

SB 5521 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Marsh

Joint Committee On Ways and Means

Action Date: 07/01/17

Action: Do Pass the A-Eng bill.

House Vote

Yeas: 9 - Gomberg, Holvey, Huffman, McLane, Nathanson, Rayfield, Smith G, Whisnant, Williamson

Exc: 2 - Smith Warner, Stark

Senate Vote

Yeas: 10 - DeBoer, Devlin, Frederick, Hansell, Johnson, Manning Jr, Monroe, Roblan, Steiner Hayward, Winters

Nays: 2 - Girod, Thomsen

Prepared By: Brian DeForest, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Office of the Governor

2017-19

Budget Summary*

	2015-17 Legislatively Approved Budget ⁽¹⁾	2017-19 Current Service Level	2017-19 Committee Recommendation	Committee Change from 2015-17 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 12,784,089	\$ 13,250,527	\$ 13,473,027	\$ 688,938	5.4%
Lottery Funds	\$ 4,211,103	\$ 4,434,432	\$ 3,827,547	\$ (383,556)	-9.1%
Other Funds Limited	\$ 3,250,620	\$ 3,387,418	\$ 3,432,918	\$ 182,298	5.6%
Federal Funds Limited	\$ -	\$ -	\$ 6,907,780	\$ 6,907,780	100.0%
Total	\$ 20,245,812	\$ 21,072,377	\$ 27,641,272	\$ 7,395,460	36.5%

Position Summary

Authorized Positions	63	61	59	(4)
Full-time Equivalent (FTE) positions	61.67	60.50	58.50	(3.17)

⁽¹⁾ Includes adjustments through December 2016

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Office of the Governor is funded primarily by General Fund. Regional Solutions activities are financed with Lottery Funds with half the funding coming from general purpose Lottery Funds and the other half from the statutorily dedicated 2.5 percent of video Lottery Funds distributed to counties for economic development. The Diversity and Inclusion and the Economic and Business Equity advocacy functions are funded with Other Funds primarily derived from state agency assessments. Several agencies transfer revenue to the Office of the Governor to pay for specific positions. These revenues are included as Other Funds in this budget. Other Fund revenues in the Arrest and Return program are from restitution from offenders and indirect Federal Funds.

Summary of General Government Subcommittee Action

The Subcommittee adopted a budget of \$13,473,027 General Fund, \$27,641,272 total funds, for the 2017-19 biennium. The adopted budget is a 5.4 percent increase in General Fund and 36.5 percent increase in total funds from the 2015-17 biennium. The increase is associated with the transfer of the Oregon Volunteers Program from the Oregon Housing and Community Services Department into the Governor’s Office.

The Subcommittee recommended the following packages:

Package 090, Analyst Adjustments. The package eliminates three vacant positions (3.00 FTE) in the Regional Solutions Program, and helps balance the statewide General Fund/Lottery Funds budget.

Package 102, Extradition Program Shuttle Service. This package provides expenditure limitation to purchase two transport vans to be used by counties while transporting inmates between county facilities. The purchase is supported by cash balances within the Extradition program.

Package 801, LFO Analyst Adjustments. The package replaces Criminal Fine Account support for the Arrest and Return Account with an equal amount of General Fund. The fund shift has no impact on the General Fund budget. The reduction in Criminal Fine Account support will increase General Fund revenue by the same amount, thus financing the General Fund increase.

Package 802, Technical and Revenue Adjustments. Package 802 includes beginning balance adjustments to update information in the budget with more recent data.

Package 803, Oregon Volunteers Transfer. Package 803 includes budgetary adjustments associated with the transfer of the Oregon Commission on Volunteer Action and Service from the Housing and Community Services Department to the Office of the Governor. The Governor's Office is requested to report back to the Legislature regarding the status of the transition. The Federal Funds expenditures and position authority provided in this package are being removed from the Housing and Community Services Department budget in HB 5006 to reflect the transfer of these funds to the Governor's Office. General Fund of \$200,000 is provided to assist the transfer and to fund review and development of long term proposals for the Commission.

Budget Note

Funding for Oregon Volunteers is provided with the expectation that the Oregon Commission on Voluntary Action and Service will revise its five-year strategic plan to integrate activities within the Governor's Office, for the purpose of securing federal matching funds. The Governor's Office is requested to report, with the Oregon Commission on Voluntary Action and Service, to a meeting of the Interim Joint Committee on Ways and Means prior to the February 2018 session of the Legislative Assembly, to determine the amount at which to fund Commission activities for the remainder of the 2017-19 biennium. The information requested to be provided includes personnel requirements, amounts and sources of funding, including potential matching dollars, and changes to the Commission's 5-year plan that may result from the transfer of administration of the Commission to the Office of the Governor. If sufficient funding for Oregon Volunteers is not approved for the remainder of the 2017-19 biennium, Oregon Volunteers will take necessary actions to end all federal programs by September 30, 2018.

Summary of Performance Measure Action

See attached Legislatively Adopted 2017-19 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Office of the Governor
 Brian DeForest -- 503-378-5442

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
2015-17 Legislatively Approved Budget at Dec 2016 *	\$ 12,784,089	\$ 4,211,103	\$ 3,250,620	\$ -	\$ -	\$ -	20,245,812	63	61.67	
2017-19 Current Service Level (CSL)*	\$ 13,250,527	\$ 4,434,432	\$ 3,387,418	\$ -	\$ -	\$ -	21,072,377	61	60.50	
SUBCOMMITTEE ADJUSTMENTS (from CSL)										
SCR 001 - General Program										
Package 090: Analyst Adjustments										
Personal Services	\$ -	\$ (606,885)	\$ -	\$ -	\$ -	\$ -	(606,885)	(3)	(3.00)	
Package 102: Extradition Program Shuttle Service										
Capital Outlay	\$ -	\$ -	\$ 68,000	\$ -	\$ -	\$ -	68,000			
Package 801: LFO Analyst Adjustments										
Services and Supplies	\$ 22,500	\$ -	\$ (22,500)	\$ -	\$ -	\$ -	-			
Package 803: Oregon Volunteers Transfer										
Personal Services	\$ -	\$ -	\$ -	\$ -	\$ 299,371	\$ -	299,371	1	1.00	
Services and Supplies	\$ 200,000	\$ -	\$ -	\$ -	\$ 629	\$ -	200,629			
Special Payments	\$ -	\$ -	\$ -	\$ -	\$ 6,607,780	\$ -	6,607,780			
TOTAL ADJUSTMENTS	\$ 222,500	\$ (606,885)	\$ 45,500	\$ -	\$ 6,907,780	\$ -	6,568,895	(2)	(2.00)	
SUBCOMMITTEE RECOMMENDATION *	\$ 13,473,027	\$ 3,827,547	\$ 3,432,918	\$ -	\$ 6,907,780	\$ -	27,641,272	59	58.50	
% Change from 2015-17 Leg Approved Budget	5.4%	(9.1%)	5.6%	0.0%	100.0%	0.0%	36.5%	(6.3%)	(5.1%)	
% Change from 2017-19 Current Service Level	1.7%	(13.7%)	1.3%	0.0%	100.0%	0.0%	31.2%	(3.3%)	(3.3%)	

*Excludes Capital Construction Expenditures

Legislatively Approved 2017 - 2019 Key Performance Measures

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Agency: Governor's Office

Mission Statement:

The Governor's office provides leadership and direction to state agencies that are in the Executive Branch. The Governor's office includes the following: Program Area Policy Advisors (e.g., education, workforce, natural resources, jobs and economy, health care, workforce and labor, housing and human services, public safety, transportation, and veterans); Executive Appointments; Constituent Services; Diversity, Equity and Inclusion; Affirmative Action; Extradition Services (for all law enforcement agencies), and Regional Solutions. The focus of the Annual Performance Progress Report is on the last four program areas. These program areas track performance measures, as detailed within this report.

Legislatively Approved KPMs	Metrics	Agency Request	Last Reported Result	Target 2018	Target 2019
1. CUSTOMER SATISFACTION - Percent of participants (customers) who rate the Regional Solutions process very good to excellent.	Timeliness	Approved	91.60%	90%	90%
	Overall		91.60%	90%	90%
	Helpfulness		89.60%	90%	90%
	Availability of Information		87.70%	90%	90%
	Accuracy		92%	90%	90%
	Expertise		91.80%	90%	90%
4. NUMBER OF STATE CONTRACT AWARDS TO CERTIFIED MINORITY, WOMEN AND EMERGING SMALL BUSINESSES (MWESB)		Approved	0.70%	10%	10%
5. STATE HIRING - Number of protected classes being hired, promoted, and retained in state agencies.		Approved	19.50%	22%	22%
2. CERTIFIED INDUSTRIAL SITES - Number of new industrial sites / acres certified as "project ready".		Legislatively Deleted	1	1	1
3. OREGON FUGITIVES RETURNED - Percent of Oregon fugitives returned to Oregon in the most cost-effective and timely manner, giving priority to the most serious offenders.		Legislatively Deleted	91.25	90	0

LFO Recommendation:

Approve the Key Performance Measures, and Key Performance Measure targets as shown in the above table, with one modification. Approve the proposed deletion of Key Performance Measure #3.

Change the title of Key Performance Measure #4 to "Percentage of State Contract Awards to Business Certified by the Certification Office for Business Inclusion and Diversity."

SubCommittee Action:

The Subcommittee modified the LFO recommendation, and additionally deleted Key Performance Measure #2 - CERTIFIED INDUSTRIAL SITES.