	88.80	91.00	91.00
10 - SALMON HABITAT QUALITY--The trend in quality of aquatic salmon habitat.		Legislative Delete			

LFO Recommendation:

Delete KPM #10, Change KPM #4 to "The percentage of complete grant payment requests paid within 24 days." Approve remaining measures.

Sub-Committee Action:

Approved the LFO recommendations

Print Date: 6/2/2011

Page 2 of 2