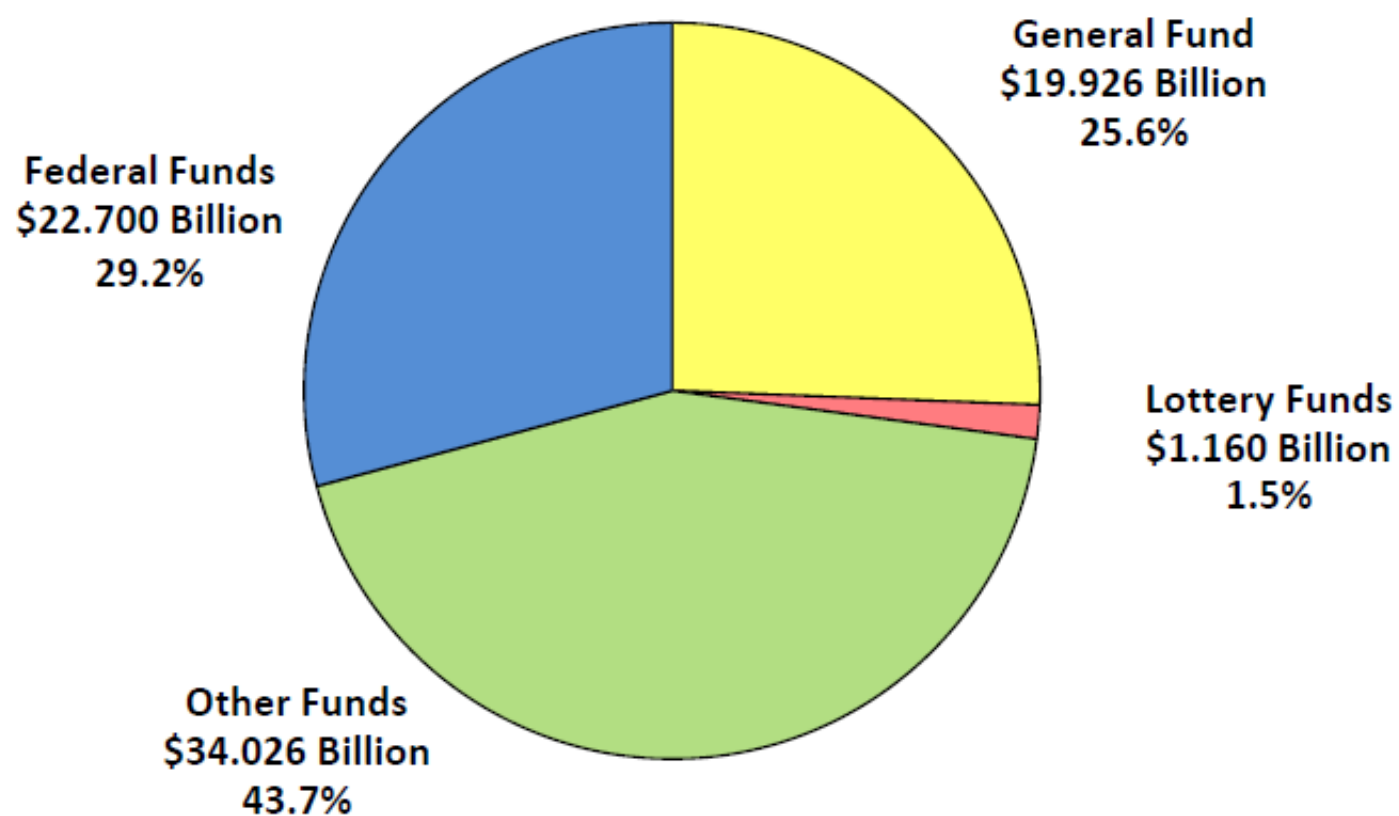


Oregon 2019-21 Budget Information

Joint Committee on Ways and Means
January 2019

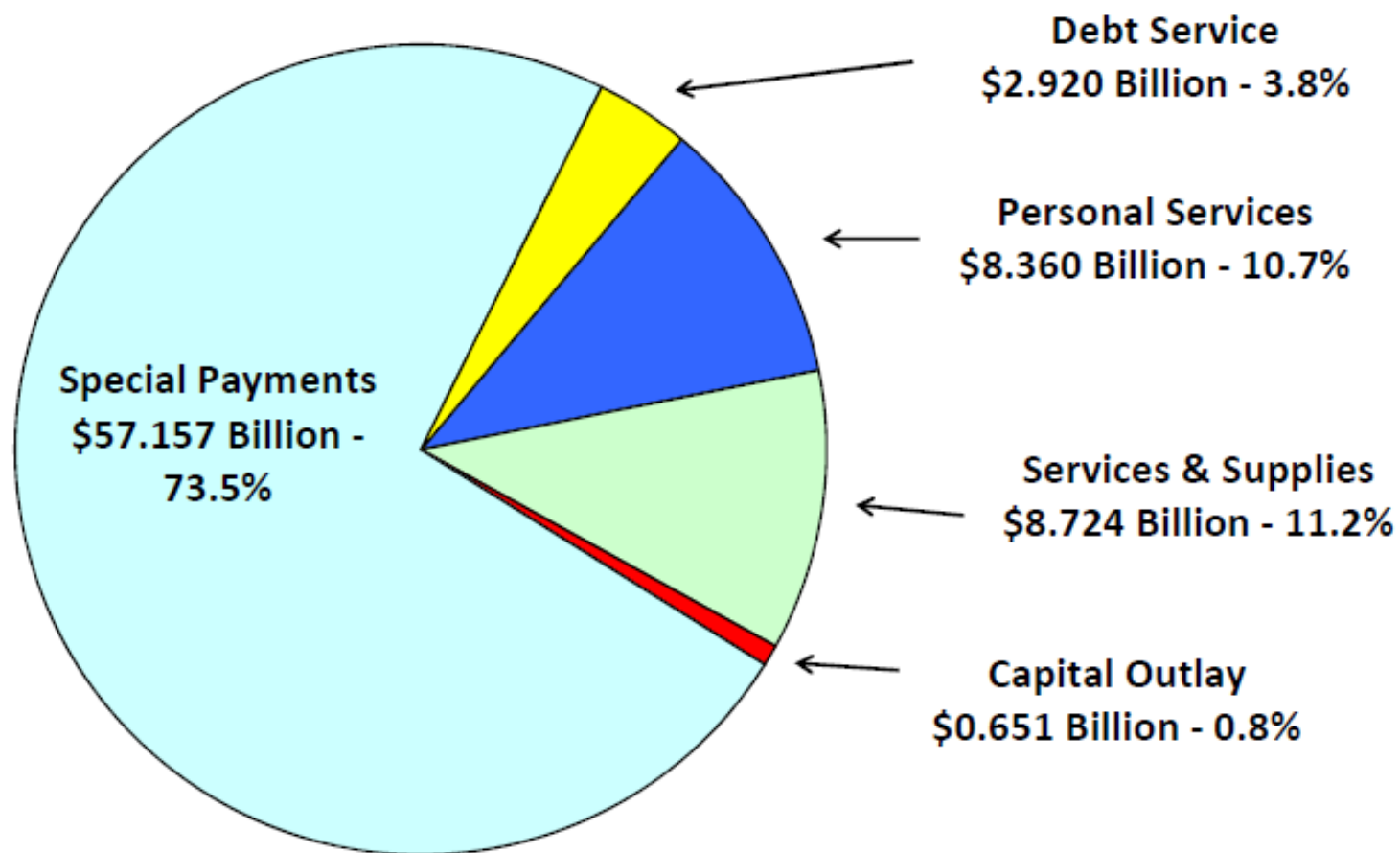
2017-19 Legislatively Approved Budget Totals \$77.812 Billion

8.3% Increase from 2015-17 Approved



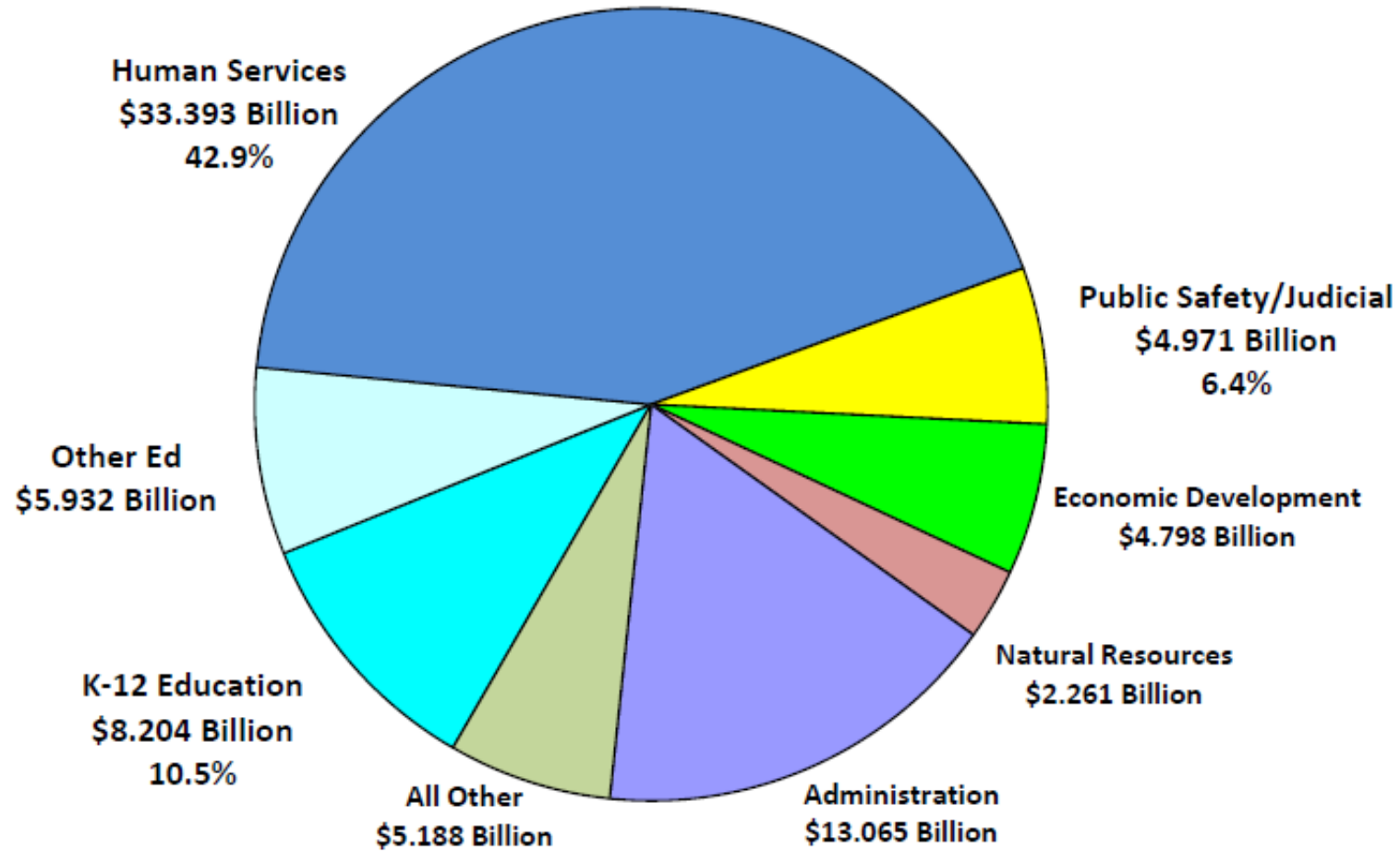
Expenditures by Category

Total Funds - 2017-19 Legislatively Approved Budget
(through December 2018; \$77.8 Billion)



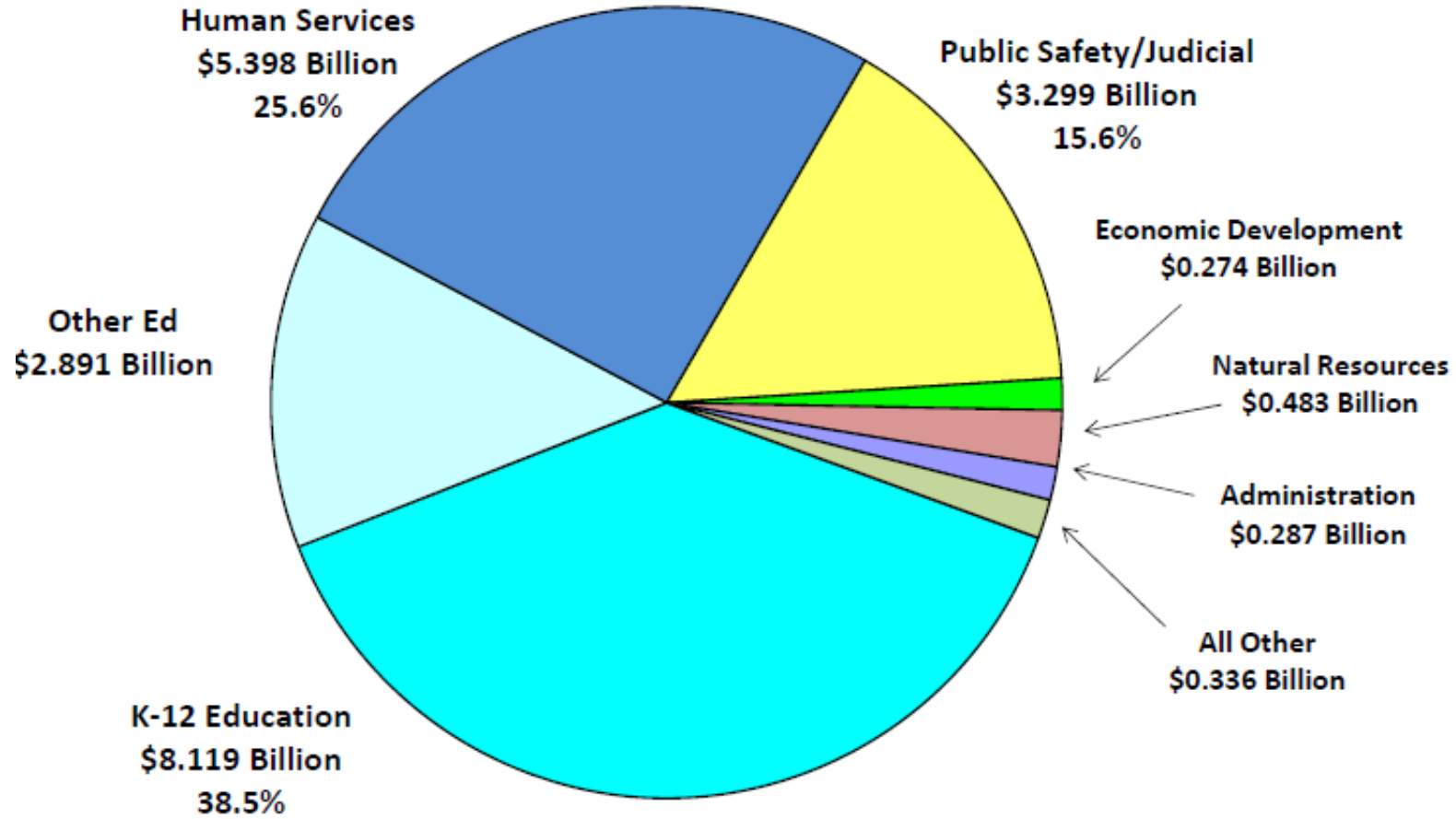
2017-19 Legislatively Approved Budget - Total Funds \$77.812 Billion

8.3% Increase from 2015-17 Approved
(through the Dec. 2018 Emergency Board Meeting)

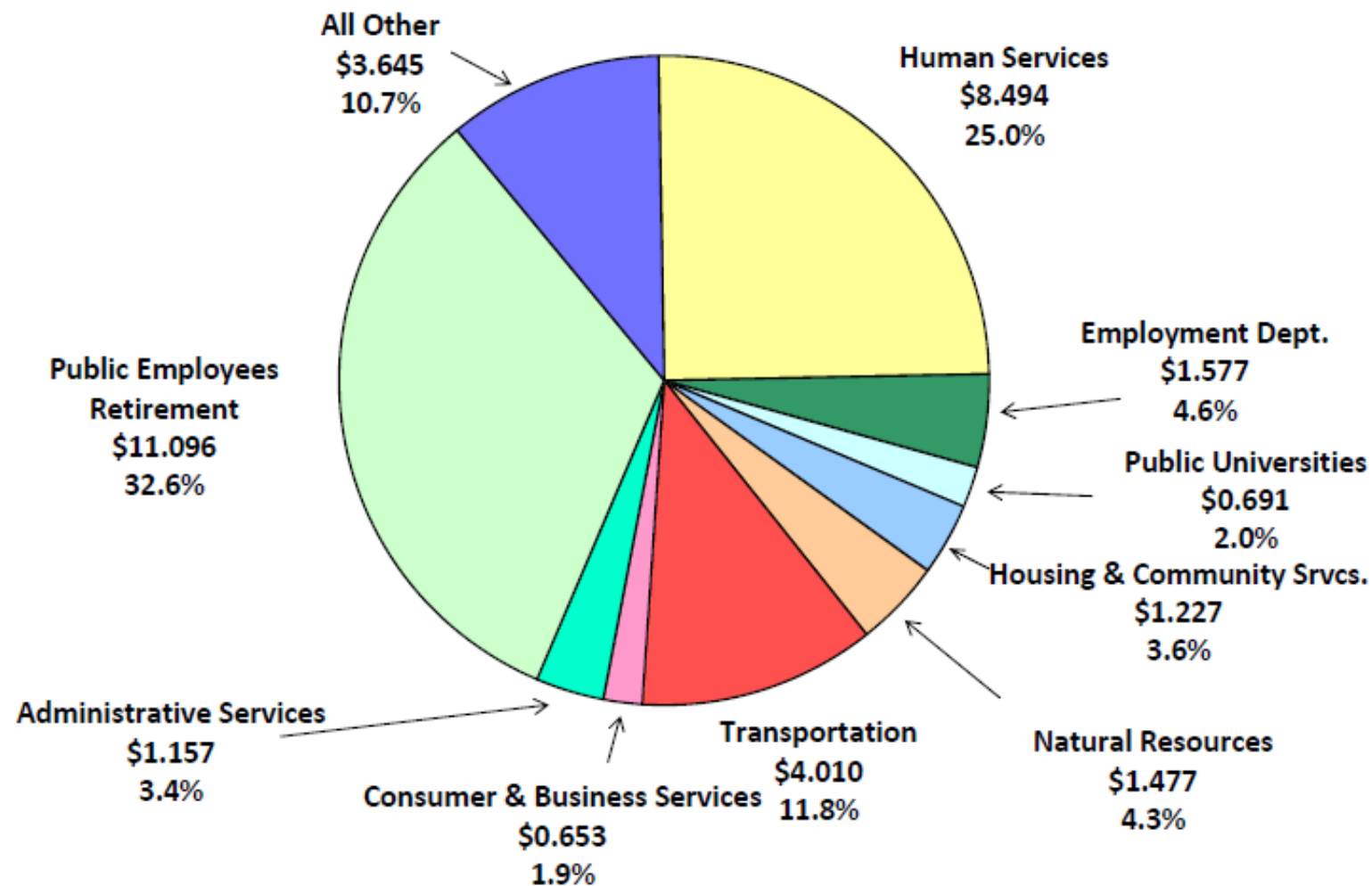


2017-19 General Fund & Lottery Funds Approved Total \$21.086 Billion

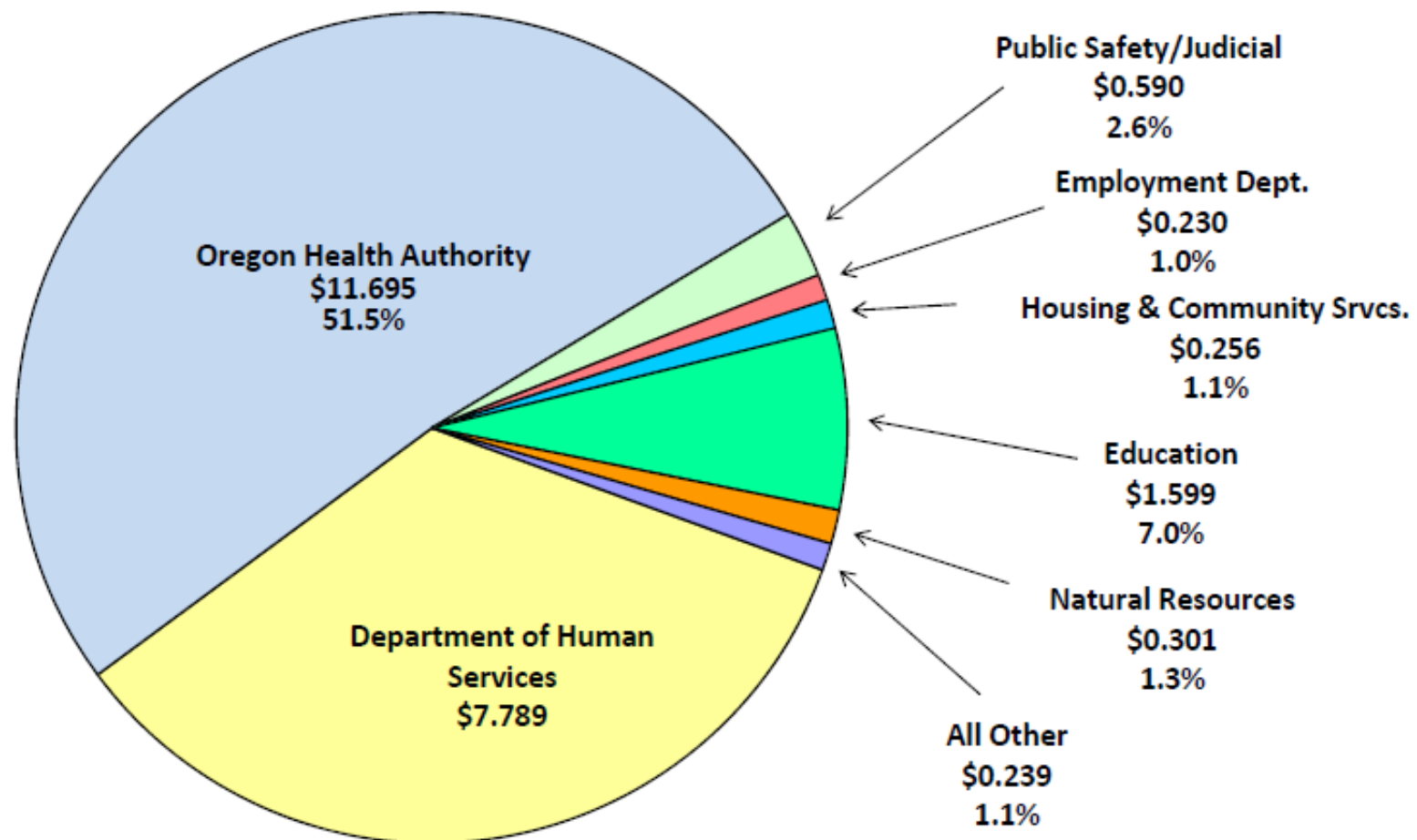
11.2% Increase from 2015-17 Approved
(through the Dec. 2018 Emergency Board Meeting)



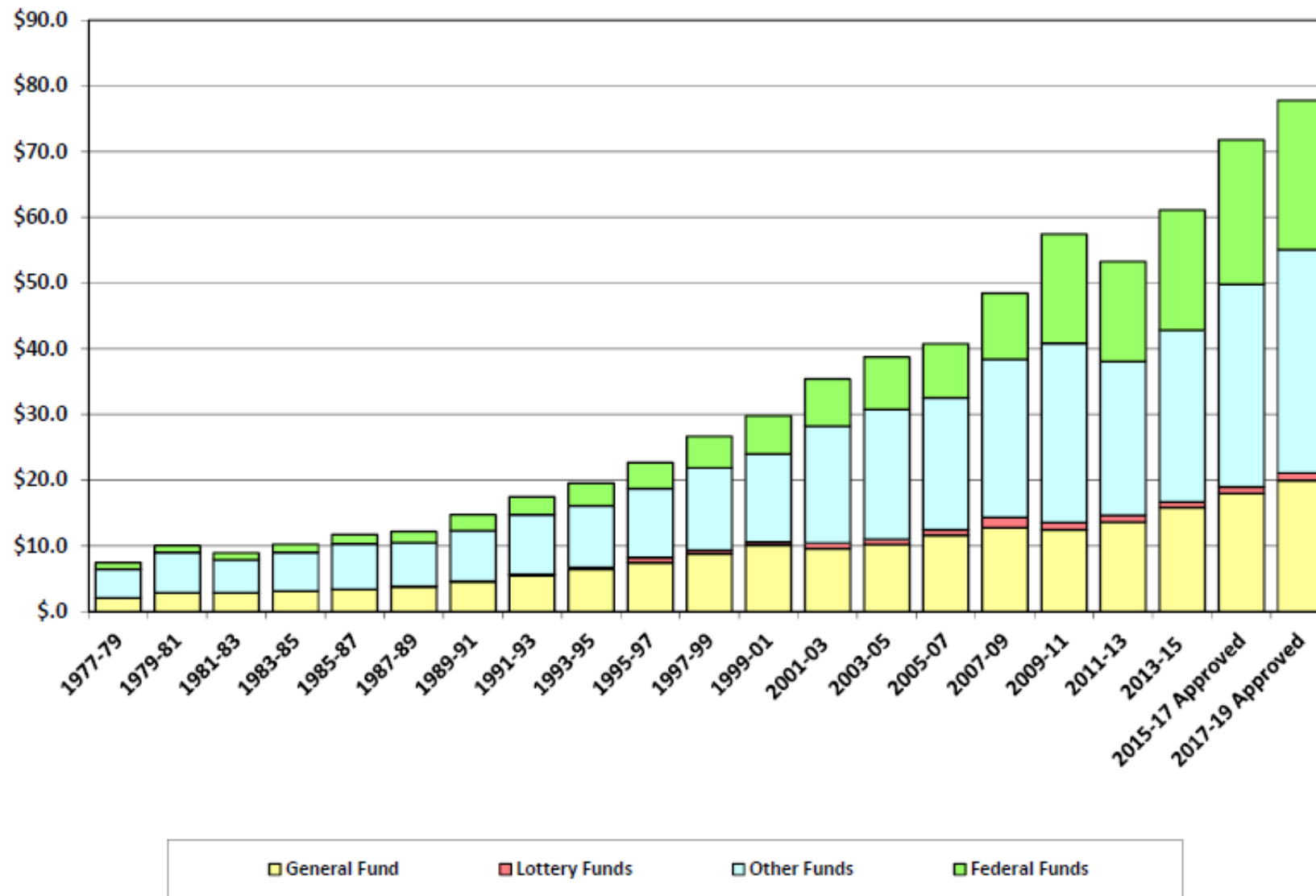
2017-19 Other Funds Total \$34.026 Billion
10.4% Increase from 2015-17 Approved Expenditures
(Billions of Dollars/Percent of Total; through Dec. 2018 Emergency Board Meeting)



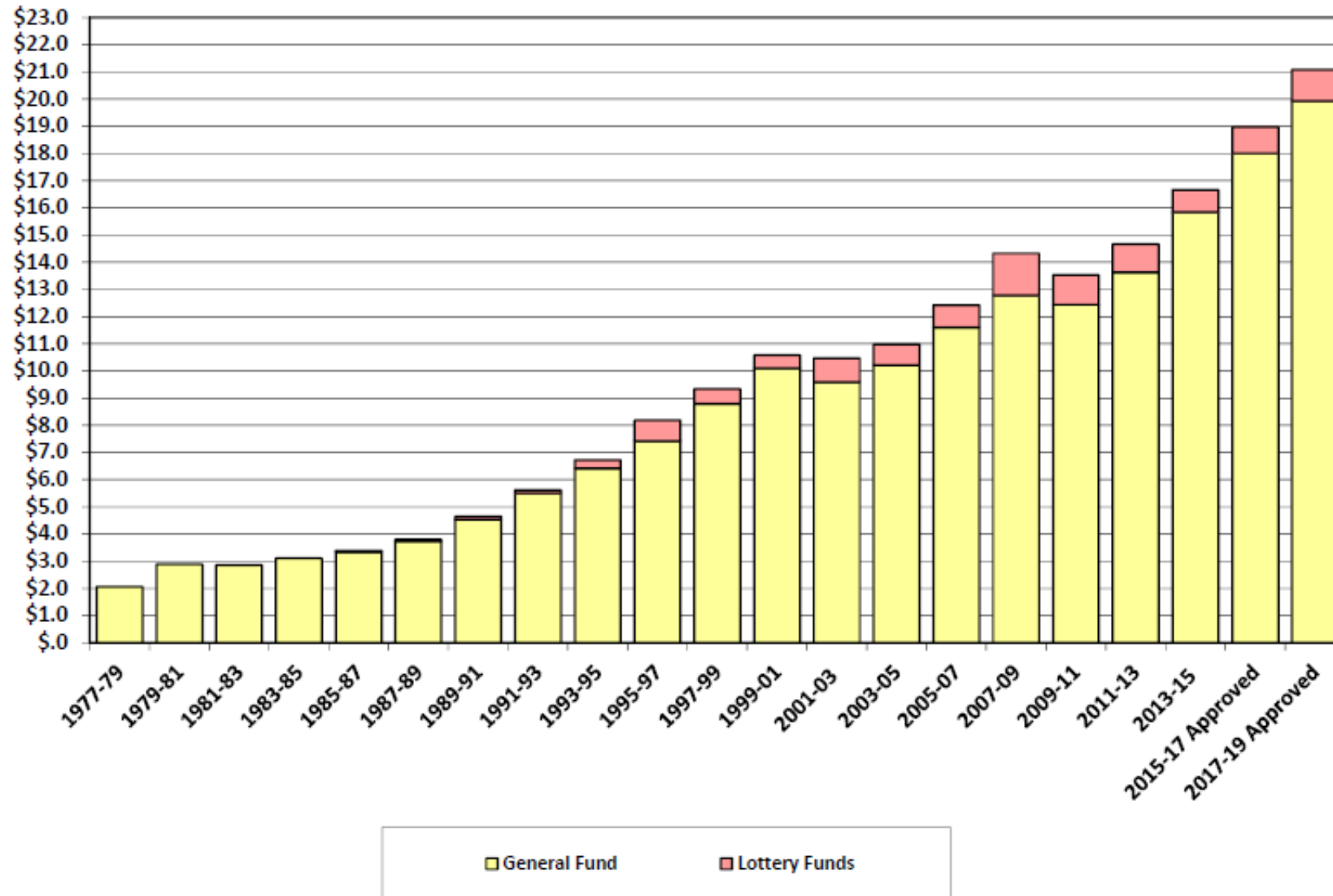
2017-19 Federal Funds Total \$22.700 Billion
3.0% Increase from 2015-15 Approved Expenditures
(Billions of Dollars/Percent of Total; through Dec. 2018 Emergency Board Meeting)



Oregon Budget History -- All Funds
(Billions \$)



Oregon Budget History -- General Fund and Lottery Funds
(Billions \$)



Budget Issues

Key Drivers of Budget Change:

- Population Growth
- Demographics
- Inflation
- Health Care Costs
- Mandated Caseloads
- Federal Policy Changes
- Lawsuits
- Initiatives
- Rollup Costs
- Public Employees Retirement System
- Replacement of One-Time Revenues
- State Policy Decisions

Budget Issues Facing 2019 Legislature

- Rebalancing the 2017-19 budget
- Revenue forecast changes
- Potential difficulty continuing current General Fund programs and services
- Governor and other stakeholder budget proposals
- Potential Issues (e.g., lawsuits, decreased federal funding)
- State employee and non-state employee compensation
- Responding to successful ballot initiatives
- 2021-23 tentative budget and revenue forecast

Current Service Level Budget Adjustments

- Personal Service adjustments for 2019-21
- Debt Service adjustments
- Program phase-in costs for new programs that did not operate for the entire biennium
- Program phase-out savings for programs that will be discontinued or were one-time
- Inflation for most services, supplies, capital outlay, professional services
- Mandated caseload increases or decreases
- Fund shifts – replace one-time funds

Public Safety/Judicial Budget Overview

Joint Committee on Ways and Means
Public Safety Subcommittee
January 2019

State Public Safety Agencies

Executive Branch

- Corrections
- State Police
- Justice
- District Attorneys & their deputies
- Military Department
- Youth Authority
- Public Safety Standards & Training
- Board of Parole & Post-Prison Supervision
- Criminal Justice Commission

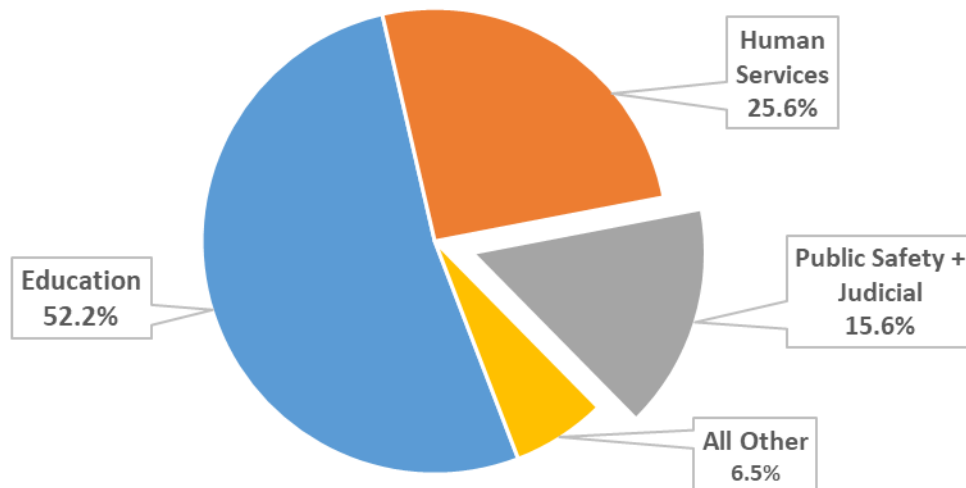
Judicial Branch

- Judicial Department
- Public Defense Services Commission
- Commission on Judicial Fitness & Disability

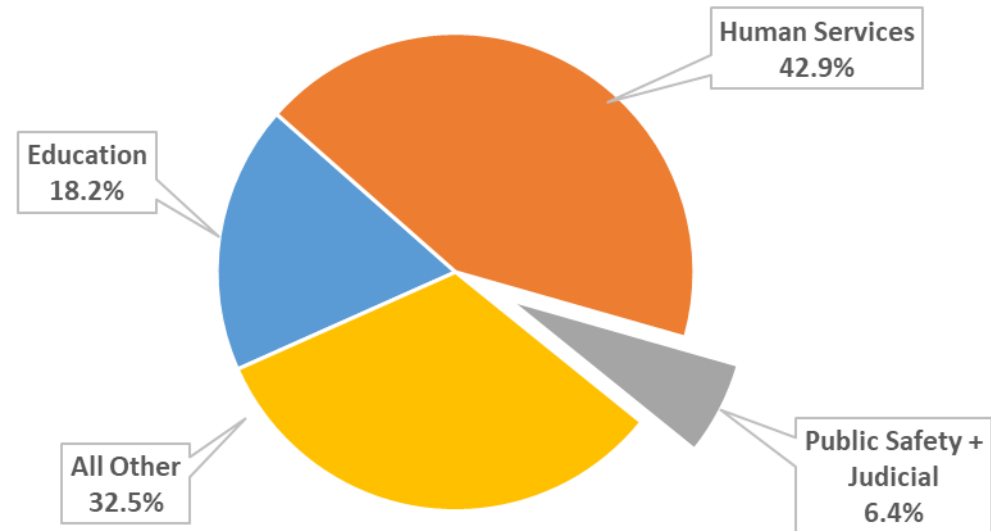
Public Safety Spending

Public Safety & Judicial Branch agencies make up 15.6% of the 2017-19 General/Lottery Funds budget (\$21.1B) and just 6.4% of the total state budget of \$77.8B.

Public Safety/Judicial Percentage
of **General/Lottery Fund** Spending
2017-19

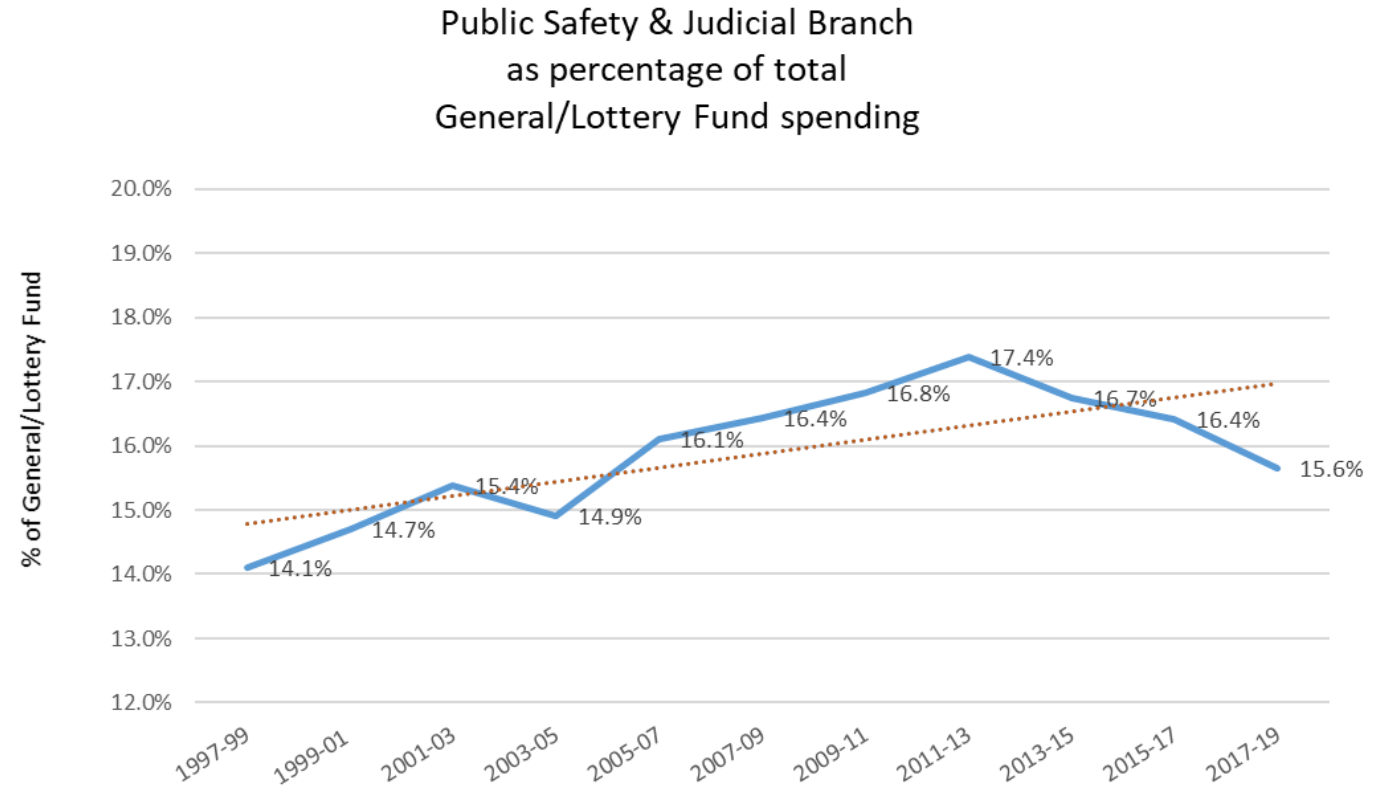


Public Safety/Judicial Percentage
of **ALL** Spending
2017-19



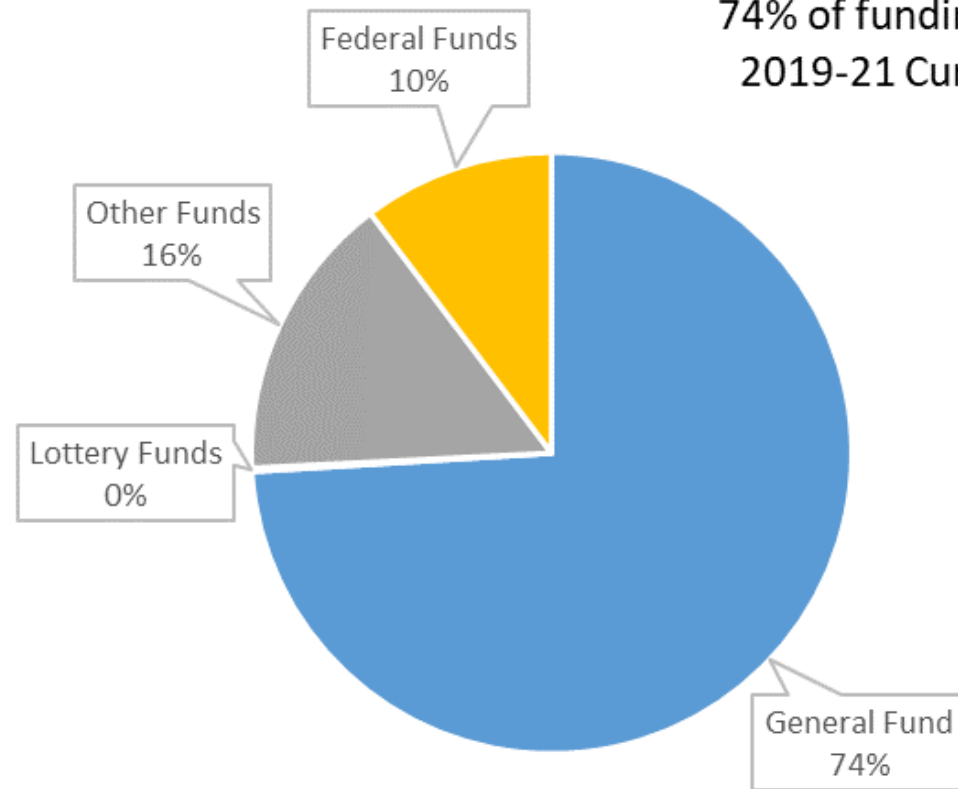
Public Safety Spending

Over the last twenty years, public safety spending as a percentage of GF/LF spending has increased from 14% to a high of 17.4% in 2011-13. The percentage has moderated in recent years.



Public Safety Funding

Public Safety Resources:
74% of funding is from the General Fund
2019-21 Current Service Level = \$4.8B

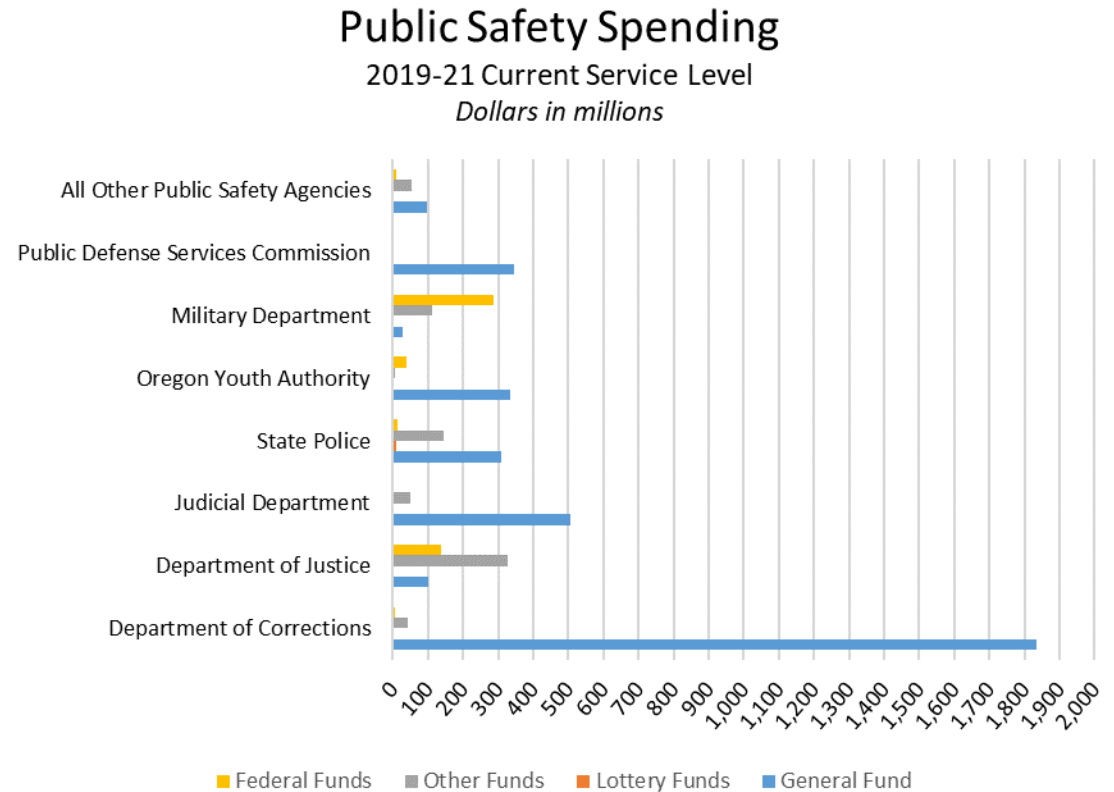


Public Safety Spending by Agency

The Department of Corrections accounts for 39% of total public safety spending and 52% of General Fund public safety spending.

The Department of Justice and the Judicial Department combined account for the next largest amount, 23% of total public safety spending and 17% of General Fund public safety spending.

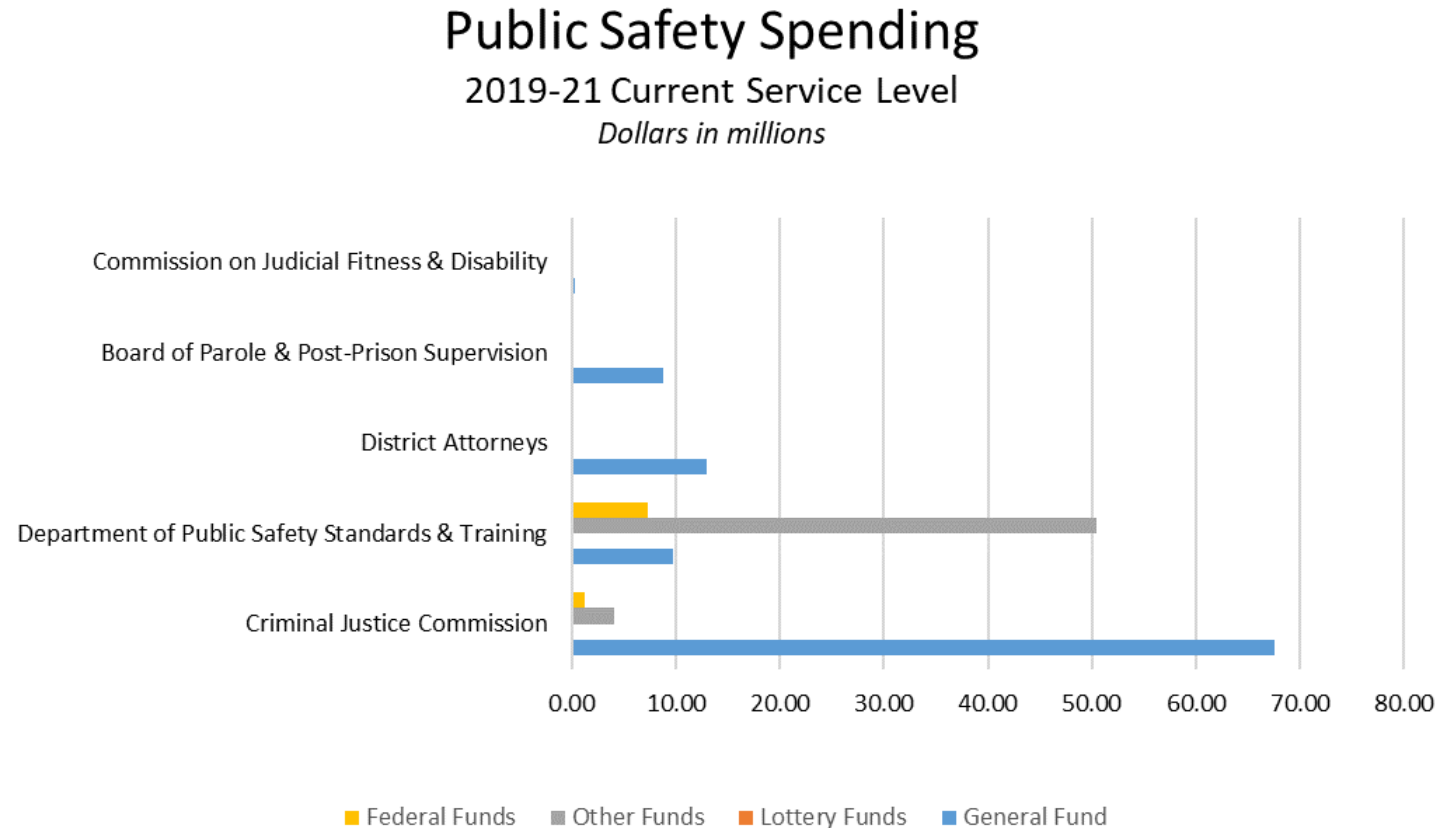
State Police, Youth Authority, and Military Department each account for about 9% of public safety spending.



Public Safety Spending by Agency

Five smaller agencies account for three percent of total public safety spending and 2.8% of General Fund public safety spending.

DPSST is funded through the Criminal Fines Account, which is functionally equivalent to the General Fund.



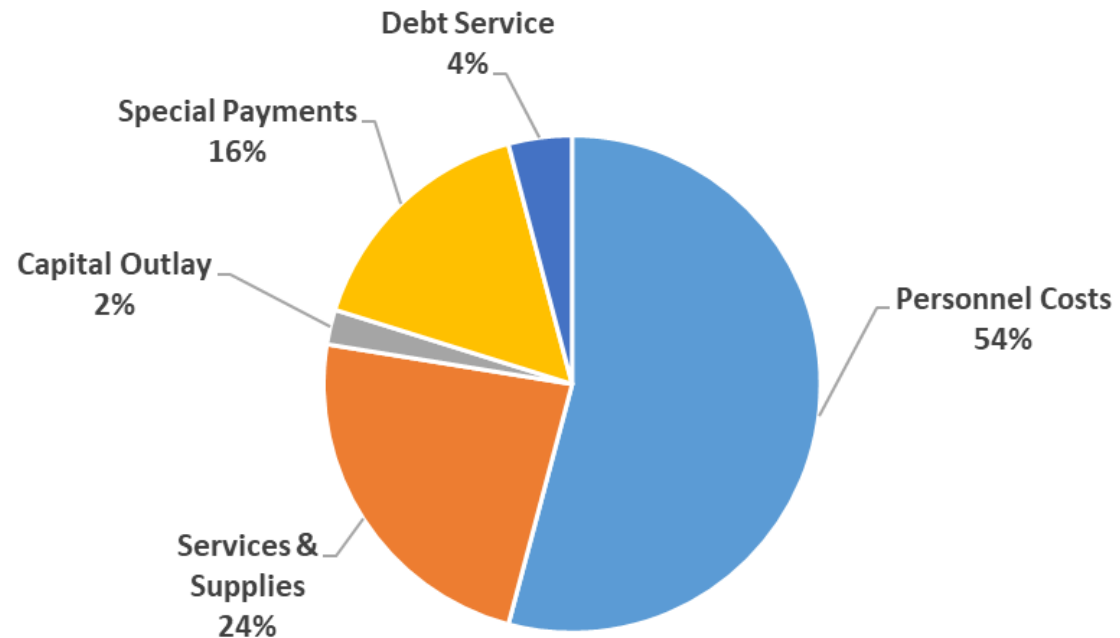
Public Safety Spending by Category

Personnel costs make up the largest share of public safety spending, \$2.6 billion of the \$4.8 billion all-funds current service level for 2019-21.

Public Safety and Judicial Branch agencies employ 10,713 positions (10,473.61 FTE), 43% of whom work at the Department of Corrections.

The special payments category contains community corrections funding, juvenile crime prevention grants, and Justice Reinvestment grants to counties totaling \$842 million.

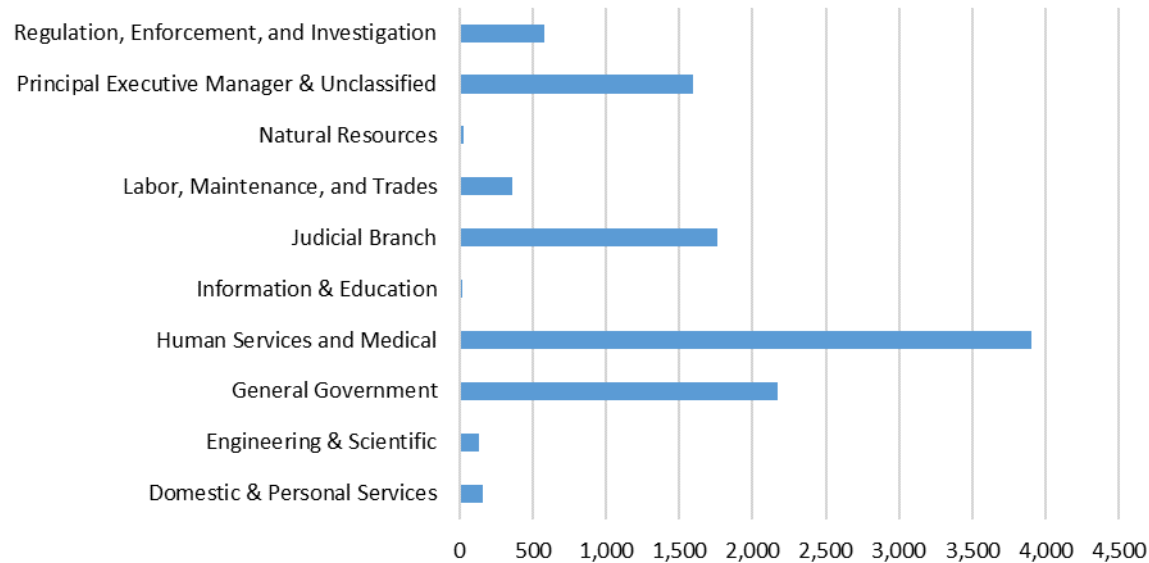
Public Safety Spending by Category
2019-21 Current Service Level



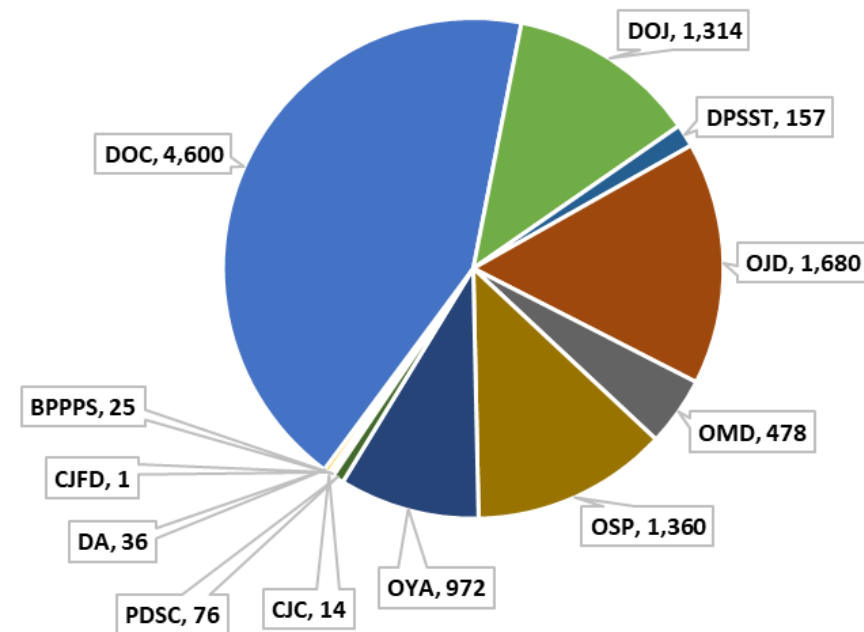
Public Safety Employees

Who works in public safety?

Types of Jobs in Public Safety Agencies
Based on State of Oregon Job Classifications



Number of Positions
Public Safety & Judicial Branch
2019-21 CSL



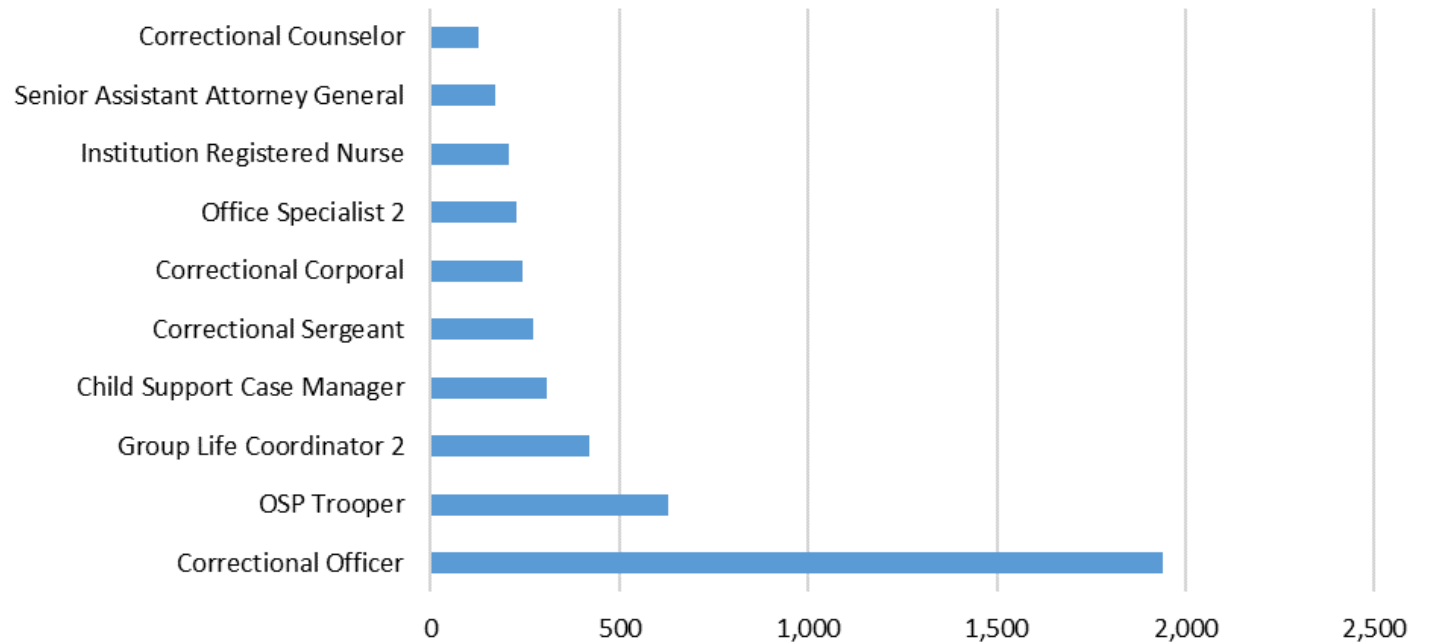
Top 10 Jobs in Public Safety

Just over half of all state public safety agency jobs are found in the ten job classes to the right.

Of the 4,545 positions shown, 66% of them are in the Department of Corrections.

The Judicial Branch has its own position classification system and is not shown here.

Top Ten Positions in the Public Safety Program Area
2019-21 CSL



Public Safety System

Public Safety is an interconnected system involving state, local, and federal agencies.



Public Safety System Partners

Federal, State, Local, and Private Agencies

- Local law enforcement agencies
- Federal law enforcement agencies
- Local jails
- County parole & probation agencies
- County juvenile departments
- District Attorney offices
- Defense Attorneys
- Federal agencies such as Homeland Security, Defense, Justice, and Health & Human Services
- County and non-profit community mental health & substance abuse programs
- Department of Human Services
- Court Appointed Special Advocates

Public Safety System Budget Drivers

A great number of factors contribute to the growth of public safety agency budgets.

- Statutory changes in criminal adult and juvenile laws, including changes made via ballot measures
- Demographic changes: population growth, the unemployment rate, the number of persons in high-risk crime categories
- Availability of and funding for mental health and substance abuse services
- Local funding for law enforcement
- Growth in the prison population
- Growth in the probation, parole, and post-prison populations
- The availability of housing for people leaving prison

Public Safety System Budget Drivers *continued*

- State labor costs, including retirement and benefit costs
- Other cost pressures facing state agencies, including utilities, purchased health care, and drug costs
- Demand for National Guard services in Oregon – emergencies, wildfires, etc.
- Prevalence of illegal business activities in the state (i.e. drugs, gangs, etc.)
- State and federal mandates
- Crime rates
- Demand for forensic laboratory services
- Caseload and staffing levels for courts, District Attorneys, public defenders, and local law enforcement agencies

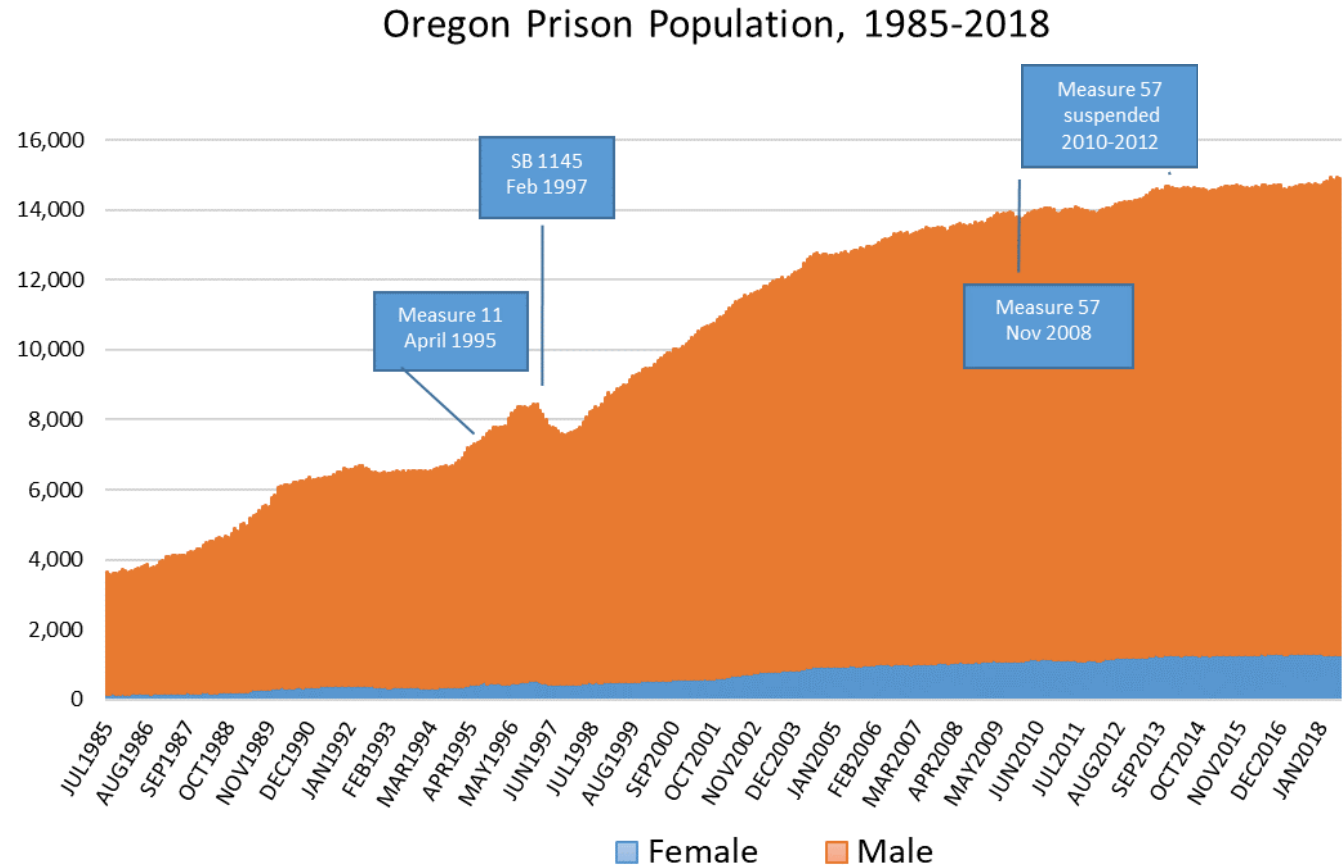
Cost Drivers

Prison operations are the largest single expense in the public safety system.

Oregon's prison population grew by 302% between 1985 and 2015.

- In 1985 there were 1.37 prison inmates per 1,000 residents
- In 2015, there were 3.66 prison inmates per 1,000 residents

Both male and female prison populations have fallen steadily since the fall of 2018.

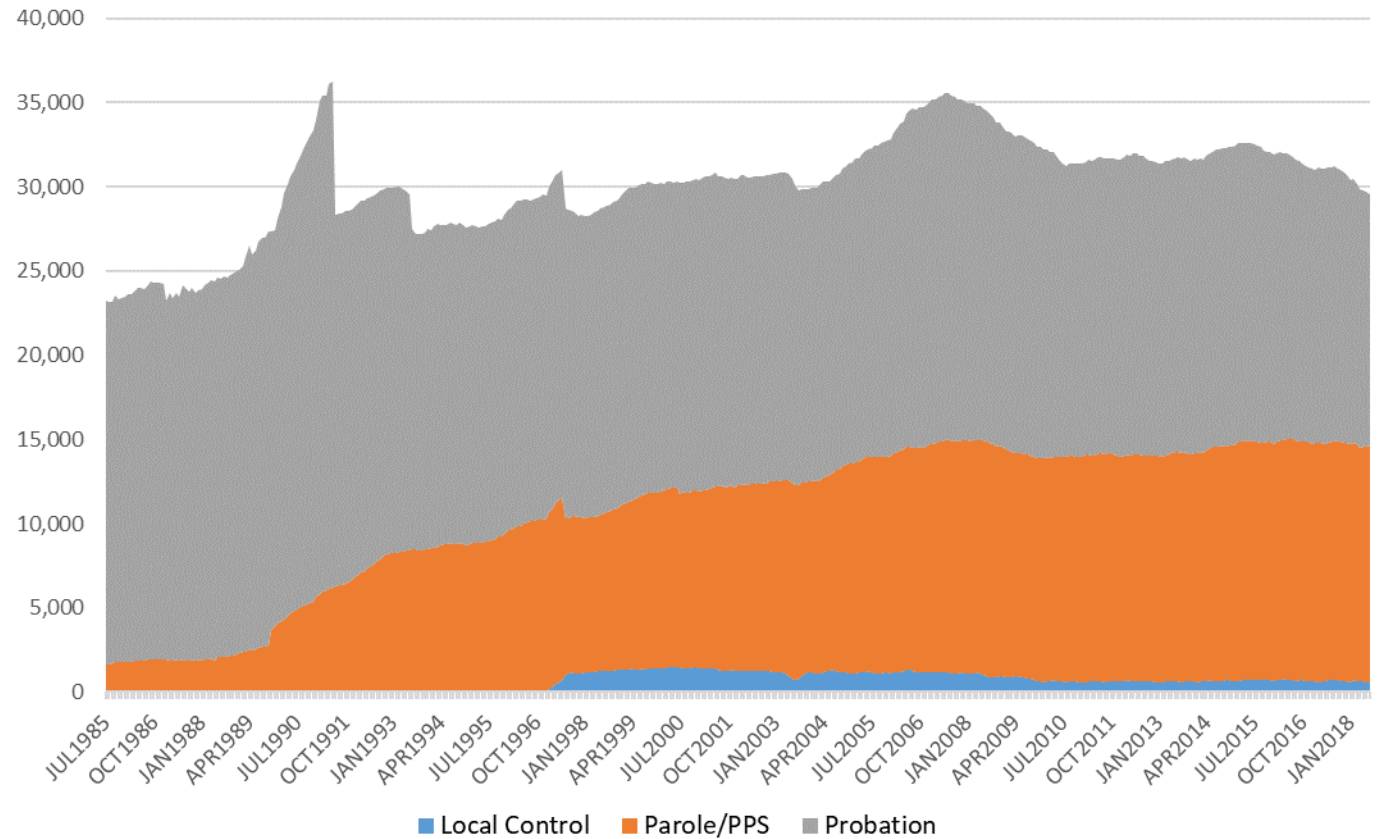


Cost Drivers

The population of offenders on parole, probation, and post-prison supervision has remained fairly constant over time after spikes in 1990 and 2006-2007. It is now beginning to decline.

“Local Control” offenders are those whose felony sentences are less than one year, and who serve those sentences in their local communities.

Offenders on Parole, Probation, Post-Prison Supervision, and under Local Control, 1985-2018

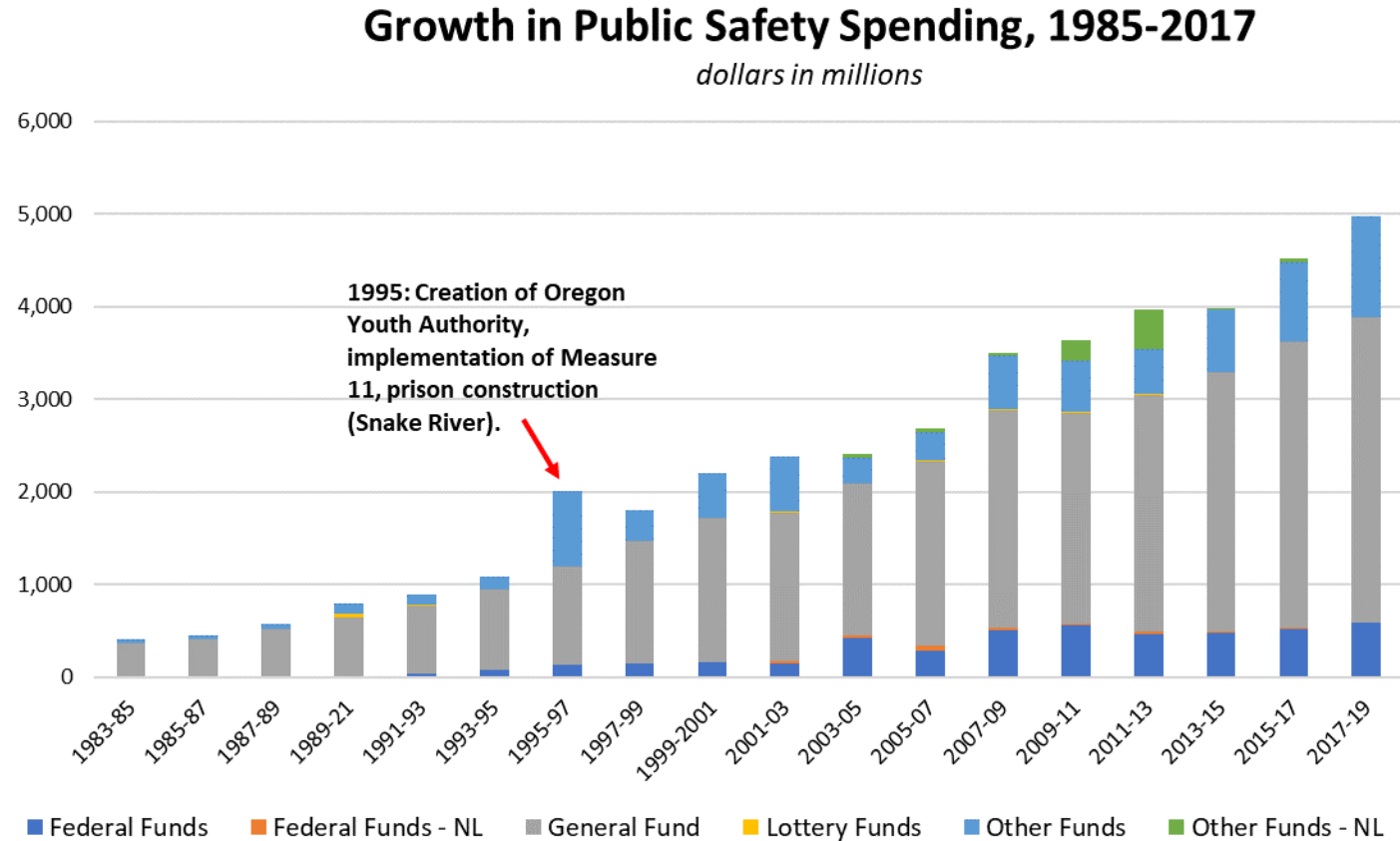


Public Safety System Spending

Spending on public safety has increased significantly since 1985.

1995 shows the effect of policy decisions on the cost of the public safety system.

- Bond funding for new correctional institutions
- Bond funding for Military Department facilities
- Bond funding for OYA facilities



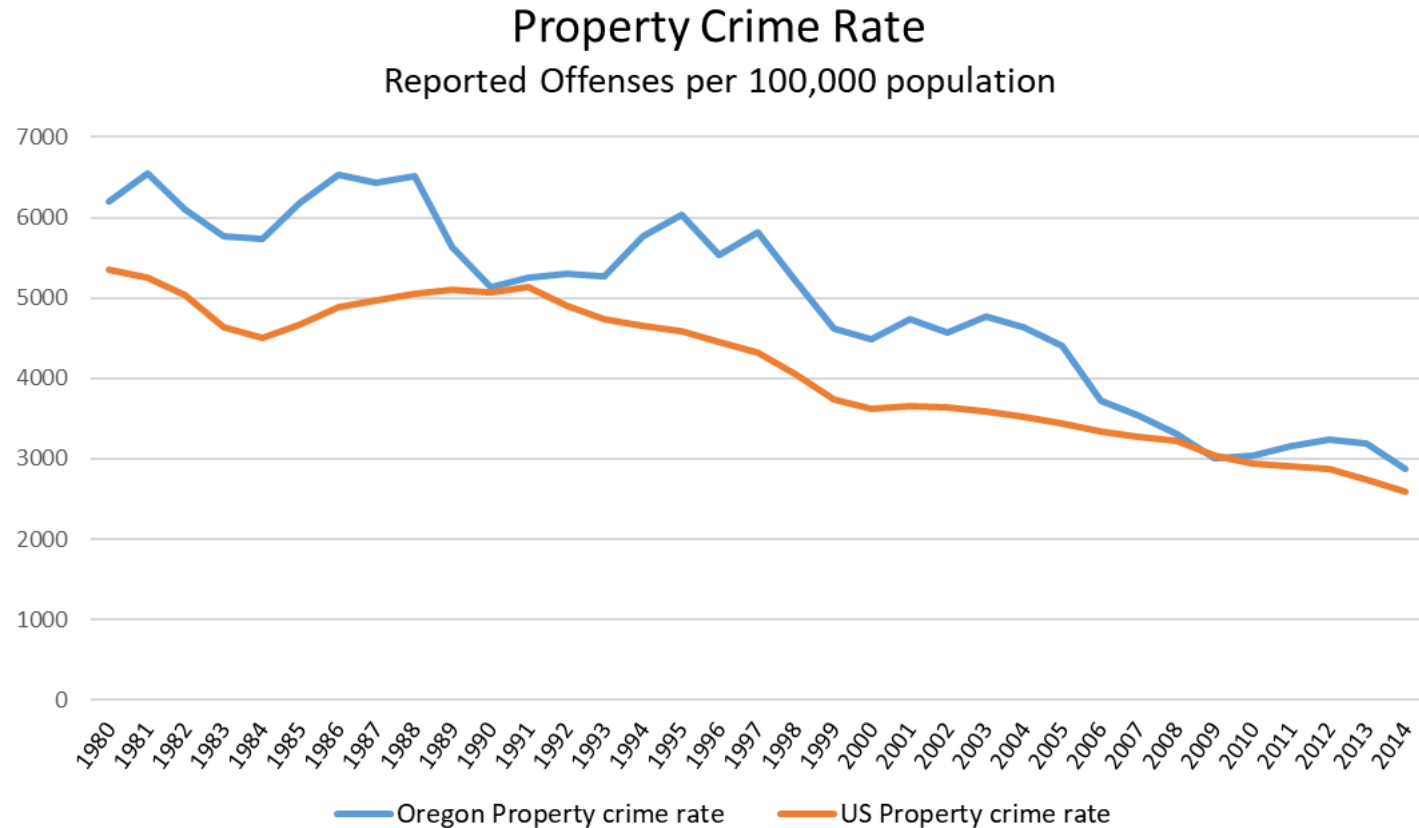
Crime Rates

Property crimes include burglary, larceny/theft, and motor vehicle theft. Oregon's reported property crime rate as of 2014 is 28.8 crimes per 1,000 people.

Oregon's property crime rate peaked in 1981 at 65.6 reported crimes per 1,000 people.

Nationally, property crime peaked in 1980 at 53.5 reported crimes per 1,000 people.

Source: US Department of Justice, Uniform Crime Reporting Statistics



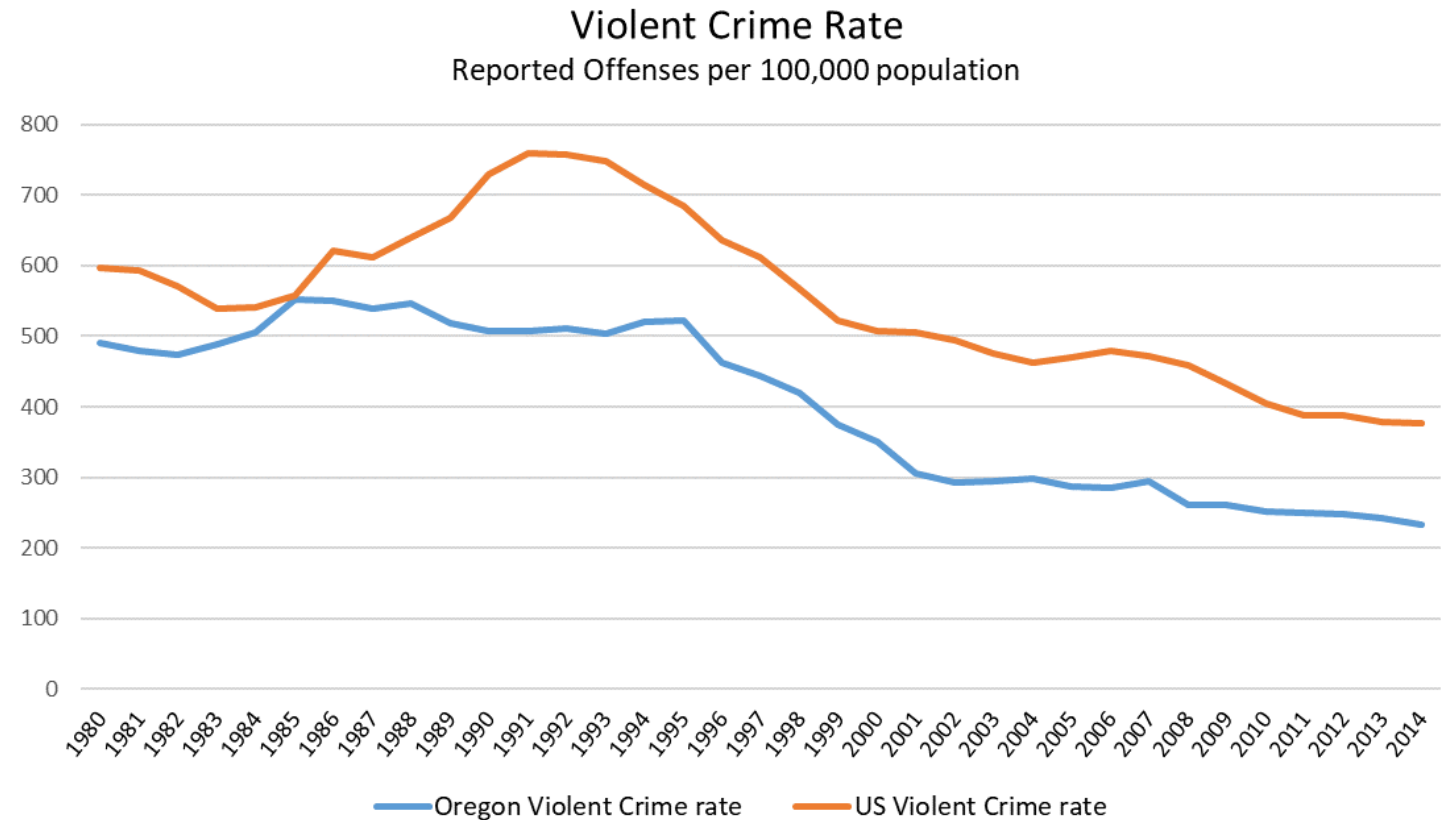
Crime Rates

Violent crimes include murder, manslaughter, forcible rape, robbery, and aggravated assault. Oregon's reported violent crime rate as of 2014 is 2.32 crimes per 1,000 people.

Oregon's violent crime rate peaked in 1985 at 5.51 reported crimes per 1,000 people.

Nationally, violent crime peaked in 1991 at 7.58 reported crimes per 1,000 people.

Source: US Department of Justice, Uniform Crime Reporting Statistics



Crime Rate Factors

Many factors affect the crime rate and factors vary from place to place. The US Department of Justice identifies the following factors that can affect the crime rate:

- Population density, percentage of youth in the population, and degree of urbanization
- Stability of the population with respect to residents' mobility, commuting patterns, and transient factors
- Modes of transportation and highway system
- Economic conditions, including median income, poverty level, and job availability
- Cultural factors and educational, recreational, and religious characteristics
- Family conditions and family cohesiveness
- Climate
- Effective strength and investigative emphases of law enforcement agencies
- The local criminal justice system's prosecutorial, judicial, correctional, and probation policies
- Citizens' attitudes toward crime
- Crime reporting practices of the citizenry

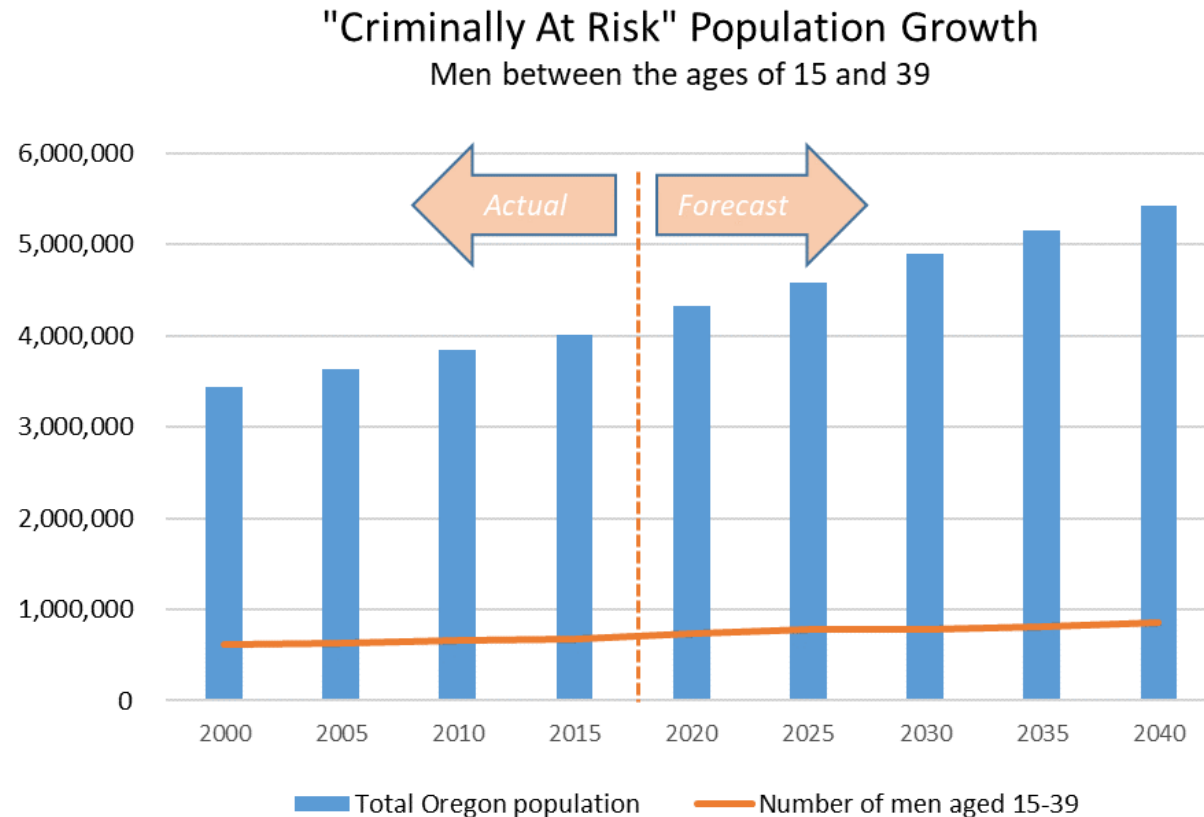
Source: US Department of Justice, Criminal Justice Information Services Division

Crime Rate Factors

Oregon's population grew by 50.1% between 1985 and 2015.

The size of Oregon's population, as well as its age and gender mix, are primary determinants of future prison intakes.

Prison intakes are the major determinant of the long term prison population size, so it is valuable to have factors which are predictive of future intakes.



Public Safety Key Issues

- Adequate number of State Troopers
- Deferred maintenance needs in DOC, Youth Authority, and Military Department facilities
- Funding for the non-profits that provide Behavioral Rehabilitation Services
- Retirements, hiring, and training of public safety officers in state and local governments
- Justice Reinvestment
- Public safety resources in cash-strapped Oregon counties
- Capacity of and funding for OSP Forensic laboratories
- Housing capacity for trainees at the Public Safety Academy

Public Safety Key Issues

- Establishment of the 2019-21 Attorney General hourly rate
- Funding for juvenile dependency representation
- Funding for the Legal Tools Replacement information technology project
- Final phase funding for the Child Support Enforcement Automated System information technology project
- Funding for litigation with the federal government
- Funding for a revenue shortfall in the Child Support Division
- Staffing for the General Counsel Division
- Assessing and classifying sex offenders for notification levels

Public Safety Key Issues

- Funding for grand jury recordation costs
- Courthouse replacement and renovation needs
- Ongoing funding of eCourt and court technology support
- Court workloads and potential need for additional judgeships and referees
- Judicial compensation
- Increase in caseloads and costs of public defense, including a current-biennium budget shortfall
- Improving legal representation for children and parents in juvenile court proceedings

LFO Public Safety Agency assignments

John Borden, 503-986-1842

- Department of Justice
- District Attorneys and their deputies

Gregory Jolivette, 503-986-1845

- Judicial Department
- Public Defense Services Commission

Paul Siebert, 503-986-1843

- Commission on Judicial Fitness and Disability

Julie Neburka, 503-986-1839

- Department of Corrections
- Oregon State Police
- Oregon Youth Authority
- Criminal Justice Commission
- Oregon Military Department
- Department of Public Safety Standards and Training

Tim Walker, 503-986-1832

- Board of Parole and Post-Prison Supervision