

PUBLIC SAFETY SUBCOMMITTEE SUBCOMMITTEE ORIENTATION

JANUARY 23, 2023

JOHN BORDEN, PRINCIPAL LEGISLATIVE ANALYST
LEGISLATIVE FISCAL OFFICE



Legislative Fiscal Office

Legislative Fiscal Office (LFO)

- Non-partisan, independent, permanent professional support staff office to the Legislature that was created in 1959
- Mission is to promote state fiscal accountability by:
 - Providing comprehensive research, analysis, and recommendations on the state's biennial budget
 - Evaluating state expenditures, program administration, and agency organization
 - Assisting in development of the Legislature's adopted balanced budget
 - Preparing fiscal impact statements on legislative measures
 - Publishing detailed analyses, summary documents, and briefs on budget-related topics
- Provides staff to the Joint Committee on Ways and Means plus several other legislative committees
- Staff consists of a Director, two Deputy Directors, 22 Analysts, a Committee Manager, and an Administrative Specialist

LFO Session Responsibilities

- Review, analysis, and recommendations for agency budgets
 - Review budgets for accuracy
 - Analyze fiscal and policy issues
 - Examine revenue sources, expenditure limitations, expenditure patterns, staffing levels, and proposed law changes
 - Review impact of budget reductions or enhancements
 - Make recommendations on agency budget bills, budget reports, budget notes, and key performance measures
- Facilitate bill amendments, budget report finalization, and presentation of Ways and Means Subcommittee decisions for the Full Ways and Means Committee
- Assist bill carriers on the House and Senate floors
- Respond to questions and collect information requested by legislators

LFO Session Responsibilities - Fiscal Impact Statements

Review and analyze proposed legislation for budgetary impact and prepare fiscal impact statements for measures reported out of legislative committees

- Fiscal Impact
- Minimal Impact
- No impact

FISCAL IMPACT OF PROPOSED LEGISLATION

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office

Measure: SB 1510 - A

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: Emily Coates
Reviewed by: John Terpening, Amanda Beitel, Tim Walker, Michelle Deister
Date: 2/8/2022

Measure Description:

Requires police officer to inform stopped person of right to refuse consent to search.

Government Unit(s) Affected:

Department of Public Safety Standards and Training (DPSST), Oregon State Police (OSP), Oregon Department of Transportation (ODOT), Board of Parole and Post-Prison Supervision (BPPPS), Counties, Cities, Oregon State Sheriffs' Association(OSSA), Criminal Justice Commission (CJC), Department of Corrections (DOC), Emergency Board

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

Summary of Expenditure Impact:

Oregon Criminal Justice Commission	2021-23 Biennium	2023-25 Biennium
General Fund		
Personal Services	388,273	636,939
Services and Supplies	233,584	96,000
Special Payments	10,000,000	0
Total Funds	\$10,621,857	\$732,939
Positions	3	3
FTE	1.89	3.00

Analysis:

This measure requires police officers to inform stopped person of right to refuse consent to search. If voluntary consent is given, the measure will require the officer to ensure there is written, video or audio record of permission given. The measure also prohibits an officer from commencing a traffic stop based on certain minor traffic violations that are not in compliance with existing law. An officer may issue a citation for these violations only if the officer has already stopped and detained the driver operating the vehicle for a separate traffic violation, effective January 1, 2023. The measure requires parole and probation officers to receive additional training in trauma-informed care, culturally specific services, and de-escalation techniques.

LFO Interim Responsibilities

- Analyze and make recommendations on agency requests to the Emergency Board and Interim Joint Committee on Ways and Means
- Publish highlights report of session budgetary actions and detailed analysis reports of the legislatively adopted budget by agency and program
- Publish briefs and reports on budget-related topics and issues of interest to the Legislature
- Review state agency budget execution and operations
- Monitor agency expenditures and program implementation
- Respond to inquiries from legislators, press, agencies, citizens, NCSL, etc.

Other Committees Staffed by LFO

- **Emergency Board** is a constitutional body responsible for making certain allowable budget adjustments when the Legislature is not in session
- **Joint Legislative Audit Committee** is responsible for reviewing audits, conducting evaluations, and making recommendations for change based on audit findings
- **Joint Legislative Committee on Information Management and Technology** is responsible for establishing statewide policy on information systems and technology and making recommendations on information resource management programs and information technology acquisitions
- **Transparency Oregon Advisory Commission** is responsible for making recommendations to the Department of Administrative Services on the creation, contents, operations, and enhancements to the state's transparency website

State of Oregon Budget

Balanced Budget

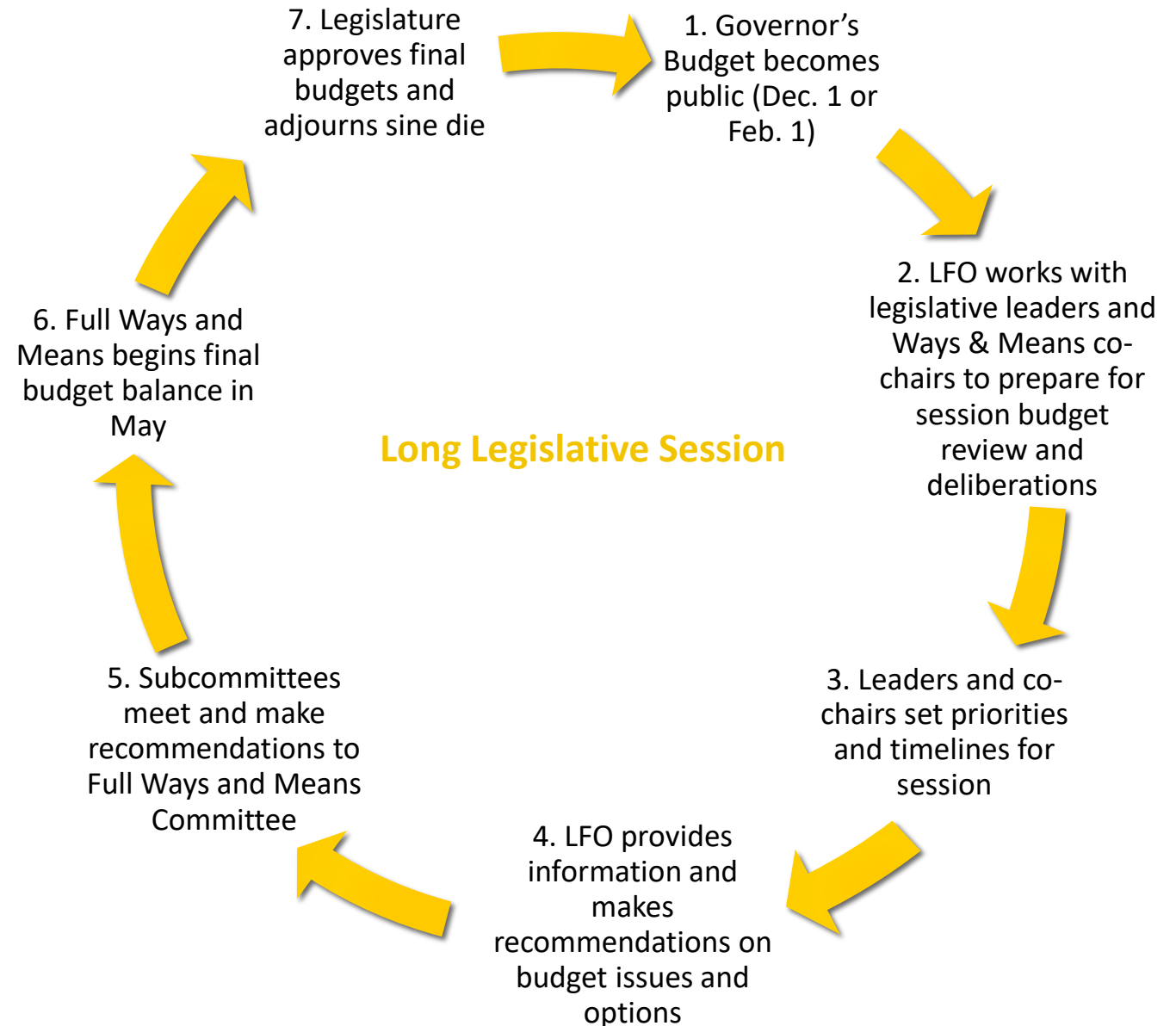
- **Legislature has a constitutional responsibility to balance the budget**
- **Article IX, Section 2: Legislature to provide revenue to pay current state expenses and interest**
 - The Legislative Assembly shall provide for raising revenue sufficiently to defray the expenses of the State for each fiscal year, and also a sufficient sum to pay the interest on the State debt, if there be any.
- **Article IX, Section 4: Appropriation necessary for withdrawal from treasury**
 - No money shall be drawn from the treasury, but in pursuance of appropriations made by law.
- **Article IX, Section 6: Deficiency of funds; tax levy to pay**
 - Whenever the expenses, of any fiscal year, shall exceed the income, the Legislative Assembly shall provide for levying a tax, for the ensuing fiscal year, sufficient, with other sources of income, to pay the deficiency, as well as the estimated expense of the ensuing fiscal year.

Budget Principles

- Balancing estimated revenues and proposed expenditures
- Allocating resources to achieve desired outcomes and measuring progress toward desired outcomes
- Providing accountability at all levels for meeting program outcomes
- Encouraging savings and investments that reduce or avoid future costs
- Planning for the short-term and the long-term, using consistent assumptions for demographics and trends

Budget Process

- Oregon budgets on a biennial basis: July 1st of odd-numbered year to June 30th of next odd-numbered year
- State budget is adopted during the long legislative session in odd-numbers years
- In any two-year biennial budget period, adjustments to the adopted budget can be made in either of the annual sessions or by the Emergency Board



Budget Basics – Fund Types

- **General Fund** appropriation

- Primarily personal and corporate income taxes, estate and inheritance taxes, corporate excise taxes; other (i.e., liquor revenue)

- **Lottery Funds** allocation

- Generated through traditional, sports betting, and video lottery gaming, as well as associated interest
- Dedicated to economic development, public education, parks/native fish and wildlife habitat, veterans

- **Other Funds** limitation

- Fees, interest earnings, dedicated fee or tax revenue (9-1-1 tax, forest harvest tax, vehicle and gas tax, marijuana revenue, etc.), bond proceeds
- Dedicated by law for specific purposes
- Limited and Nonlimited

- **Federal Funds** limitation

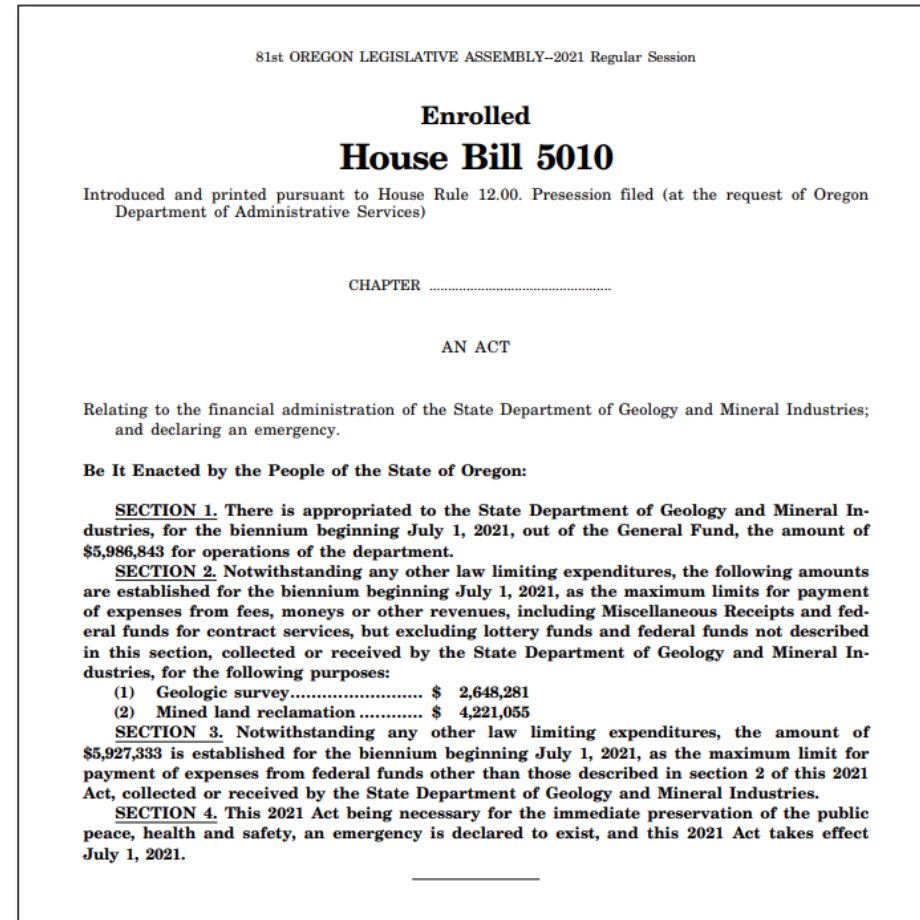
- Grants, formula funds from federal agencies such as HUD, HHS
- Dedicated by law for specific purposes
- Limited and Nonlimited

Budget Basics – Expenditure Categories

- **Personal Services** includes personnel costs (wages, PERS, benefits, social security, etc.)
- **Services and Supplies** includes operation costs (travel, office supplies, rent, legal expenses, expendable property, contracts, etc.)
- **Special Payments** includes transfers and payments to other agencies or external entities (grants and loans)
- **Capital Outlay** includes products with value of more than \$5,000, life of more than two years, used more than once
- **Capital Improvement** includes construction, remodel, improvement costs of less than \$1 million
- Major Construction/Acquisition (or **Capital Construction**) includes construction, remodel, improvement costs of more than \$1 million; established for a six-year period
- **Debt Service** includes principal and interest payments on bonds and certificates of participation
- Budget also tracks **positions and FTE** (full-time equivalent)

Budget Basics – Appropriation Bills

- Appropriation bills are the budgetary control
- Appropriation bills are session law (Oregon Laws)
- Appropriation bills are by fund type and may be total agency or detailed to program within agency
- Appropriation bills are not detailed to the expenditure category level
- Budget reports accompany appropriation bills or policy bills with appropriations



Budget Basics – Appropriation Bills

- Appropriation bills are generally agency specific (House bills = 5000 series, Senate bills = 5500 series)
- Budget for bonding and capital construction are in bills separate from agency budget bills
- Article IX, Section 7, Oregon Constitution limits appropriation bills to state current expenses (no other subject allowed)
- Final bills of session are commonly known as the Omnibus Budget Reconciliation (Emergency Fund) bill and Program Change bill

Budget Reports

- Accompany appropriation bills or policy bills with appropriations
- Provide details on legislative action and intent for a budget bill or a policy bill with a budgetary impact (will have expenditure category detail), but do not have the force of law
- Contain detailed information on approved policy option packages and adjustments to current service level
- Include position authorization and full-time equivalents
- Approved Key Performance Measures and targets are attached to the budget report

81st Oregon Legislative Assembly – 2021 Regular Session

HB 5010 A BUDGET REPORT and MEASURE SUMMARY

Carrier: Rep. Reardon, Rep. Smith DB

Joint Committee On Ways and Means

Action Date: 03/19/21
Action: Do pass with amendments. (Printed A-Eng.)
House Vote
 Yeas: 11 - Bynum, Drazan, Gomberg, Leif, McLain, Nosse, Rayfield, Sanchez, Smith G, Sollman, Stark
Senate Vote
 Yeas: 11 - Anderson, Frederick, Girod, Golden, Gorsek, Johnson, Knopp, Lieber, Steiner Hayward, Taylor, Thomsen
 Exc: 1 - Hansell
Prepared By: Renee Klein, Department of Administrative Services
Reviewed By: John Terpening, Legislative Fiscal Office

Department of Geology and Mineral Industries
2021-23

This summary has not been adopted or officially endorsed by action of the committee.

HB 5010 A
1 of 6

Budget Notes

- Provide direction to an agency, but do not have the force of law
- Included in the budget report
- Must be approved for inclusion by the Co-Chairs of the Full Ways and Means Committee.

Examples of budget notes:

Budget Note:

The Department of Education shall convene a group to study the State Board of Education developed media program standards. The study must evaluate the appropriateness of the standards and whether they adequately address student media needs, and methods to measure and ensure compliance with the standards. The Department should consult with organizations that represent public school educators and those who promote school libraries in selecting members of the group. The Department shall report the study's result and any recommendations by December 30, 2021.

Budget Note:

The Department of Education's Early Learning Division shall report to the Interim Committee on Joint Ways and Means on the ongoing cashflow for the Child Care Development Fund (CCDF). The report must include information regarding actual and estimated expenditures and what the expenditures are for; a projection of the cashflow of the CCDF for 2021-23 and 2023-25 including ending balances; a plan for how any undesignated expenditures will be used; and if there are potential cashflow issues in the future, alternatives to close any gaps between estimated expenditures and CCDF resources.

Budget Notes

A budget note is a formal directive to a state agency expressing legislative intent for a particular budget issue. A budget note is technical in nature, directing an agency to take administrative and managerial action relating to the agency's execution of its biennial budget. A budget note is of limited scope, not intended to circumvent, supplant, or replace other substantive or policy measures or law. The directive of a budget note typically expires at the end of the biennium for which it pertains. Budget notes are neither required nor necessary for every Ways and Means measure.

A budget note lacks the force of law because it was not enacted in accordance with the constitutional requirements for the enactment of laws. Thus, a budget note is advisory and has no legal effect. It is a note of legislative intent.

Agencies whose budget report contains a budget note are not legally compelled to comply with the note. As a historic practice, however, Executive, Judicial, and Legislative Branch agencies do pay deference to budget notes and take steps to fulfill any expectations that are described.

Budget Basics – “Budget Math”

Agency Budget Bill

- + Omnibus Budget Reconciliation (Emergency Fund) Bill
- + Capital Construction Bill
- + Policy Bills (*with an appropriation*)

= Legislatively Adopted Budget (LAB)

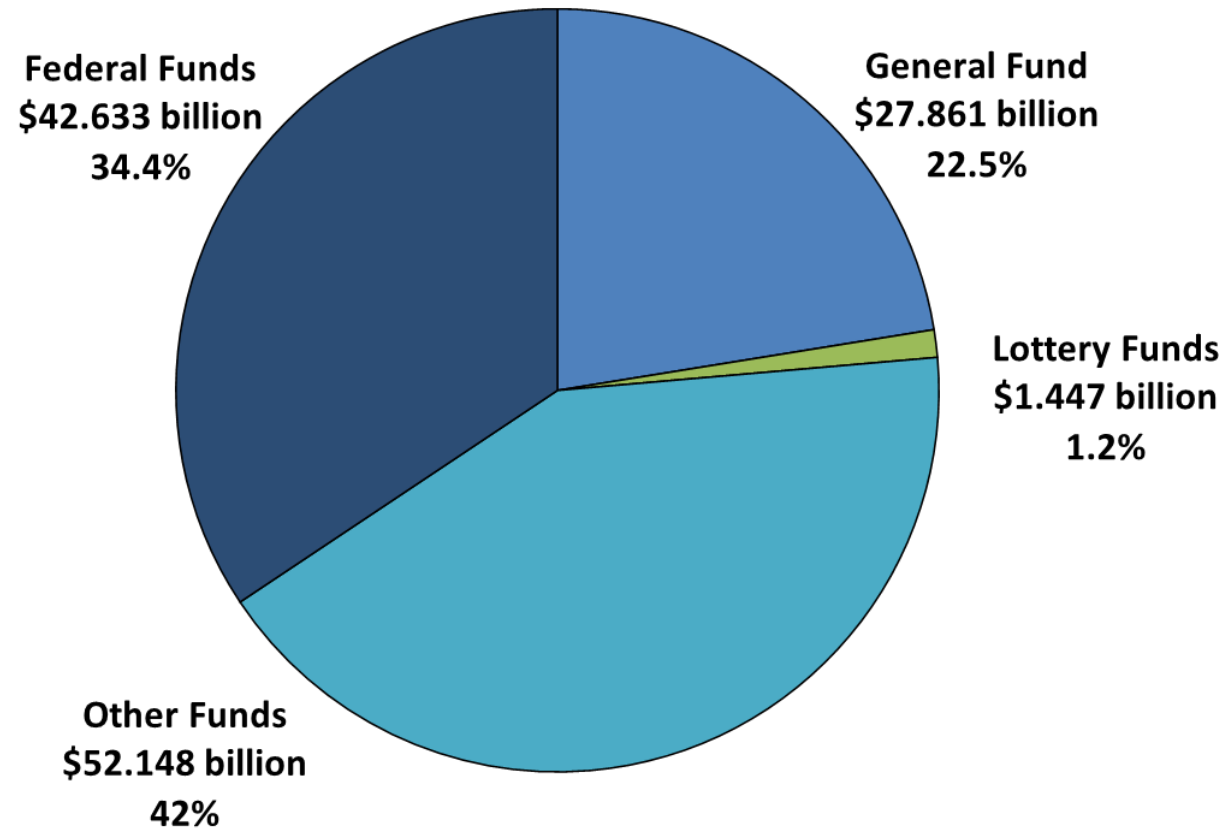
- + February Session and/or Special Session Actions
- + Emergency Board Actions

= Legislatively Approved Budget (LAB)

2021-23 Legislatively Approved Budget

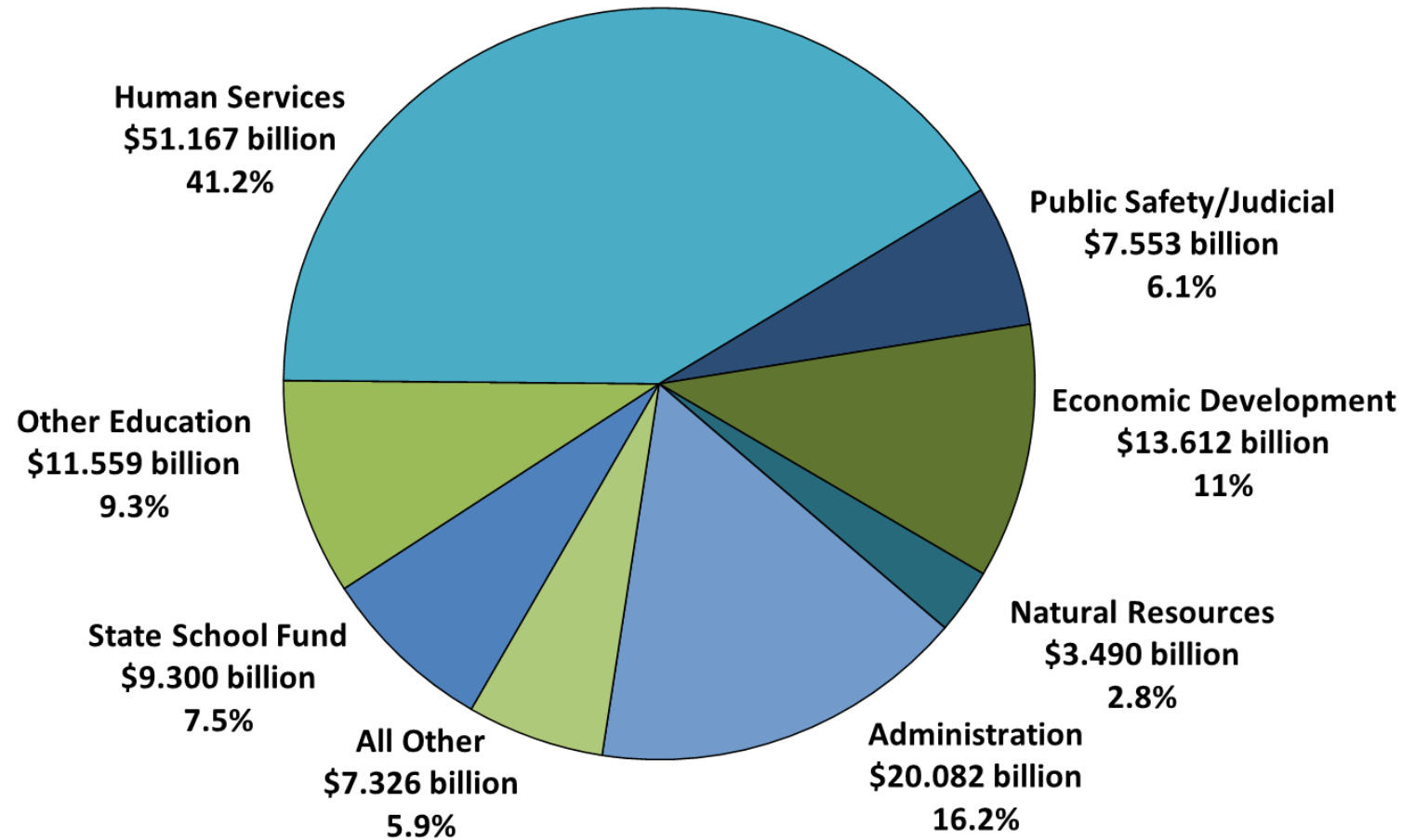
\$124.1 Billion Total Funds

10.3% Increase from 2019-21 Approved Budget



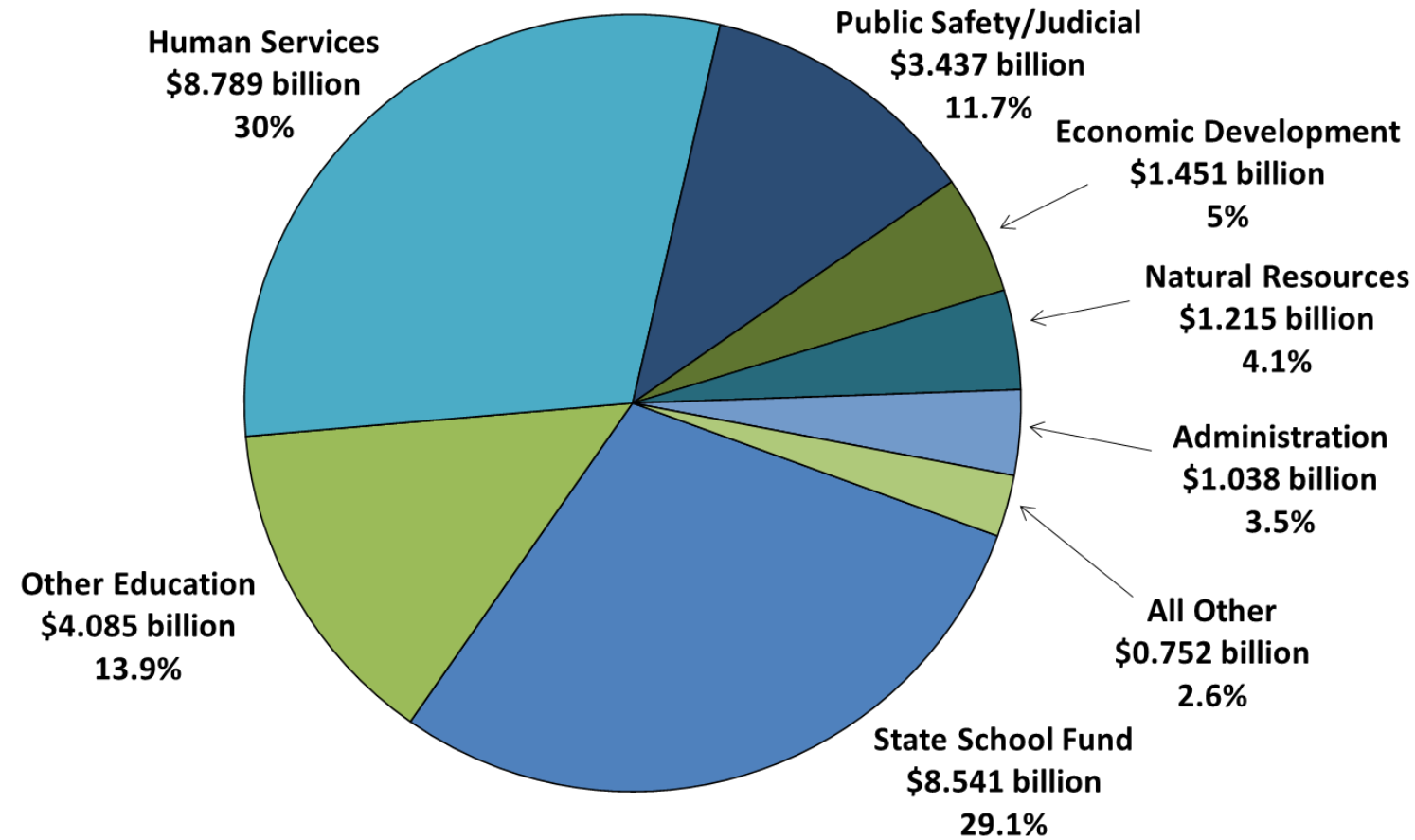
Includes Emergency Board and administrative actions through December 2022

2021-23 Legislatively Approved Budget
\$124.1 Billion Total Funds
10.3% Increase from 2019-21 Approved Budget



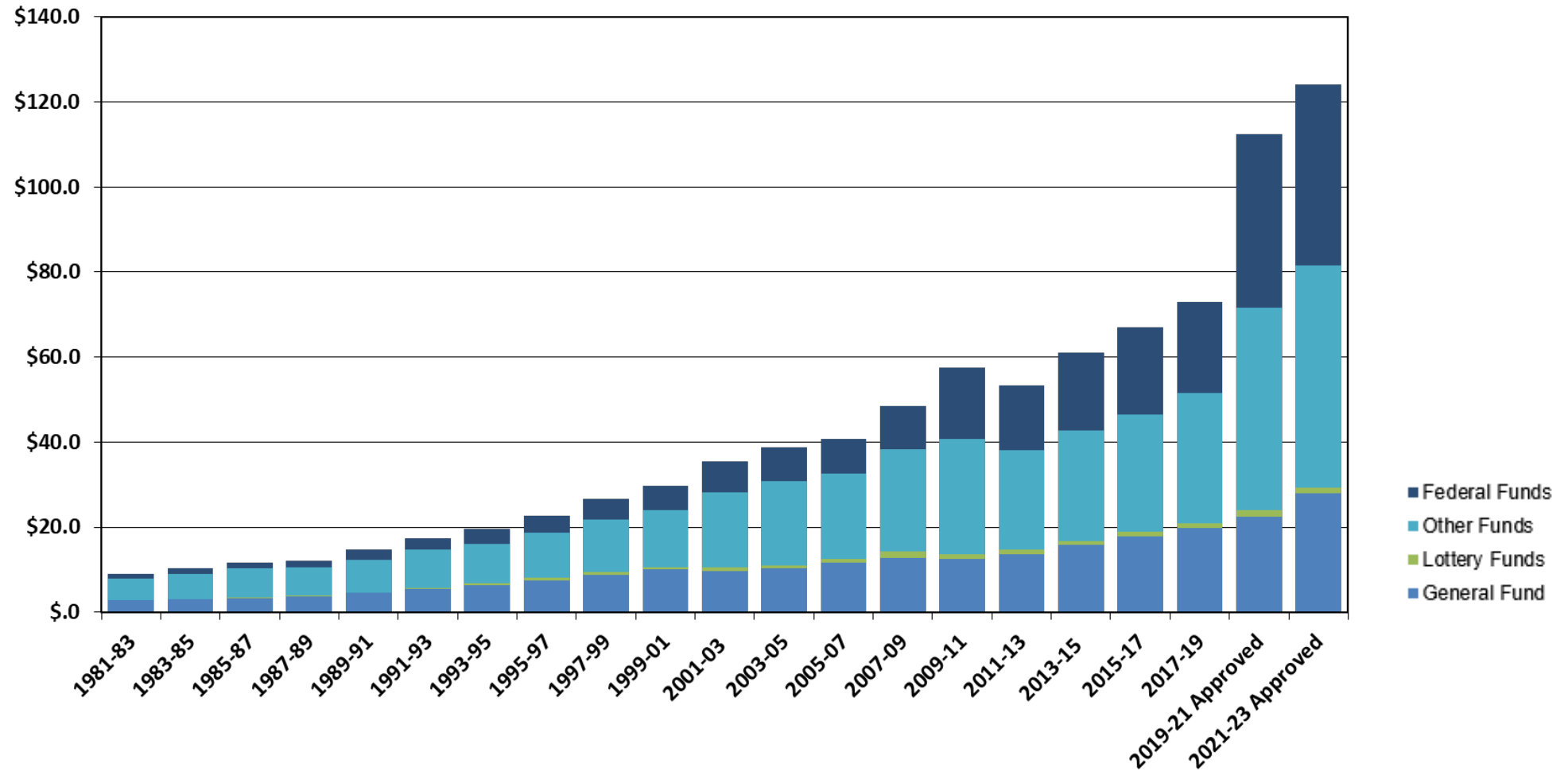
Includes Emergency Board and administrative actions through December 2022

2021-23 Legislatively Approved Budget
\$29.308 Billion General Fund and Lottery Funds
22.6% Increase from 2019-21 Approved Budget



Includes Emergency Board and administrative actions through December 2022

Oregon Budget History – Total Funds (\$ in billions)



Budget Expenditure Drivers

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

Reserve Funds

•Education Stability Fund

- Established in 2002 through a constitutional amendment to convert an existing education endowment fund to a reserve fund
- Funded with 18% of net lottery proceeds (capped at 5% of the amount accrued in General Fund revenues in the prior biennium)
- Requires 3/5 majority vote of each chamber and must be spent on public education (K-12 and post-secondary)
- **\$705.8 million** projected balance at the end of the 2021-23 biennium (December 2022 forecast)

•Rainy Day Fund

- Established by the Legislature in 2007 as a general purpose reserve fund
- Receives transfers of up to 1% of General Fund appropriations each biennium (from the General Fund ending balance)
- Use in a biennium is limited to 2/3 of the amount in the fund at the beginning of the biennium and requires 3/5 majority vote of each chamber to access
- **\$1.3 billion** projected balance at the end of the 2021-23 biennium (December 2022 forecast)

2023 Session – Budget Issues

- **2023-25 Tentative Budget**

- Legislative Fiscal Office and DAS Chief Financial Office develop a projected General Fund/Lottery Funds budget for the next biennium
- Based on the December 2022 revenue forecast
- Includes the projected costs of continuing currently authorized programs
- Reflects a projected gap between available resources and estimated expenditures of \$559.2 million for the 2023-25 biennium

- **Governor's Budget**

- Incoming Governor has until February 1 to submit budget to the Legislature

- **2023 Legislative Session**

- 2021-23 rebalance
- Updated revenue forecasts
- Legislative priorities and requests
- 2023-25 Legislatively Adopted Budget

Public Safety Subcommittee

JOINT COMMITTEE ON WAYS AND MEANS

Subcommittee Role and Responsibilities

- Appropriation Bills
 - Agency Budget Presentations
 - Recommendations to the Full Ways and Means Committees on budget bill, key performance measures, and budget notes
 - Budget report
- Fee Related Bills
- Policy Bills with a budgetary impact
- Federal Grant Requests
- Reports

Current Service Level Adjustments

- Personal services growth for ongoing positions
- Standard inflation
 - Services and supplies (4.2%)
 - Medical costs (6.6%)
 - Non-state employee personnel costs (8.8%)
- Mandated caseload increases or decreases, which are primarily based on population forecasts
- Phase-in the full cost of new programs that did not operate for the entire 2021-23 biennium (roll-up costs)
- Phase-out savings for programs that will be discontinued, sunsetted, or were only approved as one-time in the prior biennium
- Fund shifts/technical adjustment
- Debt Service adjustments

***Public Safety Program Area + Judicial Branch Program Area =
Joint Committee on Ways and Means - Public Safety Subcommittee***

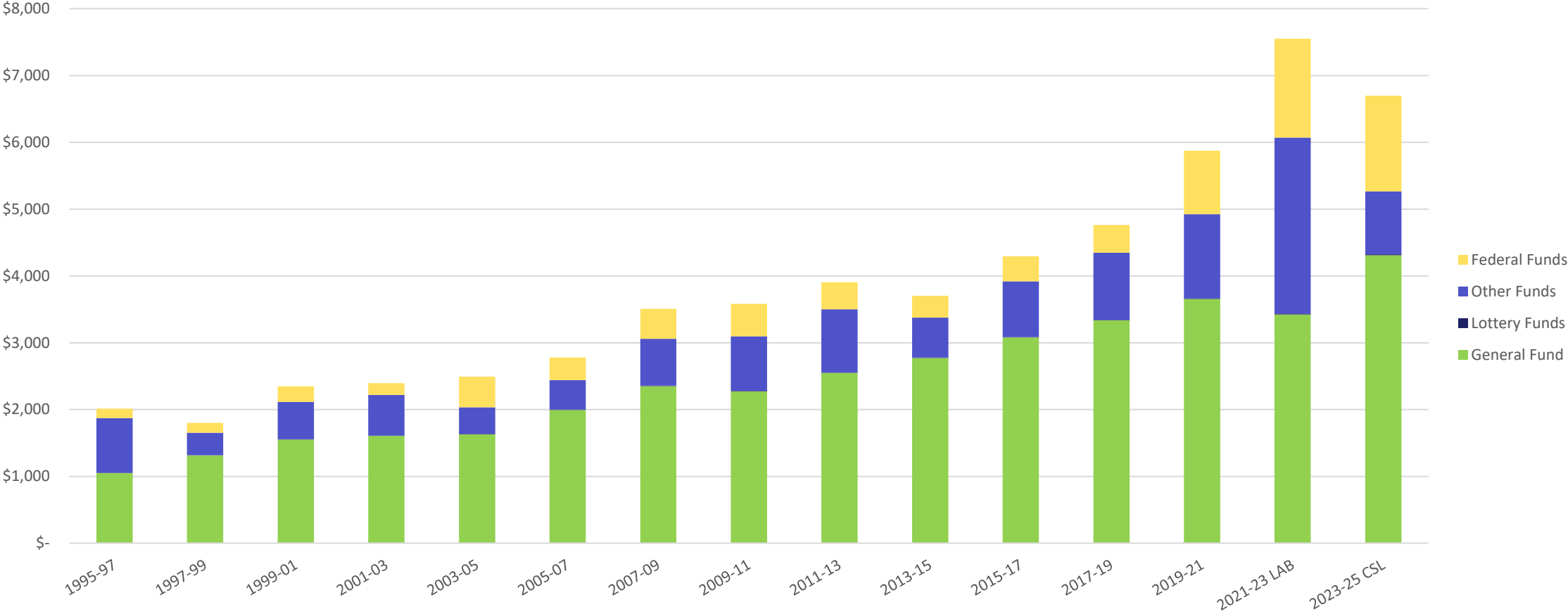
PUBLIC SAFETY PROGRAM AREA/EXECUTIVE BRANCH

1. Department of Corrections
2. Criminal Justice Commission
3. District Attorneys
4. Department of Justice
5. Military Department
6. Department of Emergency Management
7. Department of the State Fire Marshal
8. Board of Parole and Post-Prison Supervision
9. State Police
10. Department of Public Safety Standards and Training
11. Oregon Youth Authority

JUDICIAL BRANCH PROGRAM AREA/JUDICIAL BRANCH

12. Judicial Department
 - a. Oregon Law Commission
 - b. Council on Court Procedures
 - c. County Conciliation and Mediation Services
 - d. Oregon Law Libraries
 - e. Oregon State Bar/Legal Aid Services
13. Public Defense Services Commission
14. Commission on Judicial Fitness and Disability

Public Safety Subcommittee History - Total Funds (unaudited) (\$ in billions)(2021-23 LAB December 2022)



Public Safety Subcommittee Summary

PUBLIC SAFETY SUBCOMMITTEE	2019-21 Actuals	2021-23 Legislatively Approved*	2023-25 Current Service Level
General Fund	3,655,482,786	3,424,912,185	4,310,313,767
Lottery Funds	7,962,547	11,896,660	12,165,142
Other Funds	1,260,486,448	2,633,513,074	941,556,140
Federal Funds	951,167,676	1,482,647,032	1,435,943,588
Total Funds	5,875,099,457	7,552,968,951	6,699,978,637
Positions	11,397	11,748	11,606
FTE	11,084.17	11,409.86	11,398.34

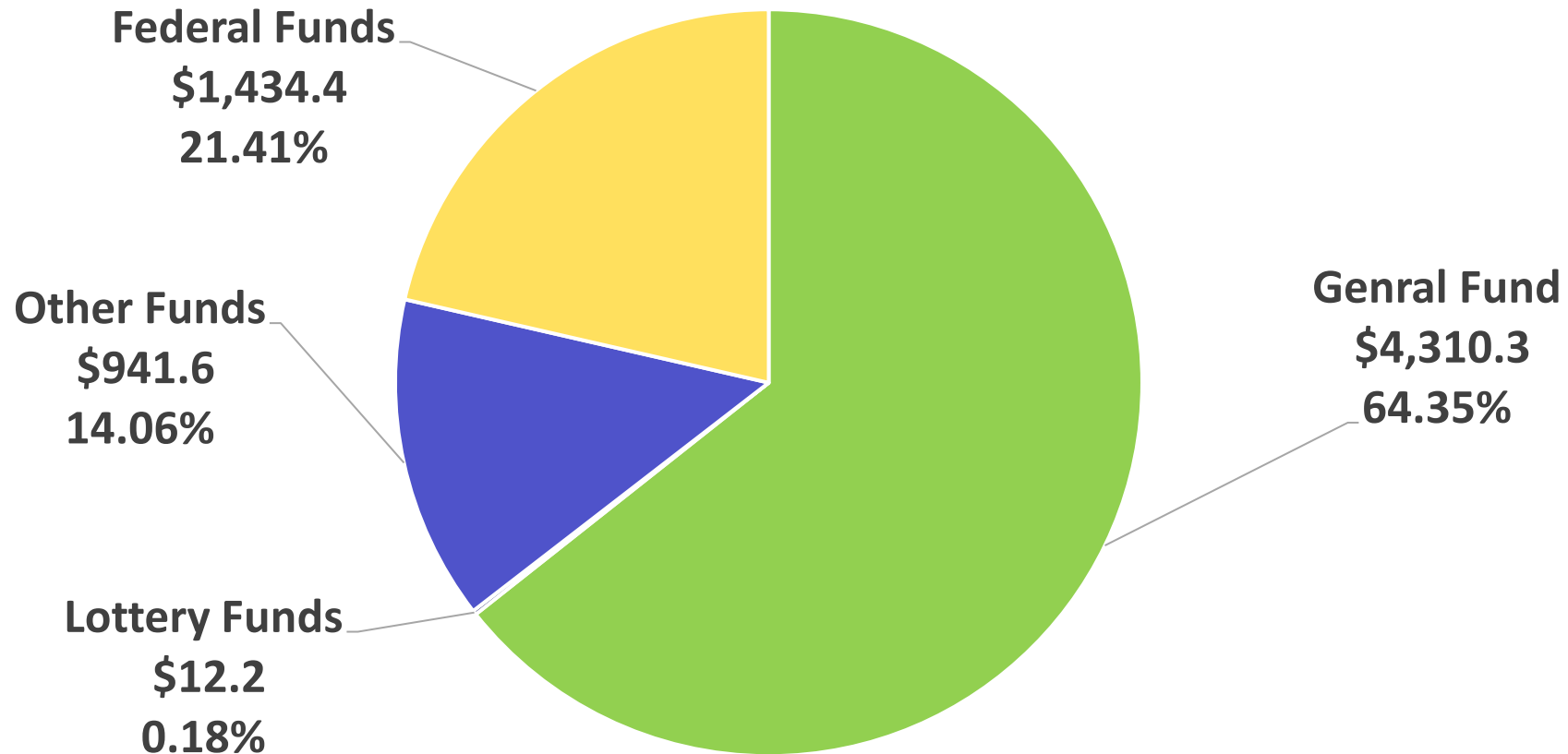
* Includes Emergency Board and administrative actions through December 2022.

Subcommittee Summary by Program Area

2023-25 Current Service Level	Public Safety Program Area	Judicial Branch	Public Safety Subcommittee
General Fund	3,281,442,906	1,028,870,861	4,310,313,767
Lottery Funds	12,165,142	-	12,165,142
Other Funds	879,950,684	61,605,456	941,556,140
Federal Funds	1,434,359,305	1,584,283	1,435,943,588
Total Funds	5,607,918,037	1,092,060,600	6,699,978,637
Positions	9,545	2,061	11,606
FTE	9,369.03	2,029.31	11,398.34
Percentage of Statewide Total Budget Funds Budget	5.3%	1.0%	6.3%
Percentage of Statewide General/Lottery Funds Budget	11.2%	3.5%	14.7%

2023-25 Current Service Level Budget by Fund-Type

Total Funds = \$6.7 Billion



Public Safety Subcommittee - Total Funds

#	2023-25 Current Service Level	Total Funds (in millions)	% Total	Accumulative
1	Department of Corrections	\$ 2,139.2	31.9%	31.9%
2	Department of Emergency Management	\$ 1,229.6	18.4%	50.3%
3	Department of Justice	\$ 743.3	11.1%	61.4%
4	Judicial Department	\$ 705.0	10.5%	71.9%
5	Department of State Police	\$ 591.2	8.8%	80.7%
6	Oregon Youth Authority	\$ 443.9	6.6%	87.3%
7	Public Defense Services Commission	\$ 386.7	5.8%	93.1%
8	Oregon Military Department	\$ 203.6	3.0%	96.2%
9	Department of the State Fire Marshall	\$ 81.8	1.2%	97.4%
10	Department of Public Safety Standards and Training	\$ 74.2	1.1%	98.5%
11	Criminal Justice Commission	\$ 73.7	1.1%	99.6%
12	District Attorneys	\$ 15.6	0.2%	99.8%
13	Board of Parole and Post-Prison Supervision	\$ 11.8	0.2%	100.0%
14	Commission on Judicial Fitness and Disability	\$ 0.3	0.005%	100.0%
	Total	\$ 6,700.0	100.0%	

Public Safety Subcommittee – General Fund

#	2023-25 Current Service Level	General Fund (in millions)	% Total	Accumulative
1	Department of Corrections	\$ 2,089.1	48.5%	48.5%
2	Judicial Department	\$ 659.8	15.3%	63.8%
3	Department of State Police	\$ 448.6	10.4%	74.2%
4	Oregon Youth Authority	\$ 398.3	9.2%	83.4%
5	Public Defense Services Commission	\$ 368.8	8.6%	92.0%
6	Department of Justice	\$ 147.3	3.4%	95.4%
7	Criminal Justice Commission	\$ 50.4	1.2%	96.6%
8	Department of the State Fire Marshall	\$ 48.5	1.1%	97.7%
9	Oregon Military Department	\$ 41.2	1.0%	98.6%
10	Department of Emergency Management	\$ 21.9	0.5%	99.2%
11	District Attorneys	\$ 15.6	0.4%	99.5%
12	Board of Parole and Post-Prison Supervision	\$ 11.8	0.3%	99.8%
13	Department of Public Safety Standards and Training	\$ 8.8	0.2%	100.0%
14	Commission on Judicial Fitness and Disability	\$ 0.3	0.01%	100.0%
	Total	\$ 4,310.3	100.0%	

Public Safety Subcommittee – Lottery Funds

#	2023-25 Current Service Level	Lottery Funds (in millions)	% Total	Accumulative
1	Department of State Police (BM 76, 2010)	\$ 11.6	95.0%	95.0%
2	Criminal Justice Commission (BM 96, 2016)	\$ 0.6	5.0%	100.0%
	Total	\$ 12.2	100.0%	

Public Safety Subcommittee – Other Funds

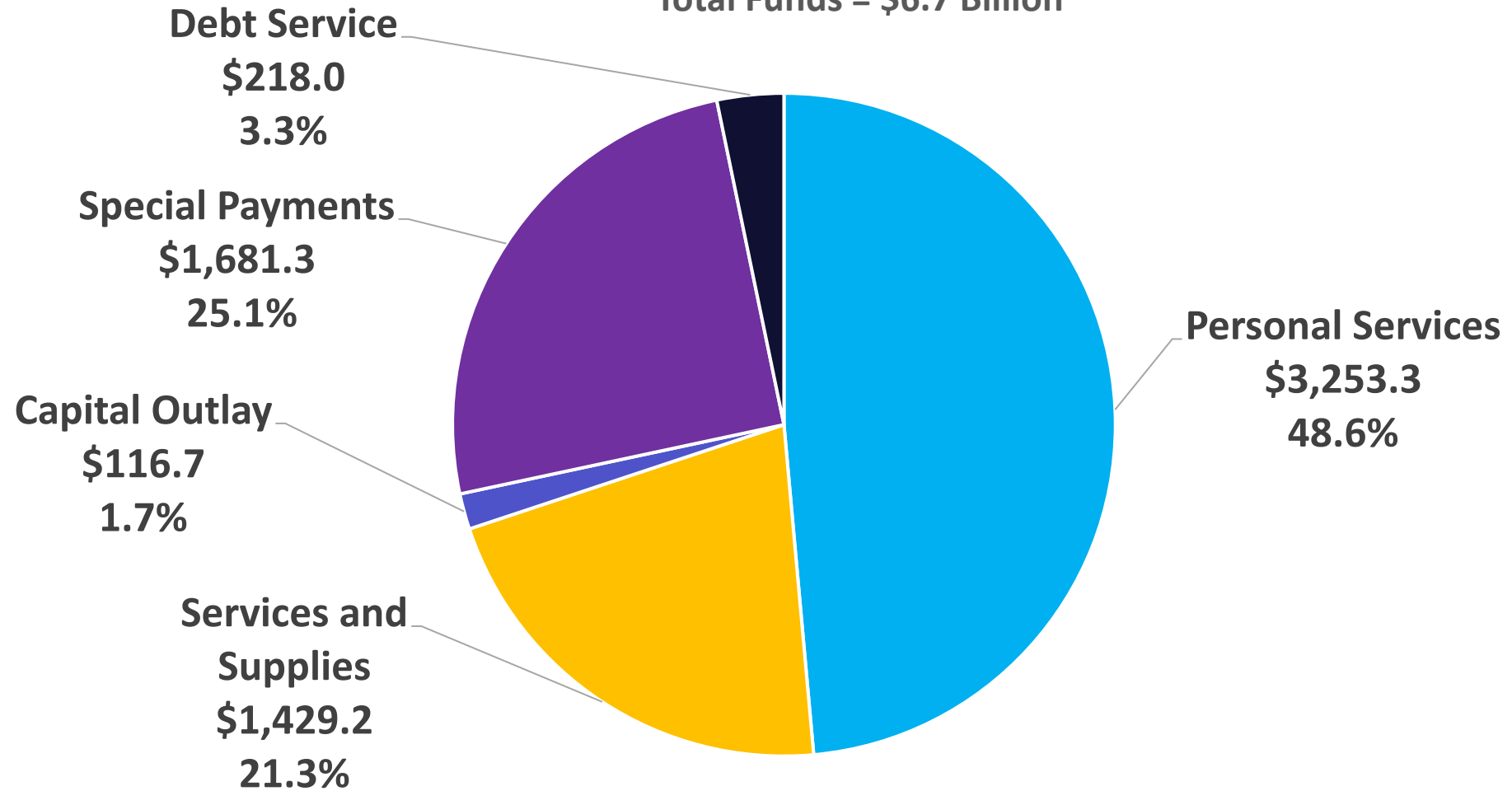
#	2023-25 Current Service Level	Other Funds (in millions)	% Total	Accumulative
1	Department of Justice	\$ 426.8	45.3%	45.3%
2	Department of Emergency Management	\$ 159.2	16.9%	62.2%
3	Department of State Police	\$ 117.1	12.4%	74.7%
4	Department of Public Safety Standards and Training	\$ 57.8	6.1%	80.8%
5	Department of Corrections	\$ 45.0	4.8%	85.6%
6	Judicial Department	\$ 43.7	4.6%	90.2%
7	Department of the State Fire Marshall	\$ 32.7	3.5%	93.7%
8	Oregon Military Department	\$ 20.2	2.1%	95.9%
9	Public Defense Services Commission	\$ 17.9	1.9%	97.8%
10	Criminal Justice Commission	\$ 13.4	1.4%	99.2%
11	Oregon Youth Authority	\$ 7.7	0.8%	100.0%
12	Board of Parole and Post-Prison Supervision	\$ 0.01	0.001%	100.0%
	Total	\$ 941.6	100.0%	

Public Safety Subcommittee – Federal Funds

#	2023-25 Current Service Level	Federal Funds (in millions)	% Total	Accumulative
1	Department of Emergency Management	\$ 1,048.4	73.0%	73.0%
2	Department of Justice	\$ 169.1	11.8%	84.8%
3	Oregon Military Department	\$ 142.3	9.9%	94.7%
4	Oregon Youth Authority	\$ 37.9	2.6%	97.3%
5	Department of State Police	\$ 13.9	1.0%	98.3%
6	Criminal Justice Commission	\$ 9.3	0.6%	99.0%
7	Department of Public Safety Standards and Training	\$ 7.6	0.5%	99.5%
8	Department of Corrections	\$ 5.2	0.4%	99.8%
9	Judicial Department	\$ 1.6	0.1%	100.0%
10	Department of the State Fire Marshall	\$ 0.6	0.04%	100.0%
	Total	\$ 1,435.9	100.0%	

2023-25 Current Service Level Budget by Budget Category

Total Funds = \$6.7 Billion



Public Safety Subcommittee – Authorized Positions/FTE

#	2023-25 Current Service Level	Authorized Positions	FTE	% Total	Accumulative
1	Department of Corrections	4,760	4,673.39	41.0%	41.0%
2	Judicial Department	1,956	1,925.01	16.9%	57.9%
3	Department of Justice	1,470	1,460.21	12.7%	70.5%
4	Department of State Police	1,341	1,340.00	11.6%	82.1%
5	Oregon Youth Authority	1,003	974.88	8.6%	90.7%
6	Oregon Military Department	487	438.30	4.2%	94.9%
7	Department of Public Safety Standards and Training	160	158.75	1.4%	96.3%
8	Department of the State Fire Marshall	141	141.00	1.2%	97.5%
9	Public Defense Services Commission	104	103.80	0.9%	98.4%
10	Department of Emergency Management	94	94.00	0.8%	99.2%
11	District Attorneys	36	36.00	0.3%	99.5%
12	Board of Parole and Post-Prison Supervision	28	28.00	0.2%	99.8%
13	Criminal Justice Commission	25	24.50	0.2%	99.99%
14	Commission on Judicial Fitness and Disability	1	0.50	0.01%	100.0%
	Total	11,606	11,398.34	100.0%	

Revenue Generation

- The collections of court ordered fines, fees and restitution is an integral component of the justice process.

Some agencies within the Public Safety Subcommittee generate revenue for deposit into the state's General Fund, other statutory accounts, or for distribution to victims of crime, cities, and counties, among others.

The Judicial Department collects civil filing fees and revenue from court imposed monetary obligations in criminal proceedings. The Department also collects crime victim restitution payments.

Court debt is created when a defendant is unable to pay amounts ordered at final judgment. By statute, money judgment remedies for criminal cases expire 50 years after the entry of judgment when restitution is ordered, and 20 years when no restitution is ordered.

The collectability of delinquent debt is complicated because the debt may be owed by people who have limited ability to pay. This is because they may be incarcerated or have multiple outstanding money judgments with large amounts owed (restitution), or for delinquent debtors released from incarceration, less likely to be gainfully employed, which impacts their ability to repay their debt.

In the Executive Branch, the Department of Justice generates revenues through the enforcement of the Unlawful Trade Practice Act, False Claims Act, Antitrust Act, or general civil recoveries.

Criminal Fines Account

- The Criminal Fines Account or CFA (pronounced “kaf-a”) funds select components of the criminal justice system across nine agencies and twenty programs.

CFA revenue is from court-imposed monetary obligations in criminal proceedings collected by state circuit courts, Justice or county-based courts, and local municipal or city courts.

Moneys are allocated from CFA to eligible state agencies based on statutory/Oregon Law priorities with the unallocated balance distributed to the General Fund.

An allocation from CFA requires two-types of measures: (a) Capital Construction Subcommittee - omnibus allocation measure (i.e., revenue to agencies); (b) Public Safety Subcommittee - Other Funds expenditure limitation within an agency’s primary budget measure (i.e., authority to expend allocation).

Agencies retain any unexpended CFA funding as an ending balance, which are evaluated as part of the budget process.

Key takeaway: CFA is fungible with General Fund.

System Partners – Local, State, Federal, and Other Entities

Local: Public Safety Answering Points, local law enforcement agencies, local jails, District Attorney offices, municipal and justice courts, county pre-trial programs, county parole and probation agencies, county juvenile departments, county mental health and substance abuse programs, mediation and conciliation programs, county law libraries, and county operations/construction programs, veteran services, crisis intervention, community colleges, among others.

State: Departments of Human Services, Oregon Health Authority, Education, Forestry, Transportation, Veterans Affairs, and Housing, among others.

Federal: federal agencies, such as the Departments of Justice, Homeland Security/Federal Emergency Management Agency, Defense/National Guard Bureau, Health & Human Services, and federal courts, among others.

Quasi/Non-Governmental Entities: Oregon State Bar Association/Legal Aid Services; Oregon Law Commission; Court Appointed Special Advocates, nonprofits/consortia/private law firms/individual attorneys public defense providers, among others.

Conduit or Pass-Through Funding

PUBLIC SAFETY PROGRAM AREA

- Major types of pass-through funding include justice reinvestment grants, victim assistance programs, payments to victims of crime, child abuse prevention and investigations, child support, illegal marijuana market enforcement, specialty courts, community-based supervision, emergency communications, and disaster prevention and recovery, among others.

JUDICIAL BRANCH PROGRAM AREA

- Pass-through funding also includes investments in county courthouse facilities and state matching funds for the Oregon Courthouse Capital Construction and Improvement Fund that is used to assist counties in replacing unsafe county-owned courthouse facilities housing the state's circuit courts.

Major Budget Issues – Legal/ Substantive

- Statutory changes in adult and juvenile criminal laws and new federal and state mandates.
- SB 1510 (2022) extended sunset for the Justice Reinvestment Program, sentencing reductions, limitations, and reentry courts to July 1, 2024.
- Federal and state court decisions (e.g., United States Supreme Court's decision in *Ramos v. Louisiana* and Oregon Supreme Court decision in *Watkins v. Ackley*).
- Ballot measures, including legal challenges, statutory codification, and implementation (e.g., BM 114, 2022).
- Executive Orders (e.g., commutation of the sentences for individuals on death row to life imprisonment without the possibility of parole).
- Litigation (e.g., state habeas petitions arising from the COVID-19 Pandemic; wrongful convictions [SB 1584, 2022], etc.).
- Indigent Defense – Three Branch Workgroup/House and Senate Committees on Judiciary.

Budget Issue Domains

Case Management – changing adult and juvenile caseloads and forecasts due to transitioning from COVID-19 pandemic; clearing pandemic backlogs; changing case-types; increased case complexities (e.g., clients with acute behavior health issues; electronic discovery; body camera footage, etc.); pre-trial release programs; more challenging incarcerations/adjudications; interrelated or ancillary impacts from other program area initiatives and investments (e.g., behavior health, treatment, housing); local staffing and funding levels; support and funding for victims of crime; self-represented litigants; reformation efforts; levels of recidivism.

Budget Issue Domains - Continued

Human Resource Management – workforce shortages; reduced ability to recruit, hire, and retain employees; retirements; employee and provider compensation; vacancy factors; mandatory overtime requirements; employee safety and stress; 24/7 operations and staffing; sufficiency and training administrative staff; demand for state and local law enforcement training; among others.

Operational Management – increasing programmatic complexities; implementation of new programs or mandates; phasing out of one-time programs and initiatives; ongoing maintenance of existing programs; more complex legal environment; increasing demand for services (e.g., law enforcement officer training; forensic laboratory services; etc.); state assistance to local law enforcement; and virtual operations; among others.

Organizational Change Management – turnover rates in agency leadership and key staff; operationalizing of two new state agencies; needed changes to the public defense system and agency; among others.

Budget Issue Domains - Continued

Budget Management – Inflationary pressures on budgeted expenditures, including, but not limited to, utilities, medical care of offenders (rising medical/dental costs); drug costs, contractor costs, vehicles, equipment, ammunition, etc.; adequacy of pass-through payments; cost of daily care for offenders (clothing, supplies, food, bedding, paper products); coordination between agency of programmatic investments; reductions in federal stimulus funding; Other Funds revenue shortfalls; economic uncertainty; among others.

Financial Management – financial accountability for state expenditures, including contracts and various other state payments, timely collections, and eligibility determinations; among others.

Information Technology Management – continued demand for modernizing and developing applications, accurate data, and data dashboards; thorough planning, risk management, and oversight of information technology initiatives and investments; and coordinated investments; among others.

Budget Issue Domains - Continued

Extraordinary Events/Emergency Management – emergency preparedness/response to extraordinary/catastrophic events (e.g., wildfires, conflagrations, State Active-Duty activations; national guard deployments; unrepresented defendant/persons crisis); among others.

Facilities Management - Deferred maintenance, capital improvement, and capital construction (prisons, youth correctional facilities, military facilities, including National Guard readiness centers, new headquarters for ODEM and DFSM, and circuit courthouse renovations and replacements); among others.

Performance Management – meaningful and consistent Key Performance Measures and internal performance measures across the public safety system; among others.

Major Budget Issues – Capital Budgeting

SUBCOMMITTEE ON PUBLIC SAFETY

- Deferred maintenance
- Capital Improvement
- Court security

SUBCOMMITTEE ON CAPITAL CONSTRUCTION

- Capital Construction projects and six-year expenditure limitation
- State-owned facilities (e.g., DOC, OSP; DPSST; ODEM; OYA)
- County-owned facilities (e.g., county circuit courts) and state matching funds under the Oregon Courthouse Capital Construction and Improvement Fund
- Bonding authorization – for both construction and information technology projects

Next Step -Budget Primer for Informational/ Public Hearings

- Review materials posted to Oregon Legislative Information System (OLIS)
- Focus on agency operations, budget drivers, staffing, and performance metrics rather than new budget requests
- Identify the intersection between agency operations and the agency's current law budget and identify interdependencies with other agencies or entities
- Focus on understanding revenue and the sources of Other Funds and Federal Funds, including any matching funds requirements
- Evaluate administrative costs and how such costs are split between fund-types
- Evaluate agency responsiveness to prior legislative direction, investments, and audits findings
- Note for the subcommittee co-chairs issues or programs that require more in-depth follow-up.

LFO Public Safety Agency assignments

John Borden, 503.986.1842

Public Safety Subcommittee Coordinator

- Department of Justice
- District Attorneys and Their Deputies
- Oregon Judicial Department
- Public Defense Services Commission
- Commission on Judicial Fitness and Disability

April McDonald, 503.986.1844

- Department of the State Fire Marshal

John Terpening, 503-986-1824

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

Tim Walker, 503-986-1832

- Board of Parole and Post-Prison Supervision

Questions?

LFO Contact Information

- Phone: 503-986-1828
- Location: Capitol Building, Room H-178

Additional Resources

- LFO Homepage: <https://www.oregonlegislature.gov/lfo>
- Budget Analyses and Briefs: <https://www.oregonlegislature.gov/lfo/Pages/Publications.aspx>
- Ways and Means Documents : <https://www.oregonlegislature.gov/lfo/Pages/JointWaysMeans.aspx>
- Emergency Board Summaries: <https://www.oregonlegislature.gov/lfo/Pages/EmergencyBoard.aspx>

Thank you.

