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# MEMORANDUM

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**To:** Members of the Joint Ways and Means Subcommittee on  
Transportation and Economic Development

**From:** Michelle Deister, Legislative Fiscal Office  
(503) 986-1817

**Date:** April 1, 2015

**Subject:** Oregon Racing Commission – SB 5536  
Work Session Recommendations

## **Oregon Racing Commission – Agency Totals**

	2011-13 Actual	2013-15 Legislatively Approved	2015-17 Current Service Level	2015-17 LFO Recommended
Other Funds	4,923,397	5,905,502	6,028,486	6,028,486
<b>Total Funds</b>	<b>4,923,397</b>	<b>5,905,502</b>	<b>6,028,486</b>	<b>6,028,486</b>
Positions	15	15	15	14
FTE	13.27	13.27	13.27	12.27

Attached are the recommendations from the Legislative Fiscal Office for the Oregon Racing Commission. The recommendations include the following:

- Policy Option Package 801, a Legislative Fiscal Office adjustment to eliminate a long-term vacancy and transfer equivalent expenditure limitation (\$99,984) to Services and Supplies. This adjustment better reflects the agency's recent actual and future expected expenditures.

The Legislative Fiscal Office Recommendation results in an anticipated \$1,257,334 in pari-mutual receipts for transfer to the General Fund (this recommendation does not take into account any legislative action on HB 2719, which would increase the share of funds retained by the Racing Commission vs the share transferred to the General Fund).

### **Adjustments to Current Service Level:**

There are no adjustments to the agency's Current Service Level.

### ***Accept LFO Recommendation***

*Move the LFO recommendation to HB 5536.*

## **Performance Measures**

See attached “Legislatively Proposed 2013-15 Key Performance Measures” form.

### **Accept LFO Recommendation**

*Move the LFO recommendation on Key Performance Measures*

### **Recommended Changes to Appropriation Bill:**

The Legislative Fiscal Office recommends a budget of \$6,028,486 Other Funds and 14 positions (12.27 FTE), and that Senate Bill 5536 be amended accordingly.

*Move to amend HB 5536 with the -1 amendment (incorporates the following changes):*

#### **Section 1**

***Line 6 – Delete [\$6,022,524] and insert \$6,028,486.***

### **SB 5536 Final Subcommittee Action:**

#### ***Final Motion:***

**If changed the bill requires changes**

*Move SB 5536 to the full committee with a “do pass” recommendation, as amended.*

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
<b>2013-15 Agy. Leg. Adopted</b>	-	-	5,821,294	-	-	-	5,821,294	15	13.27
2013-15 Ebds, SS & Admin Act	-	-	84,208	-	-	-	84,208	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	-	-	5,905,502	-	-	-	5,905,502	15	13.27
<b>2013-15 Leg Approved Budget (Base)</b>	-	-	5,905,502	-	-	-	5,905,502	15	13.27
Summary of Base Adjustments	-	-	(55,536)	-	-	-	(55,536)	-	-
<b>2015-17 Base Budget</b>	-	-	5,849,966	-	-	-	5,849,966	15	13.27
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(28,459)	-	-	-	(28,459)	-	-
030: Inflation & Price List Adjustments	-	-	206,979	-	-	-	206,979	-	-
<b>2015-17 Current Service Level</b>	-	-	6,028,486	-	-	-	6,028,486	15	13.27
<b>Adjusted 2015-17 Current Service Level</b>	-	-	6,028,486	-	-	-	6,028,486	15	13.27
<b>Total LFO Recommended Packages</b>	-	-	-	-	-	-	-	(1)	(1.00)
<b>2015-17 Legislative Actions</b>	-	-	6,028,486	-	-	-	6,028,486	14	12.27
Net change from 2013-15 Leg Approved Budget	-	-	122,984	-	-	-	122,984	(1)	(1.00)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	2.1%	(6.7%)	(7.5%)
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	(1)	(1.00)
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(6.7%)	(7.5%)

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2013-15 Ebds, SS & Admin Act	-	-	84,208	-	-	-	84,208	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
<b>2013-15 Leg Approved Budget</b>	-	-	5,905,502	-	-	-	5,905,502	15	13.27
<b>2013-15 Leg Approved Budget (Base)</b>	-	-	5,905,502	-	-	-	5,905,502	15	13.27
Summary of Base Adjustments	-	-	(55,536)	-	-	-	(55,536)	-	-
<b>2015-17 Base Budget</b>	-	-	5,849,966	-	-	-	5,849,966	15	13.27
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(28,459)	-	-	-	(28,459)	-	-
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<b>Total LFO Recommended Packages</b>	-	-	-	-	-	-	-	(1)	(1.00)
<b>2015-17 Legislative Actions</b>	-	-	6,028,486	-	-	-	6,028,486	14	12.27
Net change from 2013-15 Leg Approved Budget	-	-	122,984	-	-	-	122,984	(1)	(1.00)
Percent change from 2013-15 Leg Approved Budget	0.0%	0.0%	2.1%	0.0%	0.0%	0.0%	2.1%	(6.7%)	(7.5%)
Net change from 2015-17 Current Service Level	-	-	-	-	-	-	-	(1)	(1.00)
Percent change from 2015-17 Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	(6.7%)	(7.5%)

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**Package 801 LFO Analyst Adjustments**

Package Description Package 801 reflects an adjustment by the Legislative Fiscal Office to eliminate an investigator position and transfer associated expenditure limitation from personal services to services and supplies, to better reflect recent actual and future expected Racing Commission expenditures.

The Racing Commission has maintained a long-term vacancy in investigations. Due to a reduction in the number or racing days per year, the agency has managed investigatory workload with its remaining two investigator positions. Conversely, the agency is facing increases in services and supplies expenditures due to an increase in insurance premiums for jockeys and Department of Justice expenses.

This package has a net \$0 expenditure impact to the Racing Commission.

LFO Recommendation Approve.

LFO Analyst Notes The agency will maintain its Chief Investigator position, per advice from DAS Human Resources, and eliminate one of its Investigator II positions.

<b>LFO Recommended</b>	-	-	-	-	-	-	-	(1)	(1.00)
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## Legislatively Proposed 2015-2017 Key Performance Measures

**Agency: Oregon Racing Commission**

Mission: The Mission of the Oregon Racing Commission is to regulate and to facilitate all aspects of the pari-mutuel industry in the State of Oregon for the benefit of the citizenry, the licensees, the participants and the economy of the State of Oregon.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2016	Target 2017
1 - Animal Safety: Number of horses euthanized by the Oregon Racing Commission veterinarian due to catastrophic injury occurring during racing per every 1,000 starters.		Approved KPM	1.70	1.50	1.50
2 - License Turnaround Time: Average number of work days from receipt of a complete individual application and questionnaire to conclusion of a criminal background check.		Approved KPM	5.00	5.00	5.00
3 - Excellent Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	89.00	75.00	75.00
3 - Excellent Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	85.00	75.00	75.00
3 - Excellent Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	90.00	75.00	75.00
3 - Excellent Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	90.00	75.00	75.00
3 - Excellent Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	90.00	75.00	75.00

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<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2016</b>	<b>Target 2017</b>
3 - Excellent Customer Service: Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	80.00	75.00	75.00
4 - Best Practices: Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

**LFO Recommendation:**

The Legislative Fiscal Office recommends Key Performance Measure targets as presented. It is recommended that targets for KPM 2 and 3 be reevaluated in 2017 based on actual results, in the event that the recommended change in the number of investigative staff has an adverse impact on performance or customer satisfaction.

**Sub-Committee Action:**

SB 5536-1  
(LC 9536)  
3/31/15 (TR/ps)

**PROPOSED AMENDMENTS TO  
SENATE BILL 5536**

1 In line 6 of the printed bill, delete "\$6,022,524" and insert "\$6,028,486".

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