

WAYS AND MEANS CO-CHAIR BUDGET REVIEW
Attachments

Subcommittee on Public Safety

Bill	Agency	Analyst
SB 5504	Corrections, Department of	Neburka
SB 5506	Criminal Justice Commission	Neburka
HB 5014	District Attorneys and Their Deputies	Borden
SB 5513	Judicial Department	Jolivette
SB 5514	Judicial Fitness and Disability, Commission on	Siebert
SB 5515	Justice, Department of	Borden
HB 5031	Military Department	Neburka
SB 5528	Parole and Post-Prison Supervision, Board of	Walker
SB 5530	Police, Department of State	Neburka
SB 5532	Public Defense Services Commission	Jolivette
SB 5533	Public Safety Standards and Training, Dept of	Neburka
SB 5541	Youth Authority, Oregon	Neburka

Department of Corrections

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	1,604,985,118	1,681,063,918	1,706,635,363	1,835,848,829	1,824,439,471
Other Funds	50,911,308	81,738,081	82,099,322	44,460,244	96,713,703
Other Funds (NL)	27,167,985	--	--	--	--
Federal Funds	4,134,712	4,352,986	5,094,910	4,533,582	4,533,582
Federal Funds (NL)	1,123,728	1,038,513	1,038,513	940,120	940,120
Total Funds	1,688,322,851	1,768,193,498	1,794,868,108	1,885,782,775	1,926,626,876
Positions	4,562	4,605	4,605	4,600	4,630
FTE	4,493.39	4,572.07	4,572.07	4,575.36	4,605.86

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Department of Corrections (DOC) has two primary functions – the operation of prisons and the state responsibility for the community corrections system. The Department operates 14 institutions for the incarceration of adult and certain juvenile felons sentenced to prison for more than twelve months by the courts. The legislatively approved budget is based on the April 2017 prison population forecast and other legislative changes that affected the prison population. The community corrections system is based on SB 1145 (1995) which transferred management of offenders sentenced or sanctioned for incarceration for 12 months or less, and all felony offenders under community supervision, to the counties. Funds are provided to counties for the costs of supervising these offenders. The Department operates community corrections directly in Linn and Douglas counties after they opted out of the “local control” system in 2004.

CSL Summary and Issues

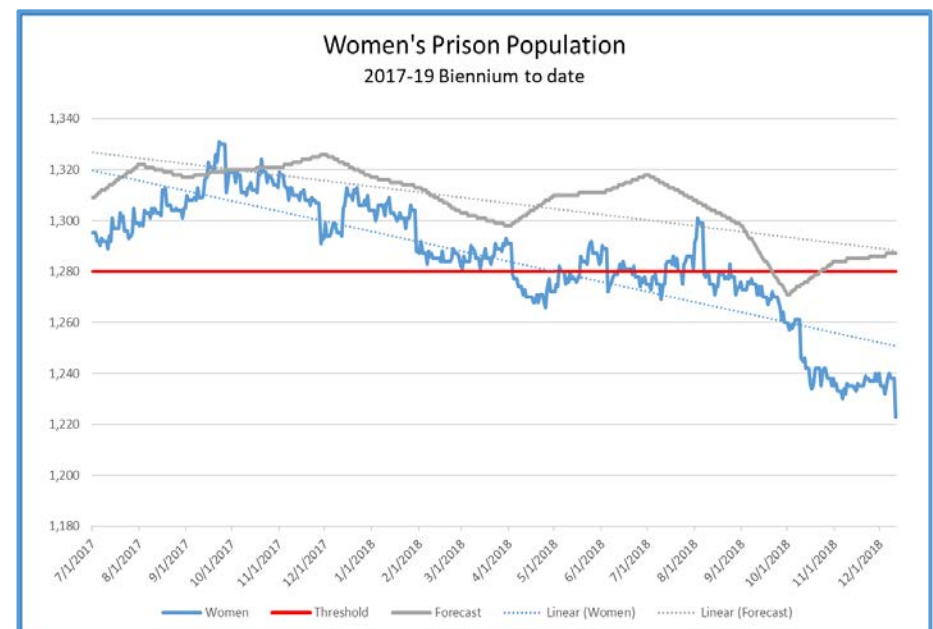
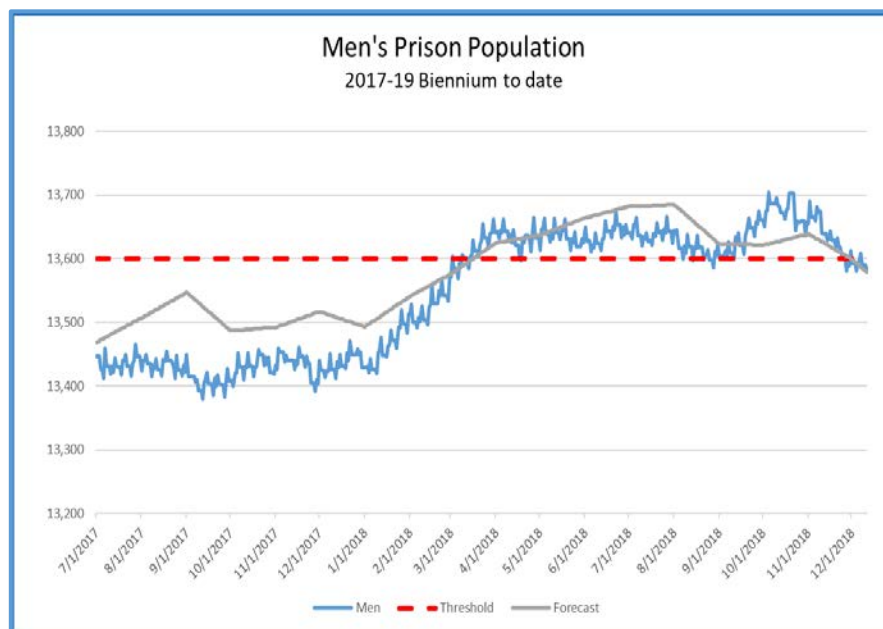
The General Fund CSL is 7.6%, or \$129.2 million, greater than the 2017-19 legislatively approved budget. The all funds CSL is 5.1%, or \$117.6 million, more than 2017-19, including the removal of capital construction expenditure limitation from the current service level calculation. Adding it back brings the biennial increase to 7.3% over 2017-19. The 2019-21 General Fund current service level restores the unspecified reduction (\$20 million) in the 2017-19 budget and includes a decrease of \$14.7 million for mandated caseload changes based on the most recent (October 2018) prison population forecast. The bulk of the decrease is in the Community Corrections program and reflects a declining probation and post-prison supervision population. *(See below).*

Policy Issues

Certain provisions contained in HB 3194 (2013) and HB 3078 (2017) are credited with causing a noticeable decline in both the prison and community corrections populations. Among other criminal justice reforms, HB 3194 lengthened the available amount of short-term

transitional leave from prison from 30 to 90 days, and created an earned-time discharge option from community corrections supervision. HB 3078 further lengthened short-term transitional leave from 90 to 120 days, and removed two types of crimes (theft and identity theft) from Measure 57 sentencing. These changes can be seen in the ten-year forecasts for both prison and community corrections populations in Oregon. The October 2018 corrections population forecast prepared by the Office of Economic Analysis (OEA) shows significant decreases in prison populations for both men and women.

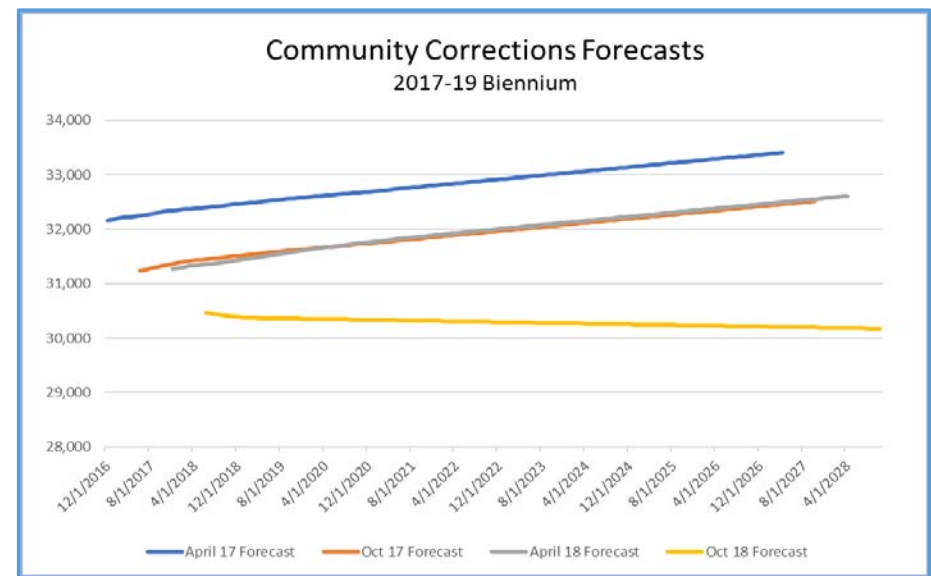
Growth in the women's prison population was a concern for much of the 2015-17 and 2017-19 biennia, as the increasing number of women offenders was overpopulating Oregon's one women's prison and would have required the opening of another facility. The current forecast has the women's population falling to a sustained level of about 1,150 by 2020. The chart to the right, below, shows the **actual** women's prison population as compared to both the October 2018 forecast (gray line) and the population threshold for Coffee Creek (red line). The women's population was last at the threshold number on August 17th, 2018, and one month later began a steep drop to the current population of between 1,230 - 1,240 inmates per day, in advance of and well below the forecast drop. This population decline is attributed to the law changes made by HB 3078. A legal challenge to this law was recently heard before the state Supreme Court; a decision in the matter is expected sometime this winter.



While the decline in the women's prison population reduction comes as a relief to the agency, the men's prison population has increased recently, and is cause for some concern. The DOC operates thirteen prisons for men, which provides some flexibility - and less of a "hard"

threshold line - for managing the overall population but which nevertheless faces limits based on inmate security classifications, medical requirements, and other factors. The agency is actively working to reduce the use of segregation beds, which creates more demand for general population beds, and has not been able to reduce its reliance on “emergency beds,” which number 758 throughout the men’s prisons statewide. (An additional 110 emergency beds are in use at the Coffee Creek Correctional Facility for women.)

Smaller community corrections caseloads resulted in a current service level reduction in DOC’s Community Corrections program of \$12.8 million; this reduction will flow directly to counties without triggering the ability to opt out of local control. County corrections agencies may feel additionally shortchanged after having participated in the once-every-six-years cost study, which looks at the amount of time that local corrections agencies spend on offender management activities, and at how much it costs those agencies to do so. The 2018 time study resulted in an “actual cost” of \$50.9 million more than the DOC’s calculated CSL for community corrections. There is no statutory requirement to use the study for budgeting purposes; the agency included it as a policy option package. After the last cost study in 2012, the legislature approved a portion of the recommended increase (\$9 million¹) to the baseline funding for community corrections.



Since at least the 2003-05 biennium, the legislature has inserted an “unspecified reduction” into the agency’s legislatively adopted budget, typically equal to about 1% of the DOC’s General Fund budget. The assumption is that an organization of the DOC’s size can find budget savings equal to about a percent of its budget through management actions and normal underspending, and any balance can be addressed in a budget bill at the end of a biennium to keep the agency from overspending its appropriations. This arrangement has been manageable, if not optimal, for both the agency and the legislature until this biennium: the DOC is forecasting a budget deficit of \$40 million by June 30, 2019, an amount that the legislature may find difficult to make up at the end of the biennium. A number of factors have contributed to the current state, the most significant of which include:

- Emergency repairs to the agency’s facilities, which have cost the DOC \$4.7 million to date, including roof and wall repairs to the Dome Building and repairs or replacements of various freezers, generators, boilers, pumps, lock systems, and elevators in the prisons.

¹ In addition to the \$9M “baseline” increase to Community Corrections as a result of the time study, the passage of HB 3194 further increased Community Corrections funding by \$8.1 million, plus \$5 million for jail support. See the [Budget Report for HB 5008](#) (2013), p.30.

- Spending on the unbudgeted cost of software licensing and PC lifecycle replacements throughout the agency (\$7.1M)
- Spending on medication for Hepatitis C (\$6.3M)
- Management's decision to end the practice of holding security (corrections officers) positions vacant in order to generate budget savings. Security positions make up 53% of the agency's workforce; holding them harmless significantly limits the DOC's ability to accrue vacancy savings adequate to close its budget gap.

The DOC's expenditures in 2017-19 suggest a certain level of management fatigue with deferring normal expenses associated with prison operations, and illuminate areas of spending that are perennially outside of current service level, such as technology expenditures and capital repairs and maintenance. General Fund makes up more than 95% of the Department's budget, and ongoing budget reductions due to revenue constraints are a major concern for the agency. Personnel costs make up 60% of the agency's budget, with Community Corrections payments to counties another 15.3%, and debt service 6.2%. The remaining 18% is services and supplies and capital improvement projects, areas of the budget that are too small to yield savings that would meaningfully address the agency's budget gap. The success of HB 3194 and HB 3078 (and, likewise, the temporary suspension of Measure 57 in 2010) in reducing the demand for prison beds revealed the most effective means of managing prison costs, which is to limit the use of prison through charging and sentencing practices.

Other Significant Issues and Background

The Department continues to struggle with providing health care services in the prisons, which house an aging population with a greater-than average number of health issues and conditions. Significant issues raised in policy option packages include the cost and availability of prescription medications, an increase in hospital stays requiring the use of overtime to staff hospital transports and watches, and difficulty in recruiting and retaining medical staff - a problem made worse, interestingly, by inadequate medical records technology in the infirmaries, where providing medical care in an already-challenging environment becomes career-limiting for providers who can't stay current on the use of industry-standards tools.

Staff wellness is also a top priority for the DOC. After national research revealed the poor health and life expectancy outcomes for correctional employees, a DOC staff survey conducted in 2016 revealed the same outcomes for corrections staff here, as well as dissatisfaction with staffing levels, a negative work environment, and scheduling issues. In 2015-17, the DOC received 33 FTE and \$5.2 million to address staffing levels and to reduce overtime; the 2017-19 budget did not provide resources to continue the staffing plan. The DOC's 2019-21 request includes policy option packages that request new positions in specific areas to address overtime issues, to provide additional staff and management training, and to augment staffing levels in particular areas of prison operations, including Health Services, Information Technology, and for hospital security watches.

The Department of Corrections has one of the largest building portfolios in the state. It owns 353 buildings with more than 5.4 million square feet of space, ranging in age from ten to 150 years, including fourteen prisons that operate 24 hours a day, 365 days of the year. The agency has a remarkably small repairs and maintenance budget for its facilities (\$13.5 million in 2017-19) and relies heavily on inmate labor for

routine maintenance, minor repairs and upkeep activities. The fair-market value of janitorial/custodial and physical plant labor was estimated for 2018 at \$82 million. Nevertheless, the department has an extensive backlog of deferred maintenance projects, including a number of large life-cycle asset replacement projects (such as roof replacements) on the prisons that were built during the 1990's, and for systems that have failed prematurely due to prison populations that exceed built capacity. The agency's Facility Condition Assessment reveals a current-year (2018) estimate in excess of \$208 million in capital improvement and renewal projects across its portfolio of buildings, an estimate which the agency believes is low as it excludes soft costs and costs associated with working on secure facilities. DOC's SB 1067 deferred

General Fund Deferred Maintenance Requests	
Deferred Maintenance: POP 110a	12,006,202
<i>Building envelope</i>	3,652,635
<i>Electrical Systems</i>	87,723
<i>Water Systems</i>	591,071
<i>Roofs</i>	456,733
<i>HVAC</i>	5,268,021
<i>White City building demolition</i>	240,000
<i>10 Year Master Strategic Plan</i>	500,000
<i>Project Management - 5 positions</i>	1,210,019

maintenance target for facilities (2% of current replacement value) is \$65.4 million.

The agency's requested budget includes policy option packages - funded both with General Fund and with bond proceeds - totaling \$41.9 million for deferred maintenance and capital renewal projects, and \$62.4 million for information technology projects, staffing, and systems upgrades. The budget request also includes a policy option package for \$75 million in bond proceeds to begin planning for and building a new public safety center building for DOC leadership and administrative staff and other small public safety agency staffs. This POP ranks #2 on the

Information Technology (various POPs)	62,359,903
<i>Electronic Health Records (POP 103)</i>	3,700,000
<i>Computer lifecycle replacement (POP 106)</i>	2,200,000
<i>Enterprise software (POP 106)</i>	3,000,000
<i>Corrections Information System Rebuild (POP 107)</i>	6,068,984
<i>DOC Intranet (POP 108)</i>	2,265,066
<i>Statewide Radio Replacement (POP 110c)</i>	16,941,858
<i>Camera System Upgrades (POP 110d)</i>	10,296,967
<i>IT Services Staffing (POP 116)</i>	16,351,028
<i>Body Scanners (POP 124d)</i>	1,536,000

agency's priority list, a startling position given the amount of capital reinvestment required in the prison system to keep it adequately functional and safe as a workplace and for the inmates who live there.

The Governor's budget for the Department of Corrections is 2.2% more than current service level; the General Fund budget is 0.6% less. The net General Fund reduction of \$11.4 million from CSL includes \$29.7 million in reductions and \$18.3 million in increases. Reductions include:

- \$13.4 million reduced from inflation provided in the base budget on services & supplies and capital outlay expenditures. This amount includes the reduction of both standard and extraordinary inflation provided for health services (\$7.7 million).
- \$0.6 million from personal services and four long-term vacant positions.

- \$10 million from Community Corrections, predicated on a legislative change to statutes created by HB 3194 (2013). Absent a statutory change, this reduction would trigger the “opt-out” provision from local control of community corrections.
- \$5.6 million in reduced statewide charges for the Attorney General and other state government service charges.

Increases/new spending include:

- \$2.2 million and twelve positions (12.00 FTE) to staff hospital watches and transports.
- \$1 million for opioid detection equipment
- \$1.5 million for the next phase of the Electronic Health Records implementation
- \$280,000 to renew software licenses
- \$377,000 for debt service on new bond issues
- \$12.9 million for non-bondable capital repair and renewal projects in the prisons

The Governor’s budget also includes \$48.8 million of bond funds for capital renewal projects, camera replacements in the prisons, and radio system replacements.

Criminal Justice Commission

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	54,221,723	64,926,239	65,021,569	67,538,012	72,371,040
Other Funds	695,077	511,392	2,661,890	4,052,440	4,052,011
Federal Funds	4,209,944	7,170,201	8,224,498	1,211,518	1,211,441
Total Funds	59,126,744	72,607,832	75,907,957	72,801,970	77,634,492
Positions	11	14	17	15	20
FTE	11.00	13.50	14.54	14.13	20.00

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Criminal Justice Commission (CJC) administers Oregon's felony sentencing guidelines, analyzes crime trends and sentencing policy data, estimates the fiscal and racial/ethnic impact of statewide public safety legislation and initiatives, administers several competitive grant programs, staffs the Asset Forfeiture Oversight Committee and Public Safety Task Force, and guides the implementation of Oregon's Justice Reinvestment Initiative. The agency is overseen by a nine-member body created by the 1995 Legislature to improve the effectiveness and efficiency of state and local criminal justice systems by serving as a centralized and impartial forum for statewide public safety policy development, planning and agency coordination.

CSL Summary and Issues

None for this agency. The General Fund current service level is 3.9% over the 2017-19 legislatively approved budget. An anticipated reduction in federal funds reduces the all-funds current service level to 3.8% below 2017-19. *See below.*

Policy Issues

Though it is a very small agency (fifteen positions), the CJC is increasingly relied upon to implement and administer various justice reform-related grant programs. Over the past three biennia, and in addition to the Specialty Court grant program, the CJC has added the Justice Reinvestment Grant program (HB 3194, 2013), the Justice Reinvestment Supplemental Grant program (HB 3078, 2017), and the Illegal Marijuana Market Enforcement Grant Program (SB 1544, 2018). The legislature has added reporting and analysis programs as well: SB 1041 (2017) directed the agency to study the expenditure of public money on alcohol and drug treatment programs; and HB 2355 (2017) created the Statistical Transparency of Policing (STOP) program and required the CJC to manage and analyze the data gathered during traffic and pedestrian stops. SB 1041 sunsets after the CJC's report on September 15, 2019; the STOP Program is anticipated to be ongoing, and the agency has included a policy option package for its operations in the 2019-21 budget request.

Other Significant Issues and Background

In addition to its recently-added grant and research programs, the CJC is in the midst of two information technology projects that are comparatively small, but which are nevertheless challenging to the agency. Ownership of the contract for a new specialty court case management system has been transferred to the Oregon Judicial Department to accommodate that agency's concerns about ownership of court records, but the CJC is financially responsible for the system and its implementation. In October 2018 the Statistical Transparency of Policing (STOP) Program data-collection system was transferred from the Oregon State Police to the CJC, which is now responsible for rolling out the new system to law enforcement agencies in Oregon with fewer than 100 officers, per HB 2355 (2017). While this system is functional as-is, and has been in use by large law enforcement agencies since July 1, improvements have been identified that will improve the functionality of the system for its users, and the CJC will work with the vendor to implement those improvements.

The CJC has included a significant reduction in federal funds in its 2019-21 requested budget, and has requested a corresponding policy option package for \$4.9 million General Fund to backfill the Specialty Courts grant program. Though the CJC is the State Administering Agency for federal Bureau of Justice Assistance grants - including the Byrne Justice Assistance grant and the Sex Offender Registration and Notification Act grant - funding from these grant programs has become uncertain in the current federal administration and has not been assumed in the 2019-21 budget. The agency requested a third policy option package of \$3.1 million in pass-through funding to Sponsors, Inc. for the Lane County Housing Initiative.

The Governor's budget for the Criminal Justice Commission is 6.6% more than current service level; the General Fund budget is 7.2% more, and includes \$3.9M of reductions and \$8.7M of increases. Reductions include:

- \$133,364 to increase the vacancy factor and remove inflation on services and supplies.
- \$35,713 to eliminate the remainder of the funding provided in SB 1041 (2017) to evaluate state spending on alcohol and drug treatment services
- \$3.7M from the Justice Reinvestment Initiative program. This action would reduce JRI grants to local governments.

Increases/new spending include:

- \$3.0M and six positions (5.87 FTE) for a new Oregon Domestic Violence Commission. The Governor's proposal for this commission is not well defined and may require legislation to establish.
- \$841,046 for contract expenses of the STOP program data collection system.
- \$4.9 million to backfill a loss of federal funding for the Specialty Courts program.

District Attorneys and Their Deputies					
	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	11,995,440	12,478,724	12,978,561	12,945,651	12,884,488
Total Funds	11,995,440	12,478,724	12,978,561	12,945,651	12,884,488
Positions	36	36	36	36	36
FTE	36.00	36.00	36.00	36.00	36.00
* Includes Emergency Board and administrative actions through December 2018.					

Program Description

District Attorneys (“prosecuting attorneys” or DAs) are directed by section 17 of the Oregon Constitution. There are 36 DAs, one for each county, that are independently elected to four-year terms. DAs and their deputies prosecute state criminal offenses committed by juveniles and adults. In addition to criminal prosecution, district attorney legal duties include enforcement of child support obligations in non-welfare cases, prosecuting civil forfeitures, presenting evidence at mental health hearings, ruling on public records requests, representing interests in child dependency cases, assisting juvenile courts, and advising and representing county officers as county counsel in civil matters. DAs and their deputies are also active in local public safety coordinating councils, child abuse prevention teams, and community outreach activities. In cities of a population of more than 300,000 the district attorney is responsible for the prosecution of all city ordinance violations. Upon request of a county officer, the district attorney provides legal advice to the county court and other county officers.

The state’s 36 DAs are considered state (management service) employees and, by statute, the state is responsible for providing their salaries, other payroll expenses, and charges that primarily cover tort liability and other insurance; however, overall state support extends well beyond these direct payments. Some 26 counties supplement their DA salaries and there are also approximately 350 deputy district attorney positions located throughout the state funded by counties. Counties are also responsible for providing office space, facilities, supplies and stenographic assistance. The Oregon District Attorneys Association (ODAA), a 501c(6) non-profit Oregon corporation, employs a lobbyist and pays for a part-time executive director, who effectively serve as administrators of the agency. The state Department of Justice provides support for: legal advice at the trial and appellate levels, investigations, child support, and limited administrative support. The Department of Human Services also provides federal grant funding for juvenile dependency representation for some counties.

CSL Summary and Issues

The 2017-19 current service level budget for the agency totals \$13 million General Fund (36 positions/36.00 FTE). The CSL is \$32,910, or 0.3%, less than the \$12.6 million 2017-19 legislatively approved budget. The 2019-21 CSL budget includes the full biennium roll-up of a base salary increases as well as the cost for tort liability and other insurance, but excludes one-time startup costs associated with grand jury recordation (Emergency Board - December 2018). There is one unaddressed CSL issue albeit not requested by the agency. Each biennium,

district attorneys return to the Legislature for supplemental funding to true-up a difference between budgeted and actual personal service expenses for Other Payroll Costs (e.g., PERS and flexible benefit line-items), which is net of vacancy savings. An estimated \$250,000 to \$350,000 General Fund is needed each biennium to address this issue. Given the variability of the deficit, a permanent funding solution would be difficult to achieve without overbudgeting.

Policy Issues

There are a few preliminary budget issues that the Co-Chairs budget will need to consider beyond which the agency may have additional requests.

Grand Jury Recordation (\$5 million General Fund): Funding is needed for the grand jury recordation. Ongoing funding will be needed for the three early implementing counties and start-up costs and ongoing funding will be needed for the remaining 33 counties, which are required to begin the recordation process July 1, 2019. ***No funding was provided in the Governor's budget for this request.***

Policy Packages: The above budget issues are not entirely inclusive of the DAs agency request budget includes four policy packages totaling \$7.5 million General Fund, including, for example, a request for a DA salary increase of \$5,000 due to "compression" where salaries are falling behind those of Chief Deputy District Attorneys (\$232,270) and to partially compensate the counties for witness fees due to trials and grand Jury proceedings in criminal cases (\$789,972). The state budget has not contributed to such cost since the 1999-2001 biennium. ***No funding was provided in the Governor's budget for these requests.***

Governor's Budget

The Governor's budget funds DAs at \$12.9 million General Fund, which is the Governor's current service level. ***No funding was provided for grand jury recordation leaving the agency (i.e., District Attorney Office/counties) underfunded.***

Other Significant Issues and Background

There are a few policy-type issues for the Co-Chairs to consider.

Shift of Child Support Responsibility: In 2016, [2015-17 biennium] District Attorneys in Wasco, Josephine, Klamath, and Benton counties opted to discontinue operating child support programs for non-welfare cases and the caseload has been reassigned to DOJ's Division of Child Support. This resulted in an increase in caseload and cost for DOJ.

Juvenile Dependency Representation: Implementation for the remaining six counties in Phase III (Clackamas, Clatsop, Marion, Multnomah, Union, and Washington) was delayed six months to July 1, 2019; however, DOJ will begin expending funds for this phase in the Spring of 2019 or during the 2017-19 biennium. The Phase III expansion is contingency upon the Legislature approving funding for the 2019-21 biennium. The law authorizing DHS to appear as a party in a juvenile court proceeding without appearance of an AG will sunset on June 30, 2020.

Policy Measures with a Budgetary Impact: The enactment of SB 505 for grand jury recordation has surfaced the complex issue of potential state funding of policy measures that have a fiscal impact on local governments. This has unique implications that merits review.

Study Update: A county DA office survey compiled in 2000 (which appears to be the most recent) showed the amount of state DA funding versus each county's DA funding. An independent update of this study may be important as DAs attempt to seek additional state funding.

Judicial Department

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Chief Justice's Budget
General Fund	435,813,157	443,103,853	454,524,551	505,643,238	545,785,863
Other Funds	147,988,947	262,570,281	262,993,590	50,074,088	378,314,865
Federal Funds	1,606,769	1,339,352	1,344,289	1,357,254	1,357,254
Total Funds	585,408,873	707,013,486	718,862,430	557,074,580	925,457,982
Positions	1,727	1,900	1,900	1,899	2,061
FTE	1,588.12	1,776.58	1,776.58	1,784.72	1,900.92

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Judicial Department (OJD) includes the judges and administrative staff who operate general-jurisdiction circuit courts, a Tax Court, an intermediate Court of Appeals, and the Oregon Supreme Court. Oregon's 36 counties are consolidated into 27 judicial districts. Oregon's justice, county, and municipal courts fall outside the jurisdiction of the department. The OJD budget additionally provides funding for Legal Aid services, county law libraries, county mediation/reconciliation programs, the Council on Court Procedures, the Oregon Law Commission, and county courthouse capital construction and security budgets.

The department is unique in many aspects. It has a decentralized structure of independently elected judges and non-unionized employees who are overseen by a single administrative head (the Chief Justice). Circuit court judges and staff work in county-owned and county-maintained buildings. Each presiding judge exercises a degree of autonomy in prioritizing the budget for local courts depending upon the needs of local jurisdictions.

The Department's 1,895 CSL positions (1,780.72 FTE) are organized into the following program areas:

- ***Trial Courts*** (\$252.1 million, 1,278.16 FTE) are the courts of general jurisdiction. A trial (circuit) court is located in each of Oregon's 36 counties. Circuit courts are organized administratively into judicial districts. Some of these districts, primarily rural, include more than one circuit court. However, most of the 27 judicial districts comprise a single circuit court.
- ***Judicial Compensation*** (\$85.8 million, 196 FTE) funds the salary and benefits costs for the state's 196 statutory judgeships. This includes judgeships in the Supreme Court (7), the Court of Appeals (13), the Circuit Court (175), and the Tax Court (1). The salary for elected judicial officers is established in ORS 292, and now includes an annual cost of living increase linked to the increase authorized for management service employees in the Executive Branch.

- **Administration and Central Support** (\$71.9 million, 151.43 FTE) provides central services for the court system and includes the Office of the State Court Administrator with certain associated divisions such as information systems management, fiscal and human resources management, and centralized state agency assessments.
- **Appellate and Tax Courts** (\$27.3 million, 98.52 FTE) includes the operating costs of the Supreme Court, Court of Appeals, Tax Court (a court of original jurisdiction), plus legal support costs.
- **Mandated Payments** (\$17.3 million, 22.61 FTE) includes the cost of providing trial and grand jurors, court interpreters, civil appellate transcript costs for indigent persons, and Americans with Disabilities Act accommodation services.
- **State Court Facilities and Security Account** (\$6.7 million, 4.00 FTE) provides funding for security improvements, emergency preparedness, and business continuity for Oregon's circuit and appellate courts, and it supports court facility upgrades.
- **eCourt/Technology Fund** (\$19.4 million, 30.00 FTE) provides funding for personnel and system costs associated with maintenance, support, and system access for Oregon eCourt.

CSL Summary and Issues

In the 2019-21 current service level budget (CSL), the Judicial Department is funded by 90.8% General Fund, 9% Other Funds, and 0.2% Federal Funds. Other Funds consist primarily of bond proceeds and county matching funds for county courthouse capital construction projects. In addition, Other Funds include expenditures of limited court fee revenues, retained primarily to support the Legal Aid program, and technology projects and operations; and Criminal Fine Account funds allocated by the Legislature to support the State Court Facilities and Security Account. If any new Article XI-Q bonds are approved for county courthouse capital construction projects, the Other Funds total (and percentage of total expenditures) will ultimately increase in the budget.

Other items of note in the OJD CSL budget include:

- Grand Jury Recordation - In response to Senate Bill 505 (2017), related to grand jury recordation, there is an expectation that district attorneys will conduct preliminary hearings for some number of cases that would otherwise have gone through the grand jury process. The CSL budget includes \$3.5 million GF and 23 positions (21.00 FTE) associated with preliminary hearings for the statewide rollout of grand jury recordings. This package includes nine Hearings Referee positions and fourteen Judicial Specialist 3 positions.
- eCourt/Technology Fund – The 2017-19 budget added \$10.7 million Other Funds for eCourt support staff and system maintenance charges and vendor charges for electronic processing. This was financed by State Court Technology Fund revenues, criminal fine increases authorized in HB 2797 (2017), and court filing fee increases authorized in HB 2795 (2017). The CSL budget does not,

however, include sufficient funding to support full eCourt system utilization. This funding shortfall in the 2019-21 biennium is projected to total \$3.3 million.

- Oregon Courthouse Capital Construction and Improvement Fund [OCCCIF] (County Courthouses) – The 2017-19 biennium budget provided \$92.6 million in bond proceeds for the Multnomah County Courthouse, bringing the total to \$125 million; and, \$5 million in bond proceeds for the Lane County Courthouse, bringing the total to \$6.4 million. No additional bonds for either of these projects are included in the CSL budget. The Chief Justice’s Recommended Budget requests \$293.5 million to complete the Multnomah County Courthouse, and fund additional replacements projects in Lane, Linn, Benton and Clackamas counties. Of this amount, \$147.2 million would be Article XI-Q bond proceeds.

Policy Issues

The Chief Justice’s Recommended budget for the 2019-21 biennium includes \$545.8 million General Fund, equal to \$40.1 million (or 7.9%) above the current service level, and \$91.3 million (or 20%) above the 2017-19 legislatively approved budget. General Fund requests include:

- **New Judgeships (\$4.5 million GF).** This request funds the establishment of 14 new Circuit Court judgeships, along with supporting staff. Two judges are added to the circuit courts in Multnomah and Lane counties, and one judge is added to the circuit courts in Linn, Washington, Marion, Deschutes, Douglas, Clackamas, Klamath, Malheur, Coos/Curry, and Jackson counties.
- **Judicial Salaries (\$8.3 million GF).** Increases judicial compensation to start at 5% above Department of Justice non-management Sr. Asst. Attorney salary with adjustments for Appellate jurors and Chief designations.
- **Statewide Service Restoration for Circuit Courts (\$9.7 million GF).** This request increases funding and positions (78) to achieve minimum service-level requirements at Circuit Courts: 72 hr. max. for entry of court documents, 24 hr. max. for recall of arrest warrants, Open 8 hrs. per day. Add a total of 78 positions.
- **OECI Maintenance (\$3.3 million GF).** This request increases funding to support public access and statewide support for court electronic applications, systems and services.
- **Pro Se Facilitation (\$347,869 GF).** This request funds three new positions to assist self-represented litigants in Baker, Columbia, and Lane counties.
- **Statewide Services (\$647,119 GF)** This request funds positions (3) in Human Resources, Legal Counsel, and Data Management.

- **Technology Services (\$5.4 million GF).** This request seeks \$4 million to support an IT equipment replacement schedule, and three IT positions to support operation in the Multnomah County court.
- **County Mediation and Conciliation (\$1.6 million GF).** Increases pass through funding for county mediation and conciliation services and program coordination.

The principal Other Funds requests in the Chief Justice's Recommended Budget include:

- **Oregon Courthouse Capital Construction and Improvement Fund [OCCCCIF] (\$292.7 million Other Funds, \$750,000 GF).** Continues support for courthouse replacements in Multnomah, Clackamas, and Lane. Provides matching funding for planning and construction in Linn and Benton counties.
- **Supreme Court Building (\$28.2 million Other Funds, \$5.3 million GF).** Continues support for capital construction and bonding authority to perform replacement, renovation, and seismic upgrades to the Supreme Court Building. Would be funded by general obligation Article XI-Q bonds

Commission on Judicial Fitness and Disability					
	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Agency Request Budget
General Fund	196,415	245,362	252,710	258,880	306,701
Total Funds	196,415	245,362	252,710	258,880	306,701
Positions	1	1	1	1	1
FTE	0.50	0.50	0.50	0.50	0.63
* Includes Emergency Board and administrative actions through December 2018.					

Program Description

The Commission on Judicial Fitness and Disability is an agency of the Judicial Branch of government that investigates and acts upon complaints of judicial misconduct or disability. The basis for a finding of misconduct is a violation of the Oregon Code of Judicial Conduct. The Commission employs one individual, a half-time Executive Director. The budget is fully supported by General Fund.

The Commission's workload is variable, and depends upon the number of complaints it receives, and upon the number and complexity of any investigations and prosecutions that it initiates in response to those complaints. The Commission receives two General Fund appropriations to fund its activities. The Administration appropriation supports regular and ongoing costs, including the initial reviews of the complaints. Approximately 69% of the Administration appropriation is used to compensate the Commission's sole, half-time employee. The remainder is used for the services & supply costs of operating the office, and for reimbursing commissioners for travel expenses.

The Commission receives a second appropriation for Extraordinary Expenses. This appropriation finances the costs of investigating and prosecuting cases, when the Commission determines that a complaint merits such action. These associated expenses are primarily for attorney and other legal fees, and for other investigative costs. When the Commission experiences a significant increase in investigations it must seek additional support from the Legislature, as was the case during the 2015-17 biennium when an additional \$172,000 was provided during the 2016 session for expenses related to complaints the Commission investigated.

Other Significant Issues and Background

The Commission employs a half-time Executive Director (0.50 FTE). The agency budget includes a package request for \$35,221 General Fund, to expand the position to (0.63 FTE), to reflect the actual position workload and the number of work hours required. The agency budget also includes a request for an additional \$12,600 General Fund to fund up to 20 hours per week of administrative staffing to help the Executive Director with administrative duties such as preparing agendas, processing mail, running records, and ordering audio files.

Department of Justice					
	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved*	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	77,042,764	84,653,042	89,693,599	99,293,387	102,050,752
Other Funds	294,674,558	321,296,607	332,801,936	326,302,268	342,613,896
Other Funds (NL)	4,361,977	--	--	--	--
Federal Funds	154,388,574	179,004,039	201,118,887	138,497,693	214,728,819
Federal Funds (NL)	15,740,252	--	--	--	--
Total Funds	546,208,125	584,953,688	623,614,422	564,093,348	659,393,467
Positions	1,326	1,374	1,379	1,314	1,367
FTE	1,295.51	1,348.42	1,355.40	1,304.01	1,349.56
* Includes Emergency Board and administrative actions through December 2018.					

Program Description

The Department of Justice (DOJ) is responsible for general legal counsel and supervision of all civil actions and legal proceedings in which the state is a party or has an interest. DOJ is also responsible for a number of programs, including child support, district attorney assistance, crime victims' compensation, charitable activity enforcement, organized crime-related law enforcement, criminal investigations, criminal intelligence, elder abuse, criminal voter fraud, and consumer protection and education services.

CSL Summary and Issues

The 2019-21 current service level budget for the agency totals \$564 million total funds (1,314 positions/1,304.01 FTE). The CSL is \$60 million, or 9.5%, less than the \$623.6 million 2017-19 legislatively approved budget and there are 65 fewer positions (51.39 FTE). There are no noted differences between DAS and LFO CSL calculations and no technical adjustments; **however, the Governor's CSL includes a \$1.9 million General Fund reduction that is assumed to be based on a lower bond issuance in the spring of 2019 than the Legislature had originally authorized.** The modified CSL, which reduces the CSL by revenue shortfalls, is \$13.6 million (70 positions; 69.44 FTE) less than the CSL due to a projected shortfall in Temporary Assistance for Needy Families (TANF) recoveries for the Division of Child Support (see discussion below).

The CSL includes a phases-out of \$82.6 million in one-time investments and positions, primarily for the Child Support Enforcement Automated System(CSEAS)(\$57 million), federal funding for the Victims of Crime Act grant (\$15.6 million), Division of Child Support TANF revenue shortfall (\$4.2 million), various other one-time information technology projects (\$3.9 million), a supplemental appropriation for Child Medical Assessments (\$500,000 General Fund), the Sunshine Committee (\$212,831 General Fund), a supplemental appropriation for the Crime Victims Law Center (\$175,000 General Fund), and legal work with a statewide benefit (\$307,366 Other Funds).

The budget phased-in various previously approved positions, primarily juvenile dependency expansion positions, and \$200,000 for support costs for the Legal Tools information technology project for a budgeted total of \$400,000. There is a mandated caseload increase for the Defense of Criminal Convictions of \$1.1 million General Fund (1 positions; 1.27 FTE) plus inflation (\$4.3 million). There is a single fund shift of \$5.1 million Other Funds to General Fund reversing a 2017-19 budget savings action. General Fund Debt Service was increased by \$3.5 million for the roll-up costs of previously issued debt, bringing the total Governor's Budget CSL General Fund Debt Service cost to \$14.2 million for the CSEAS information technology project. Other CSL changes include standard adjustments for contractually approved compensation plans, vacancy factor, mass transit taxes, PERS, pension obligation bond assessments, inflation on services and supplies, Attorney General line-item, professional services, and rent. The Department of Administrative Risk Charge increased from \$645,380 to \$1.5 million or over \$890,070 and which will require further review.

Policy Issues

There are a number of preliminary budget issues that the Co-Chairs budget will need to consider beyond which the agency may have additional requests.

Establishment of the Attorney General Rate: The 2017-19 legal services rates rate is \$182 per hour and is estimated to generate an \$174.8 million. The 2019-21 AG rate for agency request budgets is \$223 per hour (+22.5%) and is estimated to generate \$207.5 million. This is a \$32.7 million, or 18.7 percent, increase in revenue. As in prior biennia, the AG rate needs to be re-calculated based upon the Co-Chair's budget decisions. The Legislature may also want to consider placing the AG rate in statute. ***The Governor's budget assumes an AG rate of \$208 per hour, which is a 13% increase from the prior biennium (\$4.8 million in statewide General/Lottery Fund savings from CSL).***

Proposed Attorney General Rate Model: DOJ has been proposing replacing the hourly billing model with a flat charge model beginning with the 2019-21 biennium. The shortcomings of this model are noted in a Legislative Fiscal Office analysis from the Legislative session in 2018.

Changes to legal Services Delivery Model: Legal service delivery could be enhanced with the expansion of DOJ's co-location of attorneys and non-attorney staff, such as paralegals, in select agencies as well as through the authorization of Special Assistant Attorney General positions.

Revenue Shortfall in the Division of Child Support (\$17.8 million, including \$6.2 million General Fund and \$11.6 million Federal Funds and 92 positions; 91.44 FTE). For the third biennium, the Division of Child Support is forecasting a revenue shortfall in Temporary Assistance for Needy Families revenue and is requesting General Fund backfill. A reforecasting of the need will be requested in May 2019 after most 2018 tax year data becomes available. ***This request was only partially funded in the Governor's budget.***

Child Support Enforcement Automated System (CSEAS or aka. "Origin")(\$3.4 million General Fund, \$2.8 million Other Funds; and \$11 million Federal Funds and 27 positions; 21.54 FTE): Since 2010, the Division of Child Support has been working on a multi-biennia plan to replace its current COBOL-based mainframe child support case management and financial system. The project is in its final phase and is

expected to be federally certified in the summer of 2019 and then fully completed by June 2021. The bond and General Fund requests will need to be updated, per the agency. ***This request was only partially funded in the Governor's budget; however, General Fund Debt Service was fully funded.***

CSEAS Data Center Hosting (\$1.4 million General Fund and \$2.8 million Federal Funds): The Child Support System Project is currently hosted with Atmosera rather than the State Data Center. The outsourcing of this service needs to be reassessed given the newly expanded capacity of the State Data Center. ***This request was funded in the Governor's budget.***

CSEAS Transition to Operations (\$1.4 million General Fund and \$2.7 million Federal Funds and 25 positions; 16.75 FTE): After implementation, CSEAS will replace legacy child support systems and transition to operations. The enhanced capability of the new system may increase staffing levels to maximize capabilities of the new system and provide ongoing operations and maintenance. ***No funding was provided in the Governor's budget for this request.***

Shift in Child Support Caseload from District Attorneys to State (\$718,206 General Fund, \$2.2 million Other Funds, \$1.4 million Federal Funds and eight positions; 7.02 FTE): In 2016, [2015-17 biennium] District Attorneys in Wasco, Josephine, Klamath, and Benton counties opted to discontinue operating child support programs and the caseload has been reassigned to DCS. This increased the caseloads of the DCS and the Civil Enforcement Division - Civil Recovery Section. ***This request was only partially funded in the Governor's budget.***

Reconciliation of Juvenile Dependency Representation Base Budget (\$1.6 million and six positions; 5.00 FTE): The Civil Enforcement Division - Child Advocacy Section is requesting an adjustment due to unbudgeted temporary and double-filled positions. ***This request may have been funded in the Governor's budget, but more research is required.***

Reconciliation of Juvenile Dependency Representation Expansion (Excluding Multnomah Co.) (\$1.9 million Other Funds plus additional position authority and reclassifications): The Legislature in 2017 provide funding for a three-phase implementation of DHS child welfare caseworkers in circuit court. Phase I and II have been completed for 30 counties. Implementation for the remaining six counties in Phase III (Clackamas, Clatsop, Marion, Multnomah, Union, and Washington) was delayed six months to July 1, 2019; however, DOJ may begin expending funds for this phase in the Spring of 2019 or during the 2017-19 biennium. The Phase III expansion is contingency upon a decision of the Legislature to approve funding for the 2019-21 biennium. The law authorizing DHS to appear as a party in a juvenile court proceeding without appearance of an AG will sunset on June 30, 2020. ***This request was added in the Governor's budget.***

Authorization for the Expansion of Juvenile Dependency Representation/Multnomah County (\$7 million Other Funds and 24 positions; 23.50 FTE for Multnomah Co.): Implementation of the Multnomah County representation of DHS child welfare caseworkers in circuit court rollout is scheduled to officially begin July 1, 2019; however, in however, DOJ may begin expending funds for this phase in the Spring of 2019 or during the 2017-19 biennium. Some 2019-21 costs are expected to be paid for by funding in the DHS budget previously used to cover the

intergovernmental agreements with counties' that supported court appearances or other services provided by district attorney offices. ***This request was added in the Governor's budget.***

Oregon Sunshine Committee (\$302,132 General Fund 2 positions; 1.00 FTE): The Legislative in 2017 enacted and in part established the Oregon Sunshine Committee, which is staffed by DOJ, and directed to establish a plan to review all exemptions from the disclosure for public records, with some exceptions, identify inefficiencies and inconsistencies in the application of public record law, and report recommended changes to the Public Records Subcommittee of the Legislative Counsel Committee. ***No funding was provided in the Governor's budget for this request.***

Federal Government Litigation ("Defend Oregon")(\$2 million General Fund and \$1 million Other Funds and 4 positions; 3.52 FTE): Attorney General has undertaken, at her imitative, a variety of legal actions against the federal government in purported defense of Oregon state statute and the Oregon Constitution for costs that are non-billable. DOJ would like a pool of funding "...without waiting for a meeting of the Legislative body to approve funding." ***This request was funded in the Governor's budget.***

Legal Tools Replacement ("Legal Tools")(\$250,000 Others Funds): DOJ may require ongoing funding for a replacement of the agency's legacy case, document, time capture, billing, eDiscovery, legal matter applications. The project is currently challenged by major scope, schedule, and budget issues. Costs, if approved, will far exceed the \$250,000 that has been requested and could be bondable. ***No funding was provided in the Governor's budget for this request.***

Staffing for General Counsel Division (\$5.2 million Other Funds and 17 positions; 16.06 FTE): The General Counsel Division is requesting positions, some previously approved as limited duration, for the Business Transactions; Business Activities; Government Services; Health and Human Services; Tax and Finance; Natural Resources; and Labor and Employment sections. ***This request was only partially funded in the Governor's budget.***

Evaluation Protection and Education Revolving Account: The Civil Enforcement Division - Financial Fraud/Consumer Protection section budget needs to be reconciled to planned expenditures. The current biennial budget is exceeding approved expenditures.

Evaluation Mortgage Mediation Program: DOJ operates a fee-for-service mediation program for a mediation conference with their lender after meeting with a housing counselor. The program, and its companion program at Housing, have been operating below approved budgets.

Re-Forecast Defense of Criminal Convictions Costs: Defense of Criminal Convictions is for the cost of defending the state in cases in which sentenced offenders challenge their convictions or sentences. The CSL budget of \$28.6 million General Fund is fully funded; however, the caseload will need to be re-forecast and updated based on the yet-to-be determined legislatively approved AG rate. ***The Governor's budget took a \$3.5 million reduction to DCC, which was not based upon updated caseload savings.***

Intra-Agency Charges (\$2.4 million General Fund, \$7.2 million Other Funds, and \$1.8 million Federal Funds): For the third biennium in a row, DOJ's intra-agency charge, an overhead charge to an operating program to fund agency-wide administration, need to be reconciled within each operating program. ***This request was only partially funded in the Governor's budget.***

Review Attorney Classifications (\$3.5 million Other Funds): DOJ has an unbudgeted overfilling of lower classification attorneys (Assistant AG) who are paid at the next higher classification (Senior AG) because cases are complicated. DOJ is requesting a budget adjustment to remedy this classification issue. ***No funding was provided in the Governor's budget for this request.***

Federal Data Security and Compliance Auditing (\$214,654 Other Funds; one position; 1.00 FTE): DOJ is requesting one position to track federal compliance requirements and perform system security audits. The requested position may be under-classified. ***No funding was provided in the Governor's budget for this request.***

Federal Grant Funding (\$569,430 Federal and Other Funds and \$58.1 million Federal Funds): There are several federal grants whose continuation requires expenditure limitation: (a) Victims of Crime Act assistance grant; (b) the Governor reassigned the administration of a competitive Child Justice Act grant from the Department of Human Services (Child Welfare); and (c) Urban Area Security Initiative grant and the State Homeland Security Programs. The VOCA investments should be closely scrutinized as one-time investments. ***This request was funded in the Governor's budget.***

Fee Increase for Child Support Fee (\$0): The federal budget act of 2018 increased the annual child support collection fee from \$25 to \$35. The fee will be effective as of October 1, 2019 and will generate an additional \$69,800.

Policy Packages: The above budget issues are not entirely inclusive of DOJ's agency request budget, which includes 42 policy packages totaling \$119.1 million total funds and 128 positions (108.05 FTE). The associated General Fund request is \$22 million and some of the \$16.6 million in Other Funds originates as General Funds. The remaining \$80.6 million is Federal Funds.

The Governor's budget funds DOJ at \$659.4 million total funds, or \$93.4 million and 53 positions above current service level. The Governor's adjustments, not previously noted, include: an internal auditor (\$205,792 General Fund), \$100,000 General Fund for a flat rate model review; and General Fund reductions to the Civil Enforcement Division (\$25,203), Criminal Justice Division (\$806,634), Crime Victim Support Services Division (\$66,091, and the Division of Child Support (\$702,009). The Governor's budget notes the following direction regarding the flat fee assessment model and potentially some contract services to effectuate the following:

The Governor's Budget supports the Department of Justice's transition away from hourly billing to assessing agencies a fixed amount each quarter based on an estimate of legal services. The new flat assessment model will increase stability and predictability of state agency expenses for legal services, as well as provide revenue predictability for DOJ. This new rate structure is designed to encourage

agencies to seek preventive legal advice to help avoid more costly legal problems that may arise. Governor Brown is committed to developing a methodology to transition from hourly billing to a flat assessment model during this biennium so it can be built into agency's 2021-23 Current Service Level Budget.

Other Significant Issues and Background

There are a few policy-type issues for the Co-Chairs to consider.

Evaluate Legal Service Fund and the Double-budgeting of Expenditures: The transparency of the Legal Services Fund and agency budgeting could be improved by eliminating the double-budgeting of expenditures in select divisions. ***This request for the Criminal Justice Division was partially funded in the Governor's budget (\$1.6 million General Fund vs. the \$2 million General Fund request).***

Evaluate Inordinate Attorney Compensation Increases: Compensation adjustments for attorneys regularly exceed the standard compensation adjustment for management service employees in the Executive Branch of state government and merits continued review.

Other Review: The Legislature would benefit from a review of the effectiveness of the agency's outsourcing of its internal audit function.

Oregon Military Department

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	25,478,056	25,608,114	27,889,506	28,098,484	34,178,284
Other Funds	123,541,931	120,386,657	126,746,339	111,705,471	131,931,413
Other Funds (NL)	60,623	--	--	--	--
Federal Funds	156,967,173	271,814,624	315,698,794	288,142,779	297,219,587
Total Funds	306,047,783	417,809,395	470,334,639	427,946,734	463,329,284
Positions	464	477	477	478	520
FTE	418.60	426.82	426.82	435.30	465.63

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Oregon Military Department (OMD) administers the Oregon Army National Guard, the Oregon Air National Guard, the Office of Emergency Management, and the Oregon Youth Challenge and STARBASE education programs. The Department is overseen by an Adjutant General, appointed by the Governor to a four-year term of office. The Adjutant General also serves as the homeland security advisor to the Governor and chief of staff of the Governor's Military Council.

The National Guard is a federal-state partnership with a dual mission: (a) provide combat-ready units and equipment in support of national defense, and (b) provide units and equipment to protect life and property during natural disasters and civil unrest, and for backup support to law enforcement. The National Guard serves on a day-to-day basis under the command of the Governor but is available to the federal government upon order of the President of the United States. The federal government directly funds federal employees, guard member salaries and wages, and all equipment and equipment maintenance. For the state, federal responsibility primarily centers on providing facilities and facility maintenance for the Oregon Guard. The federal government also is a major source of funds for new construction of facilities, and for Homeland Security.

A responsibility unrelated to the Department's primary mission is youth education. The Youth Challenge Program provides youth at risk of dropping out of high school an opportunity to complete educational credits with the goal of reintegrating into high school to earn a diploma or prepare for the General Education Development (GED) examination. The STARBASE (Science and Technology Academy Reinforcing Basic Aviation and Space Exploration) program - a 100% federally-funded experiential educational program designed to increase third through eighth-grade students' interest in science, technology, engineering, and math - operates at the Portland Air National Guard Base in Portland and at Kingsley Field in Klamath Falls.

CSL Summary and Issues

No significant CSL issues for this agency. A base budget adjustment of \$1.5M shifts administrative positions in the Emergency Management program area from Other and Federal Funds into the General Fund to address audit findings related to charging indirect costs to federal grants (see below).

General Fund makes up only 6.6% of the Military Department's total budget. A primary use of General Fund in this agency is to match federal funds for day-to-day operations of the National Guard Bureau and at armories located throughout the state. Debt service is the agency's single significant General Fund expense, constituting 41% of its General Fund budget for 2019-21.

CSL phases out the following:

- \$16,421,308 FF expenditure limitation for lead abatement activities at eight Oregon armories.
- \$260,724 GF appropriated to the agency for expenses incurred while providing clean drinking water in Salem during the summer of 2018.
- \$5,442,829 OF expenditure limitation approved one-time-only in 2017-19 for National Guard troops and flight crews used during wildfire suppression activities in 2017.
- \$1.0M General Fund provided one-time-only for the Oregon Military Museum.
- \$70,000 OF limitation for one-time cost of issuance expenses in 2017-19; and \$448,249 Other Funds debt service, increased at the end of the 2017 legislative session to reflect refunding of certain bond issues statewide.

Federal revenue sources include the National Guard Bureau, Department of Homeland Security, and FEMA grants. Other Funds are mostly from 9-1-1 tax and facility rentals.

Policy Issues

The Military Department's portfolio of more than 400 buildings and other structures has a significant deferred maintenance backlog, currently estimated at \$150M. Armories are built, by and large, with federal funds but are operated and maintained at state expense. New construction funded by the federal government addresses a certain portion of deferred maintenance each biennium, but limited General Fund and reduced Other Funds from facility rentals in recent years has constrained the agency's building maintenance program, contributing to the deterioration of its facilities. A recent (2017) facilities condition evaluation determined that 95% of the department's armories are in poor or very poor condition, which affects tenants, current and future National Guard members who use the armories for training, and the general public, who rent armory facilities for trade shows, weddings, sporting events, and other gatherings. Armory rental revenues have remained more or less flat at about \$1.9 million per biennium since 2014.

In November 2014, the department became aware of dangerously high lead dust levels in twelve of its armories that housed indoor weapons ranges. Lead dust is a regulated hazardous material, and tests revealed that the lead dust at indoor ranges exceeded allowable levels. As a result, the agency was forced to stop using its indoor firing ranges and seal them pending cleanup. In December 2016, the National Guard Bureau issued guidance for remediation of lead contamination in armories nation-wide, and stated that clean-up costs were to be 100% funded by the federal government. To date, the agency has received \$16.4M Federal Funds for lead abatement activities and anticipates additional federal funding for lead abatement projects in 2019. Six armories have been remediated and re-opened to the public, with the remaining six armories anticipated to be re-opened between December 2018 and June 2019.

Interim policy committees have focused on disaster recovery, infrastructure resiliency, and Oregon's emergency management capabilities. HB 2687 (2017) created the Resiliency Grant Fund and program within the Office of Emergency Management to enable the purchase and distribution of emergency preparedness equipment throughout the state by local governments, special government bodies, and private organizations that qualify for federal tax-exempt status. The fund will be capitalized with the proceeds from Article XI-Q bonds scheduled for the March 2019 bond sale, with the initial application period opening in November 2018.

Other legislative actions taken on behalf of the Military Department during the 2017-19 interim include:

- A one-time General Fund appropriation of \$260,724 to cover expenses incurred for services provided by the Oregon National Guard during and after the total solar eclipse on August 21st, 2017.
- A General Fund appropriation of \$1,590,544 to shift payroll expenses for eight positions, services and supplies, and operating expenses in the Office of Emergency Management from Federal and/or Other Funds to the General Fund per audit findings related to charging indirect expenses to federal grants.
- An increase in Other Funds expenditure limitation, on a one-time basis, of \$5,442,829 to reimburse wildland firefighting expenses incurred during the 2017 fire season.
- An increase in Federal Funds expenditure limitation of \$16,421,308 for lead dust abatement projects at eight armories located throughout Oregon.
- Establishing a \$6,125,000 Federal Funds expenditure limitation to convert boilers from propane fuel to wood pellet fuel at Camp Umatilla.
- Increasing an Other Funds (Capital Construction Account) expenditure limitation by \$378,726 for the 2015-17 Oregon Military Museum capital project, to allow the department to spend donations for the design and construction of a research library in the new museum.

Additionally, the Emergency Board:

- Allocated \$123,275 from the Emergency Fund to reimburse costs incurred during two drinking water delivery missions in Salem during May and June 2018.
- Allocated \$188,000 from the Emergency Fund to fund emergency preparedness equipment for fuel distribution facilities.
- Established a Federal Funds Capital Construction expenditure limitation of \$5,300,000 for the Oregon Youth Challenge Expansion Project.
- Established a Federal Funds Capital Construction expenditure limitation of \$9,000,000 for development of a Regional Training Institute at Camp Umatilla in Umatilla, Oregon.
- Increased a Federal Funds Capital Construction limitation by \$4,000,000 for demolition projects at Camp Umatilla.
- Established a Federal Funds Capital Construction expenditure limitation of \$1,300,000 for construction of a pistol qualifications range at Camp Najaf in Corvallis, Oregon.
- Established an Other Funds Capital Improvements expenditure limitation of \$500,000 to purchase property adjacent to Camp Rilea in Warrenton, Oregon.

Other Significant Issues and Background

The Office of Emergency Management (OEM) has received a significant amount of attention recently. OEM leads statewide efforts to develop and enhance preparedness, response, recovery, and disaster mitigation capabilities, in addition to distributing federal grant funds to local communities for emergency preparedness and maintaining the state's emergency communications systems and capabilities. A 2018 Secretary of State audit found OEM understaffed for reducing Oregon's vulnerability to disasters. A 2013 federal audit and subsequent financial audit conducted by Moss Adams LLC found OEM to be charging overhead costs to federal grants without having an approved indirect cost allocation plan in place with the Department of Homeland Security. A budget note in HB 5201 (2018) directed the agency to assess and update OEM's processes, policies, and practices for internal control over grants management and to undertake immediate action to correct any identified deficiencies prior to budget deliberations during the 2019 legislative session.

The agency has identified OEM enhancements as its top priority in its 2019-21 agency request budget, and included \$10.6M of General Fund policy option packages in its request. These proposals would add staff to virtually every OEM program in response to the recommendation included in the Secretary of State's 2018 audit that the agency *"Continue to advocate for resources through the state budget process to be able to fulfill its role as the state's emergency management coordinator."* The Legislative Fiscal Office notes that the agency has taken its auditors' message to heart, and recommends further prioritization among the many improvements suggested in the agency's POPs prior to consideration by the legislature in 2019.

The Governor's budget for the Military Department is 8.3% more than current service level; the General Fund budget is 21.64% more. The net General Fund increase of \$6.1 million over CSL includes \$0.8 million in reductions and \$6.9 million in increases. Reductions include \$72,000 for statewide government service charges and Attorney General fees, and various other unspecified personnel and services and supplies reductions. General Fund budget increases include:

- \$2.3 million to shift eleven positions in the Office of Emergency Management from Federal and/or Other Funds to the General Fund, per audit findings related to charging indirect expenses to federal grants
- \$3.2 million for priorities identified in the Governor’s Earthquake Preparedness Action Plan for Oregon:
 - \$500,000 for a risk abatement study for the Critical Energy Infrastructure Hub in Portland
 - \$1.1 million for logistical staging bases
 - \$1.6 million and one position for preparing a “two-week ready supply” for 250,000 vulnerable families
- \$534,000 for new debt service on \$19.9 million in bonds for capital projects at five Oregon armories and readiness centers. It should be noted that bond-funded capital projects at National Guard armories and readiness centers directly improve the agency’s otherwise dismal facilities condition assessment.
- \$495,000 to cover certain personnel costs and utility charges at Oregon’s two air bases
- \$444,000 for the Oregon Youth Challenge expansion project, one-time-only.

Except for the risk abatement study, the investments in earthquake preparedness activities are not well defined. It is unclear whether the “two weeks ready” allocation is for public education and awareness campaigns, actual supply kits, or something else; one position is included in this investment. The Governor’s Plan states that the resources for developing logistical staging bases will be “both in personnel and supply and services, to train state and local personnel into Incident Management Type-III teams...to provide command and control,” and that OEM develop a grant program by 2021 to provide funding for these activities. The Emergency Management fund shift is required, although further analysis is needed to ensure that the amounts to be fund shifted are correct.

Board of Parole and Post-Prison Supervision					
	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	6,728,521	8,868,686	9,048,876	8,781,722	9,083,612
Other Funds	523	11,254	11,254	11,682	11,682
Total Funds	6,729,044	8,879,940	9,060,130	8,793,404	9,095,294
Positions	28	28	28	25	31
FTE	26.04	28.00	28.00	25.00	30.50
* Includes Emergency Board and administrative actions through December 2018.					

Program Description

The Board of Parole and Post-Prison Supervision (Board) works within the criminal justice system to achieve the following: protect the public; reduce the risk of repeat criminal behavior (through decisions concerning incarceration and evidence-based community supervision and intervention); and ensure legal integrity. Its partnerships with the Department of Corrections and local supervisory authorities, as well as victim involvement and support, and stakeholder involvement, inform its release and post-prison supervision decisions. The Board is a General Fund agency.

The 2019-21 CSL budget is a 2.9% decrease from the 2017-19 Legislatively Approved Budget. This is due to the elimination of 3 limited duration positions (3.00 FTE) granted in the 2017-19 Legislatively Approved Budget.

CSL Summary and Issues

The only CSL issue is the elimination of the limited duration positions used for sex offender risk evaluations. These positions can be added with a policy option package at a later date.

Policy Issues

HB 2549 (2013) and HB 2320 (2015) directed the Board to rank all current sex offenders according to risk using a nationally accepted methodology (Static 99). The Board is currently ranking sex offenders that are currently under community supervision and sex offenders that are scheduled for release by the Department of Corrections (DOC) into three categories based upon their risk of reoffending. There are approximately 27,500 offenders that will require the application of the Static 99 test. The Static 99 test is not an accepted methodology for identifying risk in female and juvenile offenders. Juvenile and female offenders total approximately 2,500. These offenders will require interviews with specially trained psychologists to determine the risk of reoffending. HB 2320 (2015) extended the deadline for completion of all rankings of sex offenders to be completed from December 1, 2016 to December 1, 2018. SB 767 (2017) further extended the deadline to December 1, 2022. The Board does not currently have the resources to finish these reviews by the deadline set by the Legislature.

HB 2320 (2015) appropriated \$3.2 million General Fund 12 positions (10.00 FTE), to the Board to complete the Static 99 tests and psychologist interviews by December 1, 2018. When HB 2320 (2015) was originally passed, the Board had an estimate of approximately 10,000 sex offenders that would need to be assessed the current estimate is closer to 27,000. Previously, the DOC was responsible for performing Static 99 evaluations on all inmates eligible for release. HB 2320 (2015) shifted this responsibility to the Board. In addition, through conversations with DOC it was learned that DOC had used evaluators that were not certified in the use of the Static 99 evaluation tool and had also used the tool for evaluations that it was not intended for. The Board will have to reevaluate all of these offenders. Latest estimates indicate 2,300 offenders will be released between January 1, 2014 and December 1, 2018. There are currently an estimated 27,000 existing registered sex offenders, released prior to January 1, 2014 that will need Static 99 evaluations by December 1, 2022.

Other Significant Issues and Background

The Board will require, either a General Fund and position increase or a deadline extension to meet the current requirements of statute, to meet the current deadline for sex offender risk evaluations. Extending the deadline could increase the risk of offenders seeking judicial relief because of the timeliness, or lack thereof, of the evaluations. Increasing the GF appropriation would be contingent upon the availability of GF resources, which at this point, is unclear. Even with an increase in GF resources, it is doubtful that the Board will be able to achieve the goal of having all Static 99 and female and male juvenile offender's evaluations done by the 2022 deadline.

Oregon State Police

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	280,102,391	269,292,257	296,977,384	309,033,782	302,945,886
Lottery Funds	7,740,839	8,069,250	8,145,961	9,073,617	9,035,781
Other Funds	101,465,180	136,707,491	158,371,032	146,073,822	168,980,557
Federal Funds	6,420,284	12,249,830	12,274,226	12,639,865	12,638,622
Total Funds	395,728,694	426,318,828	475,768,603	476,821,086	493,600,846
Positions	1,314	1,345	1,370	1,363	1,398
FTE	1,268.08	1,321.62	1,346.62	1,342.08	1,379.01

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Oregon State Police (OSP) enforces traffic laws on state highways, investigates and solves crimes, conducts forensic analysis and post-mortem investigations, and provides background checks and law enforcement data. Key programs include patrol, criminal investigations, fish and wildlife law enforcement, and enforcement of tribal gaming laws and the Lottery. OSP is the only provider of certain specialized public safety and criminal justice system services in Oregon, including forensic lab services, the State Medical Examiner, criminal justice information systems, and the State Fire Marshal.

CSL Summary and Issues

OSP's General Fund current service level increase is 4.06% over its 2017-19 legislatively approved budget; its all-funds budget is just 0.22% higher than 2017-19. CSL includes the costs of 29 trooper positions - which includes seven troopers for the Capital Mall Patrol Unit and two for the Oregon State University Patrol Unit - added to the 2017-19 budget; as well as roll-up costs for 49 position reclassifications and 25 positions established to resolve agency double-fills undertaken in HB 5201 (2018). The 2017-19 budget shifted approximately \$27 million of General Fund program costs in the Criminal Investigations Division onto marijuana tax revenue funding on an ongoing basis and with no net reduction to the program. The 2017-19 legislatively approved budget contains \$19.4 million General Fund appropriated to the agency through December to cover extraordinary costs to fight wildfires in 2017 and 2018; this amount is one-time-only for the current biennium. *(See below for more on wildfire costs.)*

Policy Issues

The agency's focus in the current biennium and in its agency request budget is on realigning its budget and workforce with its operations, in order to embark on a ten-year plan to rebuild its trooper force starting in the 2021-23 biennium. OSP reports it has nearly the lowest trooper-to-citizen ratio of any state, and that the ten-year goal of reaching 15 troopers per 100,000 Oregonians would bring the agency's

trooper force back to where it was in 1980. The agency's past practice of holding trooper positions harmless in the face of budget reductions has resulted in an organization with too few support positions in areas such as information technology, fleet maintenance, dispatch, and payroll to support the number of budgeted troopers. Re-balance actions taken in 2017 and 2018, as well as proposed actions in 2019-21 policy option packages strengthen those support functions that troopers need in order to be effective and allow vacant trooper positions to be filled.

OSP operates the state's forensic laboratories and has received both state and federal (grant) support to reduce the backlog of sexual assault forensic evidence (SAFE) kits. The agency reports that the backlog has been retired, and that the labs have turned their focus to a dismaying and growing backlog of toxicology requests and to a large volume of felony property crime evidence. Other forensic lab issues include space requirements in the Portland lab, new space for the Pendleton lab, and providing adequate morgue space for the Central Point lab.

HB 2355 (2017) created the requirement that law enforcement agencies in Oregon record certain information about all traffic and pedestrian stops, including the race and gender of the person stopped, starting on July 1, 2018. The resulting program is now known as the Statistical Transparency of Policing (STOP) Program. OSP developed, procured, and implemented the data collection system required to be used by all law enforcement agencies in the state, and transferred ownership and the contract for the data collection system to the Criminal Justice Commission in October 2018.

Other Significant Issues and Background

Wildfires

The cost of responding to wildfires has grown exponentially in 2017 and 2018, straining resources statewide. The Oregon State Fire Marshal (OSFM), a division within the Oregon State Police, has incurred \$33.2 million of expense responding to conflagrations this biennium. This represents an unbudgeted cost to the agency and has drained cash from the appropriation containing four OSP divisions. About \$20 million of the expense is eligible for reimbursement from the Federal Emergency Management Agency (FEMA), which has taken, on average, about 30 months to pay over the past several years. To date, the legislature has provided \$3.2 million from the General Fund and \$16.2 million from the Emergency Fund to partially reimburse the agency for fire costs and to provide resources for cash flow. The Legislative Fiscal Office anticipates additional funding requests of up to \$7.5 million from the agency in order to meet its cash flow requirements through the end of the biennium.

Law Enforcement Data System

OSP operates the Law Enforcement Data System (LEDS), which is the state's computerized criminal history system used by local, state, federal, and international law enforcement; the courts; firearms dealers, and non-criminal justice agencies authorized to conduct criminal background checks. The system is required to be fully operational at all times. The agency is midway through a replacement of this database system, estimated to cost \$14.1 million and to be completed in October 2020, and reports that the project is on schedule, within its budget,

and that no change orders have been required. OSP has funded this project with a \$2.5 million federal grant that ends this biennium and with Criminal Justice Information Systems fee revenues. A full written status report was provided to the Joint Legislative Committee on Information Management Technology in December 2018.

The agency's policy option packages for 2019-21 are comparatively modest, and continue the agency's rebuilding efforts by seeking resources for a variety of positions, as well as forensic laboratory and morgue space, evidence storage (including evidence storage for vehicles), technology and radio replacements, and completing the agency's six-year effort to achieve a 1:1 ratio of troopers to patrol vehicles.

The Governor's total funds budget for OSP is 3.5% higher than CSL; the General Fund budget is 2% (\$6.1 million) lower. Overall, it is comparatively generous to OSP, adding ten new trooper positions and funding a number of other policy packages by shifting \$10.2 million General Fund onto ODOT's Transportation Operating Fund (the "lawnmower" fund) and by increasing the agency's Marijuana Tax revenue by \$8.0 million per the October 2018 revenue forecast and shifting \$8.0 of General Fund expenditures onto that funding source. These fund shifts make up the bulk of the \$20.1 million in General Fund reductions. The \$14 million in General Fund budget increases includes:

- \$2.6 million to resolve 19 double-filled support positions and reclassifications
- \$2.5 million of one-time funds to replace mobile data terminals in patrol vehicles
- \$3.0 million for ten new trooper positions and patrol vehicles
- \$750,000 to establish two medical examiner positions and one forensic anthropologist position
- \$1.0 million to complete patrol vehicle purchases for a 1:1 ratio of patrol vehicles to troopers
- \$4.1 million to replace radios statewide and to establish a capital replacement fund for radio equipment

Public Defense Services Commission

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Agency Request
General Fund	285,082,822	299,983,918	305,491,556	344,173,541	413,937,025
Other Funds	3,234,718	4,954,313	4,967,943	3,736,398	4,742,251
Total Funds	288,317,540	304,938,231	310,459,499	347,909,939	418,679,276
Positions	77	77	77	75	83
FTE	76.23	76.23	76.23	74.80	82.24

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Public Defense Services Commission (PDSC) was established as an independent state agency in 2001. By statute, the Commission is to “establish and maintain a public defense system that ensures the provision of public defense services in the most cost-efficient manner consistent with the Oregon Constitution, the United States Constitution, and Oregon and national standards of justice.” The agency combined the state Public Defender, which provided appellate representation, and the trial court representation function, which had been a division within Oregon Judicial Department since the early 1980s. Prior to the early 1980s, trial level public defense (and Oregon trial courts) was a local government responsibility.

General Fund supports approximately 99% of the PDSC budget. The remaining 1% is funded by revenue from the Application/Contribution Program (ACP). Applicants for state-appointed counsel pay a \$20 application fee unless the fee is waived for financial hardship reasons. In addition, the court may find that individuals are able to pay a contribution towards their defense costs.

The agency is organized into three divisions with Current Service Level funding as shown:

- **Appellate Division** (\$22 million, 56.80 FTE) consists of public defense attorneys who represent eligible persons at the appellate court level. The Appellate Division is responsible for providing appellate representation on criminal matters, juvenile dependency and termination of parental rights cases, and parole cases. This is accomplished primarily using staff attorneys. The division is the state counterpart to the Oregon Attorney General’s appellate division.
- **Professional Services Account** (\$319.5 million, 0.00 FTE) consists of the funding for contract defense services, including attorneys, investigators, and expert witnesses, primarily at the trial court level. Includes funding for the Parent and Child Representation Program.

- **Contract and Business Services Division** (\$6.4 million, 18.00 FTE) is responsible for administering the public defense contracts that provide legal representation for eligible persons, processing requests and payments for non-contract fees and expenses, and the budget and other financial activities of the Commission.

PDSC: CSL Spending by Program

Programs	2019-21 Current Service Level	% of Total
Appellate Division	22,034,633	6.33%
Professional Services Account	319,504,337	91.84%
Contract and Business Services	6,370,969	1.83%
Total Funds	347,909,939	100.00%

CSL Summary and Issues

The all funds CSL budget of \$347.9 million represents an increase of \$37.5 million or 12.1 percent above the 2017-19 legislatively approved budget. General Fund spending is up \$38.7 million or 12.7%. The CSL budget includes adjustments for inflation and state agency service charges. It also includes adjustments for caseloads, contract rates for public defense services, and implementation of HB 5201 (2018).

PDSC: CSL Adjustments by Program

Programs	2017-19 Legislatively Approved	2019-21 Current Service Level	Change +/-	Change %
Appellate Division	19,207,111	22,034,633	2,827,522	14.7%
Professional Services Account	285,186,084	319,504,337	34,318,253	12.0%
Contract and Business Services	6,066,304	6,370,969	304,665	5.0%
Total Funds	310,459,499	347,909,939	37,450,440	12.1%

- Adds \$17.5 million GF for inflation
- Adds \$11.5 million GF for caseloads
- Adds \$4.2 million GF to increase contract rates for public defense services
- Adds \$1.3 million GF for expansion of the Parent Child Representation Program per HB 5201 (2018)
- Phases out \$700,000 shift from GF to OF, thereby adds \$700,000 GF
- Phases out \$450,000 GF provided for a statewide evaluation of public defense services by the 6th Amendment Center

Policy Issues

Professional Services Account. At the December meeting of the Emergency Board, PDSC reported on the status of the Professional Services Account. At the time, indigent public defense claims were trending higher than anticipated. If the trend continues, PDSC estimated it would need an additional \$4 million to \$5 million early in the 2019 session to get through the end of the current biennium. The CSL budget assumes caseload will grow 2.65% in 2019-21 compared to the level funded in the current biennium and includes funds to cover the caseload growth. It may not factor in the unanticipated growth in the current biennium, so an adjustment may be needed to fully fund the program.

Parent Child Representation Program (PCRP). This program works to improve the quality of legal representation for parents and children in juvenile dependency and termination of parental rights cases. PCRP operates with a caseload cap to promote better representation, and contractors receive the funding required to keep attorney caseloads below a cap. In 2016, the Task Force on Legal Representation in Childhood Dependency issued a report recommending PCRP be expanded statewide. At the time, it was operating in Yamhill, Linn and Columbia counties. HB 5201 (2018) provided \$1.3 million GF to begin implementation in Coos and Lincoln counties. The CSL budget includes an additional \$1.3 million to fund a full 24-month program in the two added counties. The agency request budget includes \$12.8 million GF to expand into five additional counties (Clatsop, Deschutes, Douglas, Malheur, and Multnomah).

OPDS Professional and Management Compensation. Office of Public Defender Services' Appellate Division attorneys make less than their Department of Justice (DOJ) counterparts. This affects attorney recruitment and retention and can affect timeliness and effectiveness of services. PDSC has increased its attorney salaries twice since 2015 but has not kept pace with DOJ attorney salaries. It is estimated that the disparity between attorney classes is between 9%-15%. Additionally, OPDS estimates that all other professional and management classifications are trending between 5%-27% lower than like classifications at the Oregon Judicial Department. The agency request budget includes \$1.75 million to fund employee compensation adjustments.

Quality Assurance - Trial Level Public Defense. The evaluation of public defense services conducted by the Sixth Amendment Center casts some doubt on whether Oregon is meeting its constitutional obligation regarding indigent defense. One of the significant underlying problems is the high caseloads maintained by Oregon public defenders. OPDS asserts that low case rates, resulting from several years in which there was no CSL adjustment for inflation, have forced contractors to take on high caseloads to keep up with the rising cost of doing business. The agency request budget includes \$50.6 million to increase contract rates for trial level indigent defense.

Department of Public Safety Standards and Training

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	10,052,511	9,795,963	9,795,963	9,665,010	9,665,010
Other Funds	39,321,468	43,523,261	49,438,284	50,395,589	48,933,641
Federal Funds	6,394,657	8,007,963	8,338,314	7,364,566	7,364,566
Total Funds	55,768,636	61,327,187	67,572,561	67,425,165	65,963,217
Positions	154	152	166	157	156
FTE	146.58	150.05	157.97	155.21	154.04

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Department of Public Safety Standards and Training (DPSST) develops and maintains standards for employment and provides public safety and firefighter training to over 41,000 constituents in Oregon. The agency has regional offices in five locations – Central Point, Eugene, Bend, Baker City, and Pendleton. DPSST provides training and certification for state troopers, police, sheriff deputies, local correctional officers, parole and probation officers, 9-1-1 telecommunicators, volunteer and professional firefighters, and emergency medical dispatchers; and serves as the fiduciary agent for the Oregon-Idaho High Intensity Drug Trafficking Area program.

CSL Summary and Issues

No current service level issues. CSL (all funds) is 9.9% greater than the 2017-19 legislatively adopted budget, and 0.1% greater than the legislatively approved budget.

Policy Issues

DPSST is primarily funded through the Criminal Fines Account (CFA), with \$9.6 million of General Fund for debt service on the Public Safety Center campus. Firefighter training is supported with Fire Insurance Premium Tax revenues, and training for private-sector security personnel is provided on a fee-for-service basis. CFA dollars pay for basic police and corrections training classes, the Public Safety Memorial Fund, and agency operations. CFA funds are considered to be fungible with General Fund, so CFA-funded programs face reductions to meet budget constraints in the same way that General Fund programs do. Such reductions necessarily reduce the agency's capacity to provide basic police and corrections training, demand for which has grown steadily for the past three biennia. Current service level funds 20 Basic Police, 9 Basic Corrections, 5 Basic Parole & Probation Officer, and 10 Basic Telecommunications and Emergency Medical Dispatch training classes.

Other Significant Issues and Background

The agency requested eleven policy option packages totaling \$7.6 million Other Funds and 21 positions/19.13 FTE. These packages are a combination of agency “housekeeping” items, agency and program enhancements, and continuing implementation of the Statistical Transparency of Policing (STOP) program, created in HB 2355 (2017). DPSST’s deferred maintenance package totals \$2.1 million; and a \$1.1 million package requests architecture and engineering planning for a proposed third dormitory wing at the Public Safety Center Campus.

DPSST is in ongoing discussions with the Department of Corrections about providing training for the DOC’s corrections officers, who are currently trained in-house at the DOC and certified by DPSST. Neither agency included a policy option package for this program transfer, which would require legislation to change prior to the January 2, 2026 sunset currently in statute (ORS 181A.520). Providing training for the DOC’s corrections officers in a central location (at the Public Safety Academy) is the primary driver behind the agency’s request for a third dormitory wing, as the DOC estimates needing to train up to 480 recruits per year, or one 40-member class per month, in order to keep up with its normal turnover.

Very modest program changes are proposed in the Governor’s budget, including across-the-board reductions and the elimination of two Basic Police classes totaling \$2.5 million Other Funds; two positions for the Statistical Transparency of Policing (STOP) program created by HB 2355 in 2017; and \$437,000 of funding for deferred maintenance projects. One unfunded policy option package (#111, for emergency power generation) might logically have been funded in the Governor’s “resiliency” package, as the DPSST campus is designated as the alternate emergency communications center site for both the Office of Emergency Management and the Oregon State Police but has no campus-wide backup power source in the event of a power outage.

Oregon Youth Authority

	2015-17 Actual	2017-19 Legislatively Adopted	2017-19 Legislatively Approved *	2019-21 Current Service Level	2019-21 Governor's Budget
General Fund	290,295,711	307,443,048	312,595,798	336,271,676	327,214,716
Other Funds	55,497,491	60,916,760	60,852,433	7,316,478	15,053,678
Federal Funds	26,348,882	37,166,220	37,328,320	40,671,277	40,652,558
Total Funds	372,142,084	405,526,028	410,776,551	384,259,431	382,920,952
Positions	1,014	1,023	1,023	972	1,002
FTE	981.80	950.68	950.68	944.13	974.88

* Includes Emergency Board and administrative actions through December 2018.

Program Description

The Oregon Youth Authority (OYA) serves youth offenders ages 12-24 who have committed crimes prior to their 18th birthday. The agency exercises legal and physical custody of youth offenders committed to OYA by juvenile courts, and exercises physical custody of youth offenders committed to the Oregon Department of Corrections by adult courts and placed with OYA. As of July, 2018, the average number of youth under supervision at any given time was 1,302, with 766 youth in community placements and 536 in close custody. Thirteen percent of youth served by OYA are young women. The agency also provides direct assistance to Oregon counties through juvenile crime prevention, diversion, and gang intervention programs.

CSL Summary and Issues

Current service level for this agency represents a 7.6% General Fund increase over the 2017-19 legislatively approved budget and a 6.5% all funds decrease from 2017-19. Adjustments were made for changes in Behavioral Rehabilitation Services rates, for debt service, and to phase out position authority remaining from the closure of the North Coast Youth Correctional Facility in October, 2017. A remaining adjustment could be made to remove \$771,000 in one-time General Fund for facilities electronics that was inadvertently carried forward into the 2019-21 budget request. The overall current service level decrease reflects capital construction funding phased out for purposes of calculating the base budget; when this is added back, the overall agency budget increase is 5.5%.

Policy Issues

The agency continues to refine its service delivery model through shifting its organizational culture from a correctional to a developmental approach, and by using a data-driven *Youth Reformation System* for placing youth in the intervention that is most likely to be effective in reducing recidivism. Juvenile crime rates continue to decline; the October 2018 Oregon Youth Authority Demand Forecast notes that, according to several national measures, the number of serious violent crimes perpetrated by youth between the ages of 12 and 17 continues to fall. Oregon-specific data from the Juvenile Justice Information System (JJIS) shows a decline in juvenile crime rates that has leveled off

somewhat since 2014, falling 2.1% over the past three years. OYA closed two youth correctional facilities in 2017 (Hillcrest and the North Coast Youth Correctional Facility in Warrenton) and reduced the number of funded community residential beds by about 150 to more closely match actual usage. The majority of the agency's requested policy option packages seek funding to continue the process of "right-sizing" the agency and its services to its service population.

Other Significant Issues and Background

The Juvenile Justice Information System needs a significant upgrade to its user interface, which is obsolete and does not work on web or mobile platforms. This system is used by all juvenile departments in Oregon, as well as the OYA, and creates a "one youth, one record" system that provides the foundational data for OYA's research-based programs and services. Over time, features used by OYA have been added to the system, such that the agency now also uses it for certain financial management and payment processes. OYA has submitted its business case to the Office of the State Chief Information Officer (OSCIO) for stage gate review and has submitted a policy option package for \$7 million General Fund (over three biennia) as its number one priority in the agency requested budget.

At issue as of this writing is how the project should move forward. The project is in Stage 1 of the state's stage gate process for IT systems; the OSCIO continues to review the project prior to reaching a "make-or-buy" conclusion. JJIS is a state and local partnership governed by a steering committee composed of OYA staff and members of the Oregon Juvenile Department Directors' Association (OJDDA), which expects to weigh in on any decision made about the future of JJIS.

The Oregon Youth Authority operates five youth correctional facilities and four youth transitional facilities throughout the state, with a total of 90 buildings and 625,754 square feet of space. The agency's Ten-Year Plan for facilities renovation and renewal is proposed to continue in 2019-21 with the renovation of seven cottages at McLaren and the remodel of four living units at the Rogue Valley Youth Correctional Facility. Its deferred maintenance request (SB 1067 2% of current replacement value) is \$8.7 million, and an additional \$7.1 million in bond funding is requested for health clinic remodels and control room and detention electronics upgrades.

The \$9.1M net General fund reduction in the Governor's Budget includes \$15.1 million in reductions and \$6 million in additions. General fund reductions include:

- \$6.3 million to increase the position vacancy factor agency-wide
- \$1.5 million in reductions to services and supplies agency-wide
- \$1.3 million in reductions to state government service charges
- \$6 million to reduce the number of community treatment beds

General Fund increases include:

- \$0.6 million to increase the rates paid to providers of vocational education services for older youth (VESOY)

- \$4 million to establish 30 positions to provide an ongoing “relief pool” of employees to reduce the program’s reliance on temporary staff in its 24/7/365 close custody facilities.
- \$0.2 million to fund dental services at the Oak Creek Youth Correctional Facility
- \$0.6 in new debt service for a proposed \$7.1 million in bond-funded capital projects

The Legislative Fiscal Office notes that it would be difficult for the agency to implement the new positions in light of the net reduction taken in its personal services budget.