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To: Agency Directors and Budget Officers

From: Ken Rocco, Legislative Fiscal Officer
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Subject: Presentation Document Instructions for Ways and Means Subcommittees

The following outlines requirements for agency presentation documents to be prepared for the Joint Committee on Ways and Means Subcommittees for the 2021 session.

Given outstanding issues regarding how the 2021 session will be structured as a result of the pandemic, final decisions on the Ways and Means schedule and process have not yet been made. However, it is clear there is baseline information agencies will need to prepare under any scenario (details are included in the attachment). Please note that failure to follow the instructions has resulted, in the past, in agency hearings being rescheduled and delayed. Given the challenges in the upcoming session, it is more important than ever to follow the instructions. If your agency believes an adjustment is needed, contact your Legislative Fiscal Office (LFO) analyst. Again, these instructions are for documents that agencies need to prepare; further instructions regarding information that agencies will be expected to focus on during Subcommittee presentations will be provided prior to the start of session.

In addition to presentation materials, agencies must provide the following:

- Other Funds Ending Balances – the standard form and instructions for reporting on Other Funds ending balances are attached; the completed form is due to your LFO analyst by January 13, 2021. Agencies may be asked to update this information near the end of session.
- Reduction Options – using the attached form for reduction options, provide an updated list of General Fund and Lottery Funds (and selected Other Funds as determined by your LFO analyst) in the amount of 10% from the agency request current service level in 5% increments, prioritized from most to least preferred and identify reductions on the list included in the Governor's budget. Send the completed form to your LFO analyst by January 13, 2021.

Please contact your LFO analyst with any questions.

Ways and Means Presentation Requirements

A. General Process and Format

- Presentation documents should be consistent in content and format and follow these guidelines. Agencies may be allowed, with approval by LFO, to tailor presentations to help provide clarity.
- Agencies, in consultation with their LFO analyst, are to prepare presentations for Subcommittees; further instructions regarding information that agencies will be expected to focus on during Subcommittee presentations will be provided prior to the start of session.
- Electronic agency presentations are to be submitted directly to the LFO analyst either by flash drive or email attachment <u>at least one week prior to the first hearing date</u>. Presentations must be in PDF format for loading into OLIS. As remote hearings are expected for at least the first part of the session, guidance on how materials will be presented by the agency in Microsoft Teams will be provided later.
- If Subcommittee members ask questions of the agency that need to be responded to in writing, the agency has two working days to provide a written response to LFO, unless an exception has been granted for an extension.
- Agency presentations should be provided by directors and program area managers. While it is the responsibility of agency directors to determine which staff should attend the Subcommittee meetings, it is not the intent of the Legislature to disrupt agency operations, so only those who are needed to respond to questions should be present.
- Agencies must ensure presentations can be completed within the time allotted, including leaving sufficient time for Subcommittee questions.
- Initial hearing dates will be provided once Subcommittees are appointed and schedules determined.

B. Document Details

- The agency presentation document should include the following information in the order listed (large agencies should prepare the content for the entire agency and for each major division/program area; small agencies may cover the entire agency at the summary level):
  - Agency mission, goals, and historical perspective; how the requested budget will achieve desired program results;
  - Overview of agency performance and outcome measures, how measures are used by the agency, and progress toward achieving performance goals;
  - Summary of programs, including who is served by programs and how many people are served;
  - Agency organizational information, including an organizational chart and description of how services are delivered;
  - Major budget drivers, budget risks (including pending lawsuits, disputes over existing contracts, audit findings), and environmental factors (for large agencies, specific detail should be provided in the program discussion);

- Major changes to the agency in the past 6 years, broken down by biennia, including program changes (additions or reductions) and the effect of changes on service and program delivery, with an emphasis on programs that were initiated in 2019-21;
- Specific actions the agency has taken or plans to take to contain costs and improve programs and service, including realigning/consolidating programs; eliminating or reducing duplication of services or unnecessary processes; and/or proposed statutory, rule, or process changes (data supporting these actions, including estimated savings, should be included);
- Major budget information, including caseloads, fees, construction, unique cost increases/decreases, summary of revenues, proposed changes in revenue sources or fees, and historical and projected spending for programs;
- Description of programs that are shared with or dependent on other agencies, including both existing programs and new initiatives that require cooperation between affected agencies for effective implementation;
- Summary of proposed legislation affecting agency operations, the status of the legislation, and the budgetary impact;
- Discussion of program or service reductions included in the Governor's budget, 10% reduction options requested by LFO, and information on vacant positions;
- Discussion of pandemic/Coronavirus Relief Fund issues and effect of 2019-21 actions on the 2021-23 budget;
- In the appendix, provide the following (if applicable):
    - Results of, and agency responses to, all audits on the agency conducted by the Secretary of State under ORS 297.070 during the current biennium;
    - Description of how recent changes to agency budget and/or management flexibility affected agency operations;
    - Supervisory Span of Control Report from the Department of Administrative Services, Chief Human Resources Office, for agencies with more than 100 employees located at: https://www.oregon.gov/das/HR/Pages/Span.aspx;
    - Summary of proposed technology and capital construction projects;
    - Other Funds ending balance form.

C. Subcommittee Presentations

- While more detail will be forthcoming regarding presentations during Subcommittee hearings, it is anticipated that LFO staff will provide an overview of the agency budget, current budget issues, and other documentation and analyses as appropriate. This will be followed by agency presentations (additional instructions to be provided) and CFO staff and/or the Governor's Policy Advisor to describe (at a high level) the Governor's budget for the agency and the policy rationale or other reasons for the Governor's recommended changes (either additions or reductions).