MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
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To: Ways and Means Subcommittee on Transportation and Economic Development

From: Steve Bender, Legislative Fiscal Office

Date: February 4, 2015

Subject: Orientation and Background Information

Subcommittee members should please note the following:

1. Please notify LFO at **(503) 986-1828** if you are unable to attend a meeting.
2. A copy of the Joint Committee on Ways and Means rules is attached to this material. These rules state that:
   a. The Subcommittee must report all budget bills assigned to it back to the Full Committee. The Co-Chairs of the Full Committee may remove any bill from the Subcommittee at any time.
   b. No minority reports are allowed.
   c. A quorum of the Subcommittee requires a majority of appointed Senate members (at least two Senators) and a majority of appointed House members (at least three Representatives).
   d. Reporting a bill or another action to the Joint Committee requires the approval of at least a majority of appointed Senate members (at least two Senators) and a majority of appointed House members (at least three Representatives).
   e. The Co-Chairs of the Full Committee may participate in Subcommittee meetings and may vote when in attendance.
   f. Budget notes may only clarify or expand upon administrative requirements which are directly related to the execution of budgets during the fiscal period covered.
   g. Typically, the Co-Chairs of the Full Committee will not reassign a bill to the Subcommittee after it passes the first chamber.
3. LFO will make tentative weekly or bi-weekly schedules available to members each Thursday. We will also provide a daily agenda at each meeting.
4. LFO will distribute agency presentation materials, and other items to be reviewed by the Subcommittee, to members through the Oregon Legislative Information System (OLIS) several days before an agency's budget is first scheduled for a public hearing.

Joint Committee on Ways and Means

900 Court St. NE, Rm. H-178
Salem, OR 97301
503-986-1828

Sen. Richard Devlin, Senate Co-Chair
Rep. Peter Buckley, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair
Sen. Jackie Winters, Senate Co-Vice Chair
Rep. Nancy Nathanson, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

Joint Committee on Ways and Means
2015 Session

Committee Rules

The Joint Committee will operate in accordance with the Oregon Constitution, House and Senate Rules, custom, usage and precedents, Mason's Manual of Legislative Procedure, and applicable statutory provisions.

1. The officers of the Joint Committee on Ways and Means shall consist of the Senate and House Co-Chairs and the Senate and House Co-Vice Chairs, who are appointed by the Senate President and the Speaker of the House, respectively. The Co-Chair of each Senate Subcommittee shall be appointed by the Senate President. The Co-Chair of each House Subcommittee shall be appointed by the Speaker of the House.

2. All meetings of the Joint Committee and Subcommittees shall be open to the public.

3. Voting by member of either the Joint Committee or Subcommittees shall be by roll call, if requested by any Committee member.

4. All meetings of the Joint Committee and Subcommittees shall be recorded. The audio records shall be indexed and placed with the Oregon Archivist in accordance with Oregon Law.

5. In addition to the quorum requirements described in Rule 10, the Co-Chairs of the Joint Committee shall be deemed voting members of all Subcommittees when in attendance, unless the Co-Chair is an appointed member of the Subcommittee, in which case the Co-Vice Chair of the same chamber and same party affiliation shall be deemed a voting member of said Subcommittee when in attendance.

6. Hearing notices identifying an agenda of bills and subjects to be considered by the Joint Committee and Subcommittees shall be posted publicly in accordance with Senate and House rules, and the Joint Committee and Subcommittees shall not take action on any item not included in the posted notice. The Senate Co-Chair and the House Co-Chair shall approve all Joint Committee and Subcommittee agendas prior to posting.

7. Members of the Legislative Assembly and the general public shall be welcome to testify at Subcommittee meetings posted for "Public Hearing with Public Testimony." Members of the Legislative Assembly and the general public may testify before the Joint Committee upon the invitation of the Co-Chairs of the Joint Committee and the Co-Chairs of the Subcommittee that heard the bill, or at the invitation of a majority of the Senate members and a majority of the House members of the Joint Committee.

8. Joint Committee bills and resolutions are to be sent to the floor of either chamber without minority reports. All Committee members have the right to their own position in floor debate. If a member plans to oppose a Committee bill, the member should advise the Senate or House Co-Chair in advance of debate in their respective chamber.

9. A quorum for reporting legislation to the floor of either chamber shall be a majority of Senate members and a majority of House members. The affirmative vote of a majority of the appointed members of each chamber is required to report legislation out of committee. In the event of a tie vote, either among the Senate members or among the House members, the Senate President or the Speaker of the House, respectively, may attend as voting members of the Joint Committee.

10. A quorum for reporting legislation from any Subcommittee to the Joint Committee shall be a majority of appointed Senate members and a majority of appointed House members of that Subcommittee. The affirmative vote of a majority of the appointed Subcommittee members of each chamber is required to report legislation to the Joint Committee.

11. Bills and resolutions shall be assigned jointly by the Senate Co-Chair and House Co-Chair to the appropriate Subcommittee for consideration. A Subcommittee does not have the power to table or hold legislation, but must report it back to the Joint Committee for consideration. The Senate and House Co-Chairs may, at any time by joint action, remove a bill or resolution from a Subcommittee and assign it to another Subcommittee or to the Joint Committee.

12. Once a bill has been reported to the floor of either chamber and passed, it shall be, after return to the Joint Committee in the second chamber, automatically reported to the floor of the second chamber unless the Senate and House Co-Chairs decide jointly that such legislation may be held in Committee for further consideration.

13. In the event that the Joint Committee identifies a need for language to clarify or expand upon administrative requirements which are directly related to the execution of budgets during the fiscal period covered by the appropriation and expenditure limitation, such language may be included within the Budget Report for the bill. If the Joint Committee identifies the need for a statement of policy or administrative direction which goes beyond the criteria described above, such statement or directive shall be handled as a separate bill, a resolution, or by amendment to the appropriation bill.

14. Introduction of bills:
    a) Appropriation bills and non-appropriation bills relating to fiscal matters may be introduced by the Joint Committee on Ways and Means at any date.
    b) All bills for introduction must first be approved by a Subcommittee before being brought to the Joint Committee, unless permission for direct submission to the Joint Committee is granted jointly by the Senate and House Co-Chairs.

15. These rules may be changed by the affirmative vote of a majority of the appointed members of each chamber of the Joint Committee, provided at least one day's notice of any proposed change has been given in writing to each Committee member.

Transportation and Economic Development Subcommittee
2013-15 Biennium Legislatively Approved Budgets

State Agency	Limited Funds: General Fund	Limited Funds: Lottery Funds	Limited Funds: Other Funds	Limited Funds: Federal Funds	Nonlimited	Total Funds
Department of Aviation			$6.6 million	$7.2 million		$13.7 million
Oregon Business Development Department (OBDD)	$8.4 million	$117.6 million	$77.6 million	$39.1 million	$222.3 million	$465.0 million
Department of Consumer and Business Services (DCBS)			$216.1 million	$5.9 million	$199.6 million	$421.6 million
Employment Department (OED)			$127.7 million	$169.0 million	$1,898.9 million	$2,195.6 million
Housing and Community Services Department (HCSD)	$20.1 million	$9.4 million	$138.5 million	$117.5 million	$1,035.3 million	$1,320.8 million
Bureau of Labor and Industries (BOLI)	$11.8 million		$10.6 million	$1.7 million	$1.2 million	$25.3 million
Oregon Liquor Control Commission (OLCC)			$151.9 million			$151.9 million
Public Utility Commission (PUC)			$40.9 million	$2.8 million	$79.3 million	$123.0 million
Racing Commission			$5.9 million			$5.9 million
Real Estate Agency			$7.3 million			$7.3 million
Department of Transportation (ODOT)	$11.1 million	$94.0 million	$3,838.1 million	$121.4 million	$536.2 million	$4,600.7 million
Department of Veterans' Affairs (ODVA)	$9.7 million		$50.4 million	$0.4 million	$335.2 million	$395.7 million
SUBCOMMITTEE TOTAL	**$61.0 million**	**$221.0 million**	**$4,671.5 million**	**$464.9 million**	**$4,308.0 million**	**$9,726.5 million**

Transportation and Economic Development Subcommittee
2013-15 Biennium Legislatively Approved Budgets - Ranked by Budget Size

State Agency	Limited Funds				Nonlimited	Total Funds
	General Fund	Lottery Funds	Other Funds	Federal Funds		
Department of Transportation (ODOT)	$11.1 million	$94.0 million	$3,838.1 million	$121.4 million	$536.2 million	$4,600.7 million
Employment Department (OED)			$127.7 million	$169.0 million	$1,898.9 million	$2,195.6 million
Housing and Community Services Department (HCSD)	$20.1 million	$9.4 million	$138.5 million	$117.5 million	$1,035.3 million	$1,320.8 million
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Department of Veterans' Affairs (ODVA)	$9.7 million		$50.4 million	$0.4 million	$335.2 million	$395.7 million
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Public Utility Commission (PUC)			$40.9 million	$2.8 million	$79.3 million	$123.0 million
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Department of Aviation			$6.6 million	$7.2 million		$13.7 million
Real Estate Agency			$7.3 million			$7.3 million
Racing Commission			$5.9 million			$5.9 million
SUBCOMMITTEE TOTAL	**$61.0 million**	**$221.0 million**	**$4,671.5 million**	**$464.9 million**	**$4,308.0 million**	**$9,726.5 million**

Transportation and Economic Development Subcommittee
2013-15 Biennium Legislatively Approved Budgets - Ranked by General and Lottery Funds

State Agency	Limited Funds				Nonlimited	Total Funds
	General Fund	Lottery Funds	Other Funds	Federal Funds		
Oregon Business Development Department (OBDD)	$8.4 million	$117.6 million	$77.6 million	$39.1 million	$222.3 million	$465.0 million
Department of Transportation (ODOT)	$11.1 million	$94.0 million	$3,838.1 million	$121.4 million	$536.2 million	$4,600.7 million
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State of Oregon
Legislative Fiscal Office

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503-986-1828

Ken Rocco
Legislative Fiscal Officer

Daron Hill
Deputy Legislative Fiscal Officer

Date: November 25, 2014

To: Agency Directors and Budget Officers

From: Ken Rocco, Legislative Fiscal Office

Subject: Presentation Instructions for Ways and Means Subcommittees (2015 Session)

The following information outlines general presentation guidelines, which agencies are expected to follow, for the Joint Committee on Ways and Means Subcommittees (2015). The format continues to draw upon the work already completed by agencies for the Agency Request and Governor's budget processes.

We are anticipating that the Ways and Means schedule will be divided into three phases as was done in 2013. All agencies will participate in phases one and three, while certain agencies will be selected to participate in phase two based on specific topics that the Legislature wants to consider in more detail. Details on what agencies need to prepare and how each phase will be conducted are included in the attachment. Please note that failure to follow the instructions on agency presentations could result in agency hearings and presentations being rescheduled and delayed until later in the Session.

The Ways and Means schedule of hearings has not yet been completed, but all agencies should have presentation materials completed, in an electronic format, by February 16, 2015.

In addition to the presentation materials, agencies need to provide an update of Other Funds ending balances. The form and instructions are attached, and are due to the Legislative Fiscal Office (LFO) by December 15, 2014.

Please contact your LFO analyst with any questions.

Ways and Means Presentation Requirements

A. General Process and Format

- Presentations should be consistent in content and format. Agencies may be allowed, with advance approval by LFO, to tailor presentations to help provide clarity.
- Agencies should work with LFO analysts to prepare presentations, including confirming major budget drivers, environmental factors, budget issues, and program changes.
- Agency presentations are to be submitted to LFO in an electronic format, accompanied by two hard copies in binders. Electronic copies must be provided to the LFO analyst at least one week prior to presentation. Presentations sent on a CD should be in PDF format.
- If Subcommittee members ask questions of the agency that need to be responded to in writing, the agency has two working days to provide the written response to LFO, unless an exception has been granted for an extension.
- Agency presentations should be provided by directors and program area managers. While it is the responsibility of agency directors to determine which staff should attend the Subcommittee meetings, it is the intent of the Legislature to disrupt agency operations as little as possible, so only those who are needed to respond to questions should be present.
- Agencies must ensure presentations can be completed within the time allotted, including leaving sufficient time for Subcommittee questions.

B. Phase 1: Agency Profile (Early February through late March/early April)

- Role of LFO
  - LFO will provide an informational overview of the agency and, if applicable, any budget plan released by the Co-Chairs. LFO will also outline significant budget note reports, Emergency Board actions, audit findings, current budget issues, and other documentation and analyses as needed.

- Role of Agency
  - The agency should focus on its goals and how the requested budget will produce the desired program outcomes.
  - The agency written presentation should include the following information (large agencies should prepare the content for the entire agency and for each major division/ program area; small agencies may cover the entire agency at the summary level):
    - Agency mission, goals, and historical perspective
    - Summary of programs, including who is served by programs and how many people are served
    - Agency organizational information, including an organizational chart and description of how services are delivered
    - Overview of agency performance and outcome measures, how measures are used by the agency, and progress toward achieving performance goals
    - Major budget drivers and environmental factors (for large agencies, specific detail should be provided in the program discussion)
    - Major changes to the agency in the past 10 years, including program changes (additions or reductions) and the effect of changes on service and program delivery
    - Specific actions the agency has taken or plans to take to contain costs and improve programs and service, including realigning/consolidating programs with other agencies, eliminating or reducing duplication of services or unnecessary processes, and/or proposed

statutory, rule, or process changes (data supporting these actions, including estimated savings, should be included)

- Major budget information, including caseloads, fees, construction, unique cost increases or decreases, summary of revenues and any proposed changes in revenue sources or fees, and historical and projected spending for programs
- Summary of proposed legislation affecting agency operations, the status of the legislation, and the budgetary impact
- Discussion of 10% reduction options and long-term vacancies (based on the most recent quarterly report)
- In the appendix, provide the following (if applicable):
  - Actions to comply with HB 4131 (2012) regarding the ratio of employees to supervisory employees
  - Results of all audits on the agency conducted by the Secretary of State under ORS 297.070 and a description of the agency response to the audit recommendations
  - Description of how recent changes to agency budget and/or management flexibility affected agency operations
  - Summary of proposed technology and capital construction projects
  - List of position reclassifications completed during the 2013-15 biennium, including position classifications and salary changes due to the reclassification
  - List of new hires made during the 2013-15 biennium, the salary step the position was hired at, and justification for any position hired above step two
  - Ending balance form

❖ Role of CFO staff and/or Governor's Policy Advisor

➢ CFO staff and/ or the Governor's Policy Advisor will describe (at a high level) the Governor's recommended budget for the program area and the agency, the policy rationale or other reasons for the Governor's recommended changes (either additions or reductions) to the budget, alternatives considered for major budget or policy issues, and other information, including major alignments and differences between the Governor's Recommended Budget and, if applicable, any budget plan released by the Co-Chairs.

C. Phase 2: Discussion of Issues (upon completion of Phase 1 through early May)

❖ This phase is to conduct a more in-depth discussion of major budget issues and will include only some agencies. During this phase, there will be a review of major budget issues, detail, and outstanding decisions needed. Materials for this phase will be developed by the agency in conjunction with LFO staff.

D. Phase 3: Work Session (may be conducted as soon as agency hearings are completed)

❖ LFO staff will present recommendations for Subcommittee action. This phase could include consideration of fee bills or substantive legislation.