

Legislative Fiscal Office

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Joint Committee on Ways and Means

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

From: Ben Ruef, Legislative Fiscal Office

Date: May 10, 2021

Subject: HB 5033 - Oregon Racing Commission Work Session Recommendations

Oregon Racing Commission - Agency Totals

	2017-19 Actual	2019-21 Legislatively Approved	2021-23 Current Service Level	2021-23 LFO Recommended
Other Funds	6,179,495	6,329,944	6,901,392	7,391,591
Total Funds	6,179,495	6,329,944	6,901,392	7,391,591
Positions	14	14	14	14
FTE	12.27	10.40	10.40	10.39

The Legislative Fiscal Office recommends a 2021-23 Other Funds budget of \$7,391,591 and 14 positions (10.39 FTE) for the Oregon Racing Commission. The recommended budget anticipates an ending balance equivalent to two and a half months of operating expenditures, including special payments. Most of the agency's licensing revenue comes in during the first quarter of each fiscal year, so cash flow issues are not anticipated.

Adjustments to Current Service Level

See attached "Work Session Presentation Report."

Note: Statewide adjustments are not included in these recommendations. Any needed adjustments will be made in an omnibus bill at the end of session.

Performance Measures

See attached "Legislatively Proposed 2021-23 Key Performance Measures."

Recommended Changes

LFO recommends a budget of \$7,391,591 Other Funds and 14 positions (10.39 FTE), which is reflected in the -1 amendment.

Final Subcommittee Action

LFO recommends that HB 5033, as amended by the -1 amendment, be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2019-21 Agy. Leg. Adopted	-	-	3,899,658	-	-	-	3,899,658	14	6.14
2019-21 Ebds, SS & Admin Act	-	-	2,430,286	-	-	-	2,430,286	-	4.25
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2019-21 Leg Approved Budget	-	-	6,329,944	-	-	-	6,329,944	14	10.39
2019-21 Leg Approved Budget (Base)	-	-	3,899,658	-	-	-	3,899,658	14	6.14
Summary of Base Adjustments	-	-	(42,386)	-	-	-	(42,386)	-	-
2021-23 Base Budget	-	-	3,857,272	-	-	-	3,857,272	14	6.14
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(3,522)	-	-	-	(3,522)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	2,925,034	-	-	-	2,925,034	-	4.26
030: Inflation & Price List Adjustments	-	-	122,608	-	-	-	122,608	-	-
2021-23 Current Service Level	-	-	6,901,392	-	-	-	6,901,392	14	10.40
080: E-Boards	-	-	(550,978)	-	-	-	(550,978)	-	(0.01)
Adjusted 2021-23 Current Service Level	-	-	6,350,414	-	-	-	6,350,414	14	10.39
Total LFO Recommended Packages	-	-	1,041,177	-	-	-	1,041,177	-	-
2021-23 Legislative Actions	-	-	7,391,591	-	-	-	7,391,591	14	10.39
Net change from 2019-21 Leg Approved Budget	-	-	1,061,647	-	-	-	1,061,647	-	-
Percent change from 2019-21 Leg Approved Budget	0.0%	0.0%	16.8%	0.0%	0.0%	0.0%	16.8%	0.0%	0.0%
Net change from 2021-23 Adj Current Service Level	-	-	1,041,177	-	-	-	1,041,177	-	-
Percent change from 2021-23 Adj Current Service Level	0.0%	0.0%	16.4%	0.0%	0.0%	0.0%	16.4%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 083 June 2020 Eboard

Package Description This package includes the 2021-23 budgetary impact of the 2020 June Eboard. Amount of (\$550,978) entered in to correctly adjust budget to Eboard approved \$2,374,056 and 4.25 FTE from earlier entered package 021 "phase in" amounts of \$2,925,034 and 4.26 FTE.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(550,978)	-	-	-	(550,978)	-	(0.01)
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package increases the expenditure limitation for special payments related to racing development for the 2021-23 biennium. This is a one-time increase to mitigate the impacts of COVID shutdowns in the 20019-20 bienium.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	411,598	-	-	-	411,598	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 099 Microsoft 365 Consolidation

Package Description Microsoft 365 Consolidation: Microsoft 365 is being consolidated within the Office of the State Information Officer. This package makes a corresponding reduction to the agency base budget to reflect the savings of the consolidated system.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(9,876)	-	-	-	(9,876)	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This adjustment corrects an oversight in the GRB to provide for a full two years' of services and supplies expenditure limitation for the ORC.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	639,455	-	-	-	639,455	-	-
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Legislatively Proposed 2021 - 2023 Key Performance Measures

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Agency: Racing Commission, Oregon

Mission Statement:

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

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2022	Target 2023
1. Animal Safety - Number of race-related equine fatalities per every 1,000 starters.		Approved	147.06%	100%	100%
2. License Turnaround Time - Average number of work days from receipt of a complete individual application and questionnaire to conclusion of a criminal background check.		Approved	100	100	100
3. Excellent Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	a) Timeliness	Approved	100%	80%	80%
	b) Accuracy		100%	80%	80%
	c) Overall		100%	80%	80%
	d) Expertise		100%	80%	80%
	e) Helpfulness		100%	80%	80%
	f) Availability of Information		100%	80%	80%
4. Best Practices - Percent of total best practices met by the Board.		Approved	100%	100%	100%

LFO Recommendation:

The Legislative Fiscal Office recommends approval of key performance measures and targets as presented.

It should be noted that the Last Reported Result for KPM #1 does not represent an increase in catastrophic injuries; on the contrary, it represents the fact that they improved upon the target, by having fewer injuries (0.55% vs the target of 1.50% of starts). Because reporting for the measure can be - depending on your perspective - counterintuitive, below is a description of how this figure is calculated.

The Legislature's target is 1.5 fatalities per 1000. So, 1.5 = 100% of goal. Anything above 100% is better than reaching goal.

Last year there were 3 equine fatalities out of 2949 starters. So divide 3 by 2949 = 0.00101729. Multiply that by 1000 (because calculation is based on 1000 starters) = 1.017294. Round up to 1.02 fatalities per 1000 starters. So 1.5 (target) divided by 1.02 (actual) = 1.47058 x 100 (to make it a percentage) = 147.06%.

SubCommittee Action: