



2013-15 Governor's Budget



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Governor's Budget: Outcomes-Based

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- Develop a statewide vision of the future, with accountability to citizens
- Focus on achieving outcomes over 10 years through strategic spending and investments
- Start the budget process with the amount available to spend
- Separate the people who recommend budgets from the people who receive the money
- Make budget decisions based on getting the best results for the money available
- Invest in areas of change and innovation

Governor's Budget: Priorities

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- **Putting Children, Families and Education First**
- **Investing in Jobs and Innovation**
- **Lowering the Cost of Government**

Governor's Budget: 10-Year Goals

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- **Education**
 - Every Oregonian has the knowledge, skills, and credentials to succeed in life
- **Jobs & Innovation**
 - Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians
- **Healthy People**
 - Oregon provides better health and better care at lower costs
- **Safety**
 - Oregonians are safe and secure
- **Healthy Environment**
 - Oregon's environment is healthy and sustains our communities and economy



Governor's Budget: Major Process Changes

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- Organized budget discussions by outcomes, instead of agencies
- Required agencies to submit bid forms explaining how funding their programs would help achieve long term objectives
- Capped agency General Fund and Lottery Funds requests
- Invited citizens to participate on Program Funding Teams instead of the traditional analyst recommendation & agency appeal process
- Made recommendations based on evaluating how effective investments would be in reaching long term goals

Governor's Budget: Funding Team Process

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- Governor appointed six Program Funding Teams to review programs and outcomes
- Program Funding Teams made specific recommendations to the Governor to:

Program Funding Teams	
Education	Jobs & Innovation
Healthy People	Healthy Environment
Safety	State Government Administration

- ✦ Increase investments in areas that position Oregon for the future
- ✦ Limit growth in areas that are the consequences of failed systems

Governor's Budget: Funding Team Process

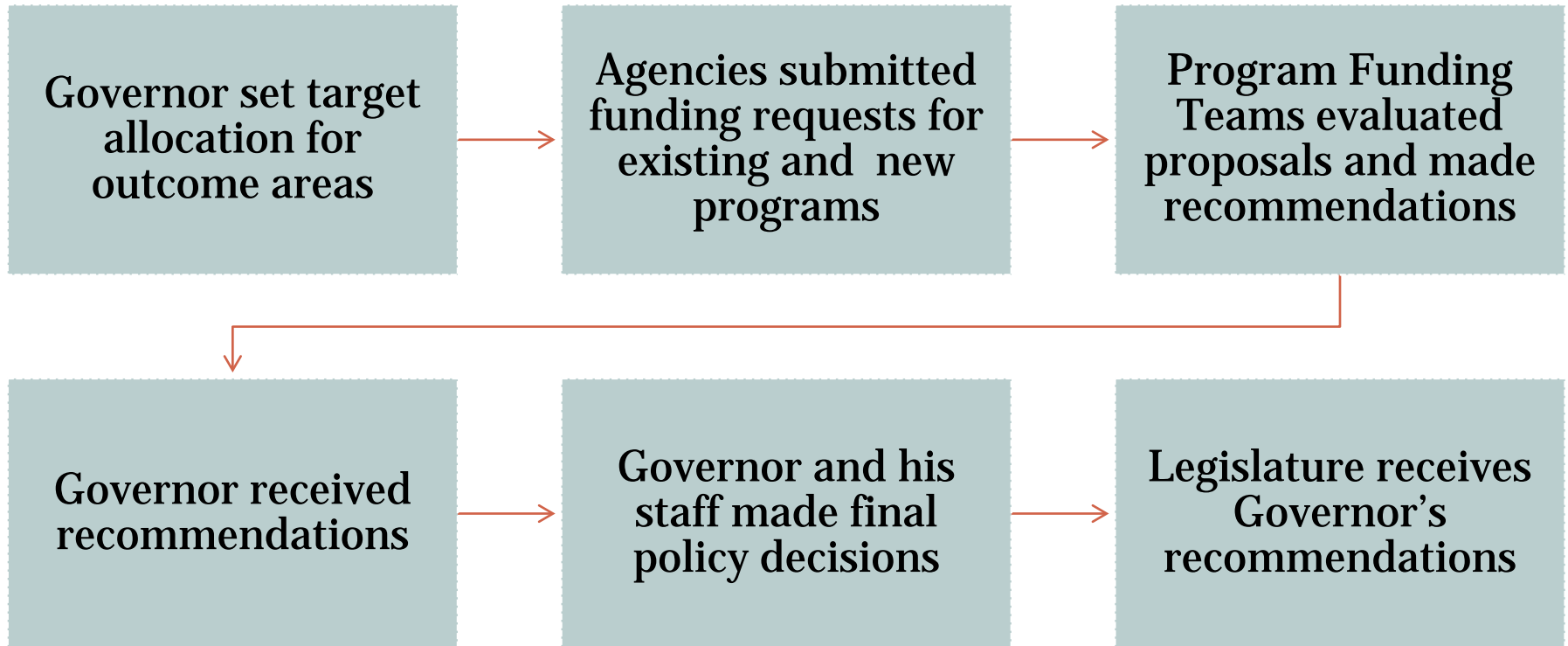
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- 2013-15 biennial revenue growth is projected to add \$1.4 billion in General Fund and Lottery Fund resources, 9% more than 2011-13
- Governor started with flat funding at 2011-13 biennium spending levels
- Funding Teams were asked to recommend investments in the 2013-15 biennium holding outcome areas to 6% growth rates

Program Funding Teams	
Education	Jobs & Innovation
Healthy People	Healthy Environment
Safety	State Government Administration

Governor's Budget: Process Outline

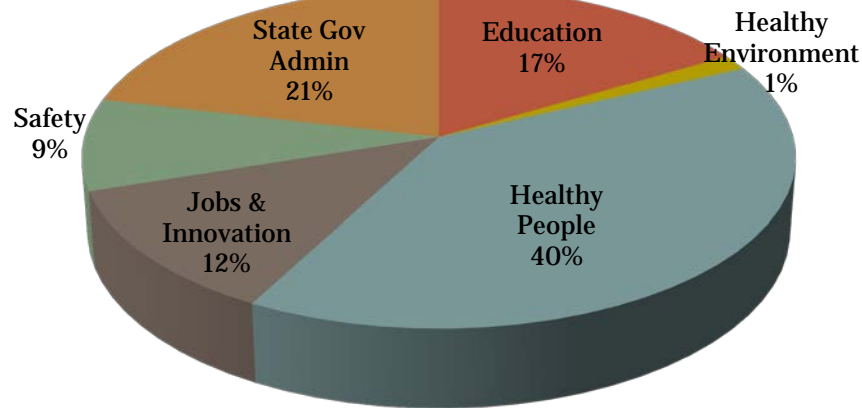
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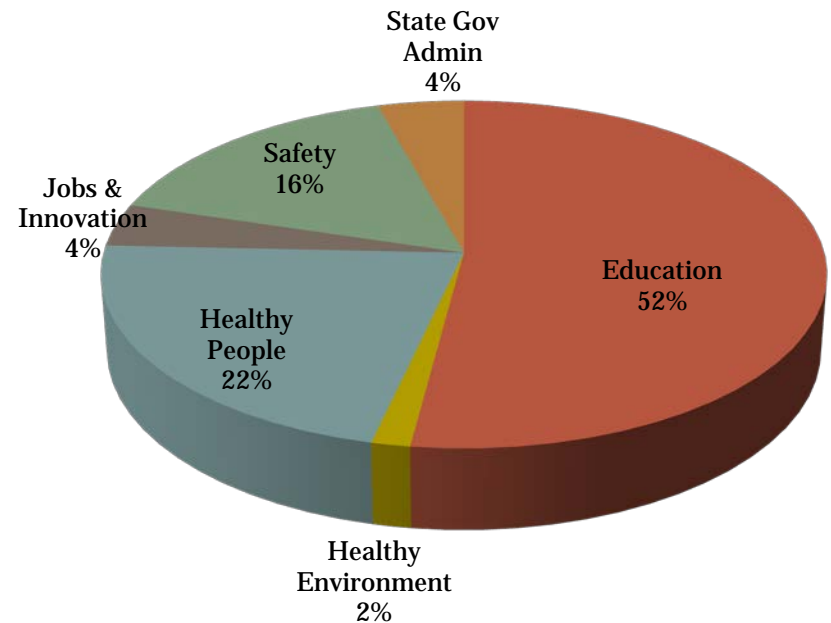
Governor's Budget: Recommendations

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Total Funds Distribution Across Outcome Areas



GF/LF Distribution Across Outcome Areas



Displays exclude constitutionally elected officials, Legislative and Judicial branches

Governor's Budget: Outcome Areas in the Legislative Process

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Ways and Means Subcommittees

- **Capital Construction**
- **Education**
- **General Government**
- **Human Services**
- **Natural Resources**
- **Public Safety**
- **Transportation & Economic Development**

Outcome Areas

- **Education**
- **Healthy Environment**
- **Healthy People**
- **Jobs & Innovation**
- **Safety**
- **State Government Administration**

2013-15 Governor's Budget Overview

Agencies in the Transportation & Economic Development Subcommittee

- Aviation, Dept of
- Bureau of Labor & Industries
- Business Development Dept
- Consumer & Business Svcs, Dept of
- Employment Dept
- Housing & Community Svcs, Dept of
- Liquor Control Commission
- Public Utility Commission
- Real Estate Agency
- Transportation, Dept of
- Veteran Affairs, Dept of

Agencies in the Jobs and Innovation Outcome Area

- Agriculture
- Aviation
- Blind Commission
- Bureau of Labor and Industries
- Business Development
- Community Colleges and Workforce Dev
- Construction Contractors Board
- Employment
- Energy
- Environmental Quality
- Fish and Wildlife
- Forestry
- Human Services
- Liquor Control Commission
- State Marine Board
- Parks and Recreation
- OR Racing Commission
- Transportation
- University System
- Water Resources

2013-15 Governor's Budget Overview

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Agencies in Transportation & Economic Development Subcommittee

Aviation, Dept of (2)
Business Development Dept (3)
Bureau Labor & Industries (2)
Consumer & Business Svcs (1)
Employment Dept (3)
Housing & Community Svcs (1)
Liquor Control Commission (2)
Public Utility Commission (3)
Real Estate Agency (1)
Transportation, Dept of (3)
Veterans' Affairs, Dept of (3)

How these Agencies Map to Outcome Areas*

Education

Business Development
Employment Department

Healthy People

Housing & Community Svcs
Public Utility Commission
Veterans' Affairs

Jobs & Innovation

Aviation
Business Development
Employment
Labor & Industries
Liquor Control Commission
Transportation
Veterans' Affairs

Safety

Aviation
Consumer & Business Svcs
Labor & Industries
Public Utility Commission
Real Estate Agency
Transportation

State Gov Admin

Business Development
Employment
Liquor Control Commission
Public Utility Commission
Transportation
Veterans' Affairs

*No Trans and Eco Dev agencies mapped to Healthy Environment Outcome Area

Governor's Objective: Jobs & Innovation

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- **10-year goal(s)**
 - Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians
 - ✦ Create 25,000 jobs per year
 - ✦ Incomes across state and populations above national average
 - ✦ Poverty reduction to less than 10 percent
- **Overarching strategy**
 - Focus on sustainable business development, advanced manufacturing and the chain of innovation through cluster strategies and creative partnerships
 - Integrate economic and community planning, project finance, infrastructure and regulatory services from the bottom up
 - Focus on Oregon's long-term economic prosperity and resiliency through people-based strategies designed to lift up Oregon workers, innovators and entrepreneurs

Jobs and Innovation: Major Issues

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- **Invest in Infrastructure**
- **Innovate or Die**
 - Technological and economic innovation
 - State and Local Governance innovation and regional strategies
- **Create a 21st Century Workforce Program**

Jobs and Innovation: Budget Examples

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- **Infrastructure**
 - Interstate 5 Bridge Replacement
 - ConnectOregon V
 - Seismic Grants
 - Water Supply Strategy
- **Innovation**
 - Oregon Innovation Council
 - Oregon Investment Act
 - Research Coordination and Incubation
- **Investing in People**
 - Workforce System Innovation
- **Regional Economic Development**
 - Regional Solutions/Regulatory Streamlining
 - Wildfire Protection
 - Gilchrist State Forest
 - Forest Collaboratives
 - Water Supply Strategy