

Legislative Fiscal Office

Oregon State Capitol
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Joint Committee on Ways and Means

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To: Transportation and Economic Development Subcommittee

From: Ben Ruef, Legislative Fiscal Office

Date: May 10, 2023

Subject: HB 5010 – Department of Consumer and Business Services
Work Session Recommendations

Consumer and Business Services - Agency Totals

	2019-21 Actual	2021-23 Legislatively Approved	2023-25 Current Service Level	2023-25 LFO Recommended
General Fund	1,268,561	12,557,108	77,976	--
Other Funds	352,316,992	391,677,192	304,600,426	417,769,756
Other Funds (NL)	161,972,803	173,819,907	186,012,644	186,012,644
Federal Funds	112,256,327	126,930,616	14,981,339	135,295,472
Total Funds	627,814,683	704,984,823	505,672,385	739,077,872
Positions	957	952	950	966
FTE	949.73	941.15	948.00	961.57

The Legislative Fiscal Office recommends a 2023-25 total funds budget of \$739,077,872 and 966 positions (961.57 FTE) for the Department of Consumer and Business Services. The recommended budget is a 4.8% increase from the 2021-23 legislatively approved budget and a 46.2% increase from the current service level.

The \$233,405,487 or 46.2% increase in the current service level is primarily due to the reintroduction of the Oregon Reinsurance Program (ORP) budget in policy option package 102. This program budget was removed from the current service level during the biennial budgeting process. The package now includes an expenditure limitation of \$120,075,414 in Federal Funds and \$101,844,586 in Other Funds, which will be used to make payments to insurers operating in Oregon's individual market via the ORP.

The recommended agency budget includes 19 additional packages contributing to a total funds budget increase of \$11,485,487 and 16 positions (13.57 FTE) from the current service level. See attached LFO102 report for details.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

Note: Statewide adjustments and six-year capital construction expenditures are not included in these recommendations. Any needed adjustments will be made in end of session bills.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5010. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5010, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2023-25 Key Performance Measures.”

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation on Key Performance Measures, with modifications. (VOTE)

Recommended Changes

LFO recommends a budget of \$417,769,756 Other Funds, \$135,295,472 Federal Funds, and 966 positions (961.57 FTE), which is reflected in the –1 amendment.

MOTION: I move adoption of the –1 amendment to HB 5010. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5010, as amended by the –1 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5010, as amended, to the Full Committee with a do pass recommendation. (VOTE)

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)
2021-23 Agy. Leg. Adopted	12,464,196	-	382,343,491	118,285,014	172,013,483	-	685,106,184	950	941.15
2021-23 Ebds, SS & Admin Act	92,912	-	9,333,701	8,645,602	1,806,424	-	19,878,639	2	0.50
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	12,557,108	-	391,677,192	126,930,616	173,819,907	-	704,984,823	952	941.65
2021-23 Leg Approved Budget (Base)	12,557,108	-	390,652,315	121,930,616	172,013,483	-	697,153,522	950	941.15
Summary of Base Adjustments	880,225	-	12,256,296	201,302	13,999,161	-	27,336,984	1	7.85
2023-25 Base Budget	13,437,333	-	402,908,611	122,131,918	186,012,644	-	724,490,506	951	949.00
010: Non-PICS Pers Svc/Vacancy Factor	85,729	-	(637,562)	(159,537)	-	-	(711,370)	-	-
020: Phase In / Out Pgm & One-time Cost	(10,703,917)	-	(105,956,762)	(106,998,983)	-	-	(223,659,662)	(1)	(1.00)
030: Inflation & Price List Adjustments	84,982	-	5,459,988	7,941	-	-	5,552,911	-	-
050: Fundshifts and Revenue Reductions	(2,826,151)	-	2,826,151	-	-	-	-	-	-
2023-25 Current Service Level	77,976	-	304,600,426	14,981,339	186,012,644	-	505,672,385	950	948.00
070: Revenue Reductions/Shortfall	-	-	(2,896,565)	(32,957)	-	-	(2,929,522)	(8)	(8.00)
Adjusted 2023-25 Current Service Level	77,976	-	301,703,861	14,948,382	186,012,644	-	502,742,863	942	940.00
Total LFO Recommended Packages	(77,976)	-	116,065,895	120,347,090	-	-	236,335,009	24	21.57
2023-25 Legislative Actions	-	-	417,769,756	135,295,472	186,012,644	-	739,077,872	966	961.57
Net change from 2021-23 Leg Approved Budget	(12,557,108)	-	26,092,564	8,364,856	12,192,737	-	34,093,049	14	19.92
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	6.7%	6.6%	7.0%	0.0%	4.8%	1.5%	2.1%
Net change from 2023-25 Adj Current Service Level	(77,976)	-	116,065,895	120,347,090	-	-	236,335,009	24	21.57
Percent change from 2023-25 Adj Current Service Level	(100.0%)	0.0%	38.5%	805.1%	0.0%	0.0%	47.0%	2.6%	2.3%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2021-23 Agy. Leg. Adopted	-	-	-	-	800,000	-	800,000	-	-
2021-23 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	-	-	800,000	-	800,000	-	-
2021-23 Leg Approved Budget (Base)	-	-	-	-	800,000	-	800,000	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2023-25 Base Budget	-	-	-	-	800,000	-	800,000	-	-
2023-25 Current Service Level	-	-	-	-	800,000	-	800,000	-	-
Adjusted 2023-25 Current Service Level	-	-	-	-	800,000	-	800,000	-	-
2023-25 Legislative Actions	-	-	-	-	800,000	-	800,000	-	-
Net change from 2021-23 Leg Approved Budget	-	-	-	-	-	-	-	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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)
2021-23 Agy. Leg. Adopted	-	-	-	-	164,512,434	-	164,512,434	-	-
2021-23 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	-	-	164,512,434	-	164,512,434	-	-
2021-23 Leg Approved Budget (Base)	-	-	-	-	164,512,434	-	164,512,434	-	-
Summary of Base Adjustments	-	-	-	-	16,400,000	-	16,400,000	-	-
2023-25 Base Budget	-	-	-	-	180,912,434	-	180,912,434	-	-
2023-25 Current Service Level	-	-	-	-	180,912,434	-	180,912,434	-	-
Adjusted 2023-25 Current Service Level	-	-	-	-	180,912,434	-	180,912,434	-	-
2023-25 Legislative Actions	-	-	-	-	180,912,434	-	180,912,434	-	-
Net change from 2021-23 Leg Approved Budget	-	-	-	-	16,400,000	-	16,400,000	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	0.0%	0.0%	10.0%	0.0%	10.0%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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)
2021-23 Agy. Leg. Adopted	-	-	28,151,706	-	-	-	28,151,706	79	79.00
2021-23 Ebds, SS & Admin Act	-	-	787,156	-	-	-	787,156	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	28,938,862	-	-	-	28,938,862	79	79.00
2021-23 Leg Approved Budget (Base)	-	-	28,938,862	-	-	-	28,938,862	79	79.00
Summary of Base Adjustments	-	-	1,143,696	-	-	-	1,143,696	-	-
2023-25 Base Budget	-	-	30,082,558	-	-	-	30,082,558	79	79.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(97,536)	-	-	-	(97,536)	-	-
030: Inflation & Price List Adjustments	-	-	423,215	-	-	-	423,215	-	-
060: Technical Adjustments	-	-	(707,440)	-	-	-	(707,440)	-	-
2023-25 Current Service Level	-	-	29,700,797	-	-	-	29,700,797	79	79.00
Adjusted 2023-25 Current Service Level	-	-	29,700,797	-	-	-	29,700,797	79	79.00
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2023-25 Legislative Actions	-	-	29,700,797	-	-	-	29,700,797	79	79.00
Net change from 2021-23 Leg Approved Budget	-	-	761,935	-	-	-	761,935	-	-
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	2.6%	0.0%	0.0%
Net change from 2023-25 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	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)
2021-23 Agy. Leg. Adopted	-	-	48,809,855	-	4,062,034	-	52,871,889	181	179.50
2021-23 Ebds, SS & Admin Act	-	-	2,481,849	-	-	-	2,481,849	1	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	51,291,704	-	4,062,034	-	55,353,738	182	179.50
2021-23 Leg Approved Budget (Base)	-	-	50,266,827	-	4,062,034	-	54,328,861	181	179.50
Summary of Base Adjustments	-	-	1,700,447	-	(4,062,034)	-	(2,361,587)	(1)	0.50
2023-25 Base Budget	-	-	51,967,274	-	-	-	51,967,274	180	180.00
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(374,071)	-	-	-	(374,071)	-	-
030: Inflation & Price List Adjustments	-	-	986,006	-	-	-	986,006	-	-
060: Technical Adjustments	-	-	150,977	-	-	-	150,977	-	-
2023-25 Current Service Level	-	-	52,730,186	-	-	-	52,730,186	180	180.00
Adjusted 2023-25 Current Service Level	-	-	52,730,186	-	-	-	52,730,186	180	180.00
Total LFO Recommended Packages	-	-	6,448,451	-	-	-	6,448,451	2	2.00
2023-25 Legislative Actions	-	-	59,178,637	-	-	-	59,178,637	182	182.00
Net change from 2021-23 Leg Approved Budget	-	-	7,886,933	-	(4,062,034)	-	3,824,899	-	2.50
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	15.4%	0.0%	(100.0%)	0.0%	6.9%	0.0%	1.4%
Net change from 2023-25 Adj Current Service Level	-	-	6,448,451	-	-	-	6,448,451	2	2.00
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	12.2%	0.0%	0.0%	0.0%	12.2%	1.1%	1.1%

	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 101 Workers' Compensation Modernization

Package Description This package requested \$32.7 million Other Funds and 2 positions (2.00 FTE) for the Workers' Compensation Modernization project to stand up a core IT operating system for the division. The program plans to engage in an RFP process for the first half of 2023-25 and begin implementing the project with the selected vendor in Summer 2024. Estimated project costs include \$18 million for software configuration, \$5 million for hardware, \$4.4 million for contracted project management, business analyst, and systems analyst positions, \$3.5 million for software licensing and annual maintenance costs, \$1.1 million for quality management services, and \$0.1 million for Attorney General charges. The package also requests two permanent full-time Operations and Policy Analyst 3 positions and \$0.5 million Other Funds to serve as internal project manager and change management analyst within the division.

By request of the agency, this package was reduced to \$6.4 million Other Funds and 2 positions (2.00 FTE). Estimated planning and procurement costs are included in the package but amounts for software licensing, quality assurance, hardware, project management, and business analysis will be deferred until DCBS can procure a vendor and gain additional clarity around the expected cost of the project in 2023-25.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	6,448,451	-	-	-	6,448,451	2	2.00
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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)
2021-23 Agy. Leg. Adopted	-	-	50,245,491	13,457,541	-	-	63,703,032	205	203.50
2021-23 Ebds, SS & Admin Act	-	-	1,401,245	3,425,306	-	-	4,826,551	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	-	-	51,646,736	16,882,847	-	-	68,529,583	205	203.50
2021-23 Leg Approved Budget (Base)	-	-	51,646,736	16,882,847	-	-	68,529,583	205	203.50
Summary of Base Adjustments	-	-	1,655,628	415,125	-	-	2,070,753	-	-
2023-25 Base Budget	-	-	53,302,364	17,297,972	-	-	70,600,336	205	203.50
010: Non-PICS Pers Svc/Vacancy Factor	-	-	(30,046)	(154,054)	-	-	(184,100)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	-	(2,587,400)	-	-	(2,587,400)	-	-
030: Inflation & Price List Adjustments	-	-	1,139,504	-	-	-	1,139,504	-	-
060: Technical Adjustments	-	-	(322,323)	-	-	-	(322,323)	-	-
2023-25 Current Service Level	-	-	54,089,499	14,556,518	-	-	68,646,017	205	203.50
Adjusted 2023-25 Current Service Level	-	-	54,089,499	14,556,518	-	-	68,646,017	205	203.50
Total LFO Recommended Packages	-	-	1,442,933	-	-	-	1,442,933	-	0.38
2023-25 Legislative Actions	-	-	55,532,432	14,556,518	-	-	70,088,950	205	203.88
Net change from 2021-23 Leg Approved Budget	-	-	3,885,696	(2,326,329)	-	-	1,559,367	-	0.38
Percent change from 2021-23 Leg Approved Budget	0.0%	0.0%	7.5%	(13.8%)	0.0%	0.0%	2.3%	0.0%	0.2%
Net change from 2023-25 Adj Current Service Level	-	-	1,442,933	-	-	-	1,442,933	-	0.38
Percent change from 2023-25 Adj Current Service Level	0.0%	0.0%	2.7%	0.0%	0.0%	0.0%	2.1%	0.0%	0.2%

	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 108 Community Engagement

Package Description This package provides \$665,074 in Other Funds expenditure limitation and one position (0.88 FTE) for Oregon OSHA to establish a community engagement coordinator to implement community engagement initiatives to better support underserved workers. This includes funding for one permanent full-time Operations and Policy Analyst 3 position as well as additional funding for translations, media materials, and position-related services and supplies. Funding for this package will come from the Worker's Compensation Premium Assessment, increasing the rate from its current rate of 9.8 percent by less than 0.04 percentage points, everything else being equal.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	665,074	-	-	-	665,074	1	0.88
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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 118 Occupational Safety and Health Lab

Package Description This package requests \$939,453 in Other Funds expenditure limitation to pay for moving costs and increased rent needed to move Oregon OSHA’s occupational safety and health land from Southeast Portland to a new DAS-owned facility in Wilsonville. The Oregon OSHA program will share the new space with the Oregon Department of Agriculture and the Oregon Health Authority. The package was modified to provide a reduced amount of \$799,891 Other Funds, which reflects a move date of October 1, 2023 and takes into account the existing budget DCBS for rent for its current facility. Included within that amount is \$147,916 in one-time costs related to the move between facilities.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	799,891	-	-	-	799,891	-	-
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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 802 Vacant Position Reductions

Package Description As part of an agency-wide permanent finance plan, three positions are being reclassified upwards and one position is being abolished for a budgetary impact of (\$22,032) in Other Funds expenditures. The change impacts four positions in total and each of the reclassification requests were reviewed and approved by the Department of Administrative Services, Chief Human Resources Office. The abolishment of one position helps fund the request to reclassify the agency needs. Reclassifies three Office Specialist 2 positions to Administrative Specialist 1 and abolishes one Office Specialist 2 position (-0.50 FTE).

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(22,032)	-	-	-	(22,032)	(1)	(0.50)
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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)
2021-23 Agy. Leg. Adopted	164,243	-	50,712,875	356,604	1,944,104	-	53,177,826	166	163.81
2021-23 Ebds, SS & Admin Act	20,043	-	1,755,940	7,325	1,806,424	-	3,589,732	-	1.00
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	184,286	-	52,468,815	363,929	3,750,528	-	56,767,558	166	164.81
2021-23 Leg Approved Budget (Base)	184,286	-	52,468,815	363,929	1,944,104	-	54,961,134	166	163.81
Summary of Base Adjustments	306,082	-	1,763,052	(5,207)	1,661,195	-	3,725,122	1	2.69
2023-25 Base Budget	490,368	-	54,231,867	358,722	3,605,299	-	58,686,256	167	166.50
010: Non-PICS Pers Svc/Vacancy Factor	18,542	-	(210,411)	(1,128)	-	-	(192,997)	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	5,864	-	-	-	5,864	-	-
030: Inflation & Price List Adjustments	1,584	-	912,750	3,152	-	-	917,486	-	-
050: Fundshifts and Revenue Reductions	(493,842)	-	493,842	-	-	-	-	-	-
060: Technical Adjustments	-	-	1,164,798	-	-	-	1,164,798	-	-
2023-25 Current Service Level	16,652	-	56,598,710	360,746	3,605,299	-	60,581,407	167	166.50
070: Revenue Reductions/Shortfall	-	-	(510,494)	-	-	-	(510,494)	(2)	(2.00)
Adjusted 2023-25 Current Service Level	16,652	-	56,088,216	360,746	3,605,299	-	60,070,913	165	164.50
Total LFO Recommended Packages	(16,652)	-	3,655,885	-	-	-	3,639,233	15	13.03
2023-25 Legislative Actions	-	-	59,744,101	360,746	3,605,299	-	63,710,146	180	177.53
Net change from 2021-23 Leg Approved Budget	(184,286)	-	7,275,286	(3,183)	(145,229)	-	6,942,588	14	12.72
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	13.9%	(0.9%)	(3.9%)	0.0%	12.2%	8.4%	7.7%
Net change from 2023-25 Adj Current Service Level	(16,652)	-	3,655,885	-	-	-	3,639,233	15	13.03
Percent change from 2023-25 Adj Current Service Level	(100.0%)	0.0%	6.5%	0.0%	0.0%	0.0%	6.1%	9.1%	7.9%

	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 070 Revenue Shortfalls

Package Description This package reduces Other Funds expenditure limitation by \$510,494 and two permanent full-time positions (2.00 FTE) in the Central Services Division due to fees to pay for the administrative support needed for the operations of the Prescription Drug Affordability Board not having been established yet. The program was started in 2021-23 using one-time General Fund support; funding was shifted to Other Funds during the development of 2023-25 Current Service Level.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(510,494)	-	-	-	(510,494)	(2)	(2.00)
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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 fund shifts \$16,652 in General Fund in Pension Obligation Bond costs to Other Funds to address budgeted expenditures inadvertently left over after the development of Current Service Level.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	(16,652)	-	16,652	-	-	-	-	-	-
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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 101 Workers' Compensation Modernization

Package Description This package requests \$128,530 in Other Funds expenditure limitation and one permanent full-time Information Systems Specialist position (0.50 FTE) for the Central Service Division to serve as a tester for the implementation of the division's core information system project, the Workers' Compensation Modernization project.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	128,530	-	-	-	128,530	1	0.50
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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 106 Prescription Drug Affordability Board

Package Description This package provides \$498,947 in Other Funds expenditure limitation and two permanent full-time positions (2.00 FTE) to build and support the technology platform needed to support the Prescription Drug Affordability Board established by Senate Bill 844 (2021). Funding for the package in 2023-25 will come from a combination of internal borrowing and fees which are yet to be proposed. The package is expected to be fully funded with fee revenue by the 2025-27 biennium.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	498,947	-	-	-	498,947	2	2.00
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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 109 Agency-wide IT Service Desk

Package Description This package adds \$489,368 in Other Funds expenditure limitation and two permanent full-time positions (2.00 FTE) for the division's IT service desk to address the increased volume and complexity of calls received as a result of the shift to remote and hybrid work, to ensure conference room technology is adequately supported, and to address needs in the Central Service Division to support the desktop IT needs of employees in office settings.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	489,368	-	-	-	489,368	2	2.00
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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 110 Agency-wide IT Internal Security

Package Description This package provides \$821,959 and four positions (3.01 FTE) to establish an internal Information Security unit within DCBS. The program lost 2 positions (1.50 FTE) with the consolidation of enterprise information security through the passage of Senate Bill 90 (2017), but retains information security responsibilities under the service model adopted by Enterprise Information Services - Cyber Security Services. DCBS has managed those responsibilities using existing staff and a risk-based approach to cybersecurity, but a recent Secretary of State standards-based audit found numerous areas of concern. These positions will ensure DCBS can achieve the Center for Internet Security version 8.0 cybersecurity controls on which the department will be audited in the future.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	821,959	-	-	-	821,959	4	3.01
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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 112 Agencywide Financial Services

Package Description This package provides \$333,501 in Other Funds expenditure limitation and one Budget and Fiscal Manager 1 position (1.00 FTE) to address workload issues in the Financial Services section. This position will supervise five employees in the Budget and Policy unit and assist with budget development, the fiscal impact process, and budget execution.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	333,501	-	-	-	333,501	1	1.00
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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 114 Workers' Compensation Board IT Support

Package Description This package provides \$234,688 in Other Funds expenditure limitation and one permanent full-time position (0.88 FTE) to support the Workers' Compensation Boards requests for IT system upgrades and modifications. The division currently has a business analyst and a developer supporting its requests centrally, similar to most other DCBS programs.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	234,688	-	-	-	234,688	1	0.88
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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 115 Agency-wide Data Modernization

Package Description This package provides \$439,538 in Other Funds expenditure limitation and two permanent full-time positions (1.76 FTE) to expand the use of a recently purchased data analytics platform (Microsoft Power BI). The software has been purchased enterprise-wide and was implemented within the Workers' Compensation Division in 2021-23 to address the program's data and reporting needs; other divisions have requested to transition their analytics and data platforms to Power BI as well.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	439,538	-	-	-	439,538	2	1.76
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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 116 Information Technology & Research Workload

Package Description This package provides \$284,184 in Other Funds expenditure limitation and one permanent full-time position (1.00 FTE) to expand the use of its IT Service Management program to take over work currently tracked in spreadsheets or in disparate tracking systems. The new software was implemented in 2019 to consolidate the tracking of IT service requests. The package also requests to establish two team lead differentials within the Service Desk in order to relieve the burden of a high supervisor to employee ratio in the unit.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	284,184	-	-	-	284,184	1	1.00
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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 117 Agency-wide IT Training

Package Description This package provides \$214,783 in Other Funds expenditure limitation and one permanent full-time position (0.88 FTE) to serve as a training resource for its IT developers to ensure their ongoing training in safe coding practices as well as to provide training to staff on new features available in Microsoft 365.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	214,783	-	-	-	214,783	1	0.88
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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 802 Vacant Position Reductions

Package Description This package abolishes a long-term vacant Administrative Specialist 1 position and implements and agency-wide permanent finance plan for an net increase of \$193,735 Other Funds.

For the Central Services Division, the permanent finance plan reclassifies six positions upward and establishes one additional position. The change impacts seven positions in total and each of the reclassification requests were reviewed and approved by the Department of Administrative Services, Chief Human Resources Office. The establishment of one position helps address the agency’s needs.

- Reclassifies a Human Resource Analyst 3 to an Operations & Policy Analyst 3
- Reclassifies an Administrative Specialist 1 to an Administrative Specialist 2
- Reclassifies an Applications Systems Manager to an Information Technology Application Development Manager 2
- Reclassifies an Administrative Specialist 2 to a Human Resource Analyst 1
- Reclassifies a Human Resource Analyst 1 to a Human Resource Analyst 2
- Reclassifies an Operations & Policy Analyst 1 to an Operations & Policy Analyst 3
- Establishes a Human Resource Analyst 2 position, 1.00 FTE

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	193,735	-	-	-	193,735	-	-
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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)
2021-23 Agy. Leg. Adopted	1,621,949	-	160,254,698	104,441,874	694,911	-	267,013,432	184	180.34
2021-23 Ebds, SS & Admin Act	57,425	-	2,088,217	5,000,000	-	-	7,145,642	1	(0.50)
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	1,679,374	-	162,342,915	109,441,874	694,911	-	274,159,074	185	179.84
2021-23 Leg Approved Budget (Base)	1,679,374	-	162,342,915	104,441,874	694,911	-	269,159,074	184	180.34
Summary of Base Adjustments	563,674	-	3,365,172	-	-	-	3,928,846	1	4.66
2023-25 Base Budget	2,243,048	-	165,708,087	104,441,874	694,911	-	273,087,920	185	185.00
010: Non-PICS Pers Svc/Vacancy Factor	57,509	-	(23,221)	-	-	-	34,288	-	-
020: Phase In / Out Pgm & One-time Cost	-	-	(105,641,101)	(104,411,583)	-	-	(210,052,684)	-	-
030: Inflation & Price List Adjustments	83,398	-	1,157,852	2,666	-	-	1,243,916	-	-
050: Fundshifts and Revenue Reductions	(2,332,309)	-	2,332,309	-	-	-	-	-	-
060: Technical Adjustments	-	-	1,031,490	-	-	-	1,031,490	-	-
2023-25 Current Service Level	51,646	-	64,565,416	32,957	694,911	-	65,344,930	185	185.00
070: Revenue Reductions/Shortfall	-	-	(2,386,071)	(32,957)	-	-	(2,419,028)	(6)	(6.00)
Adjusted 2023-25 Current Service Level	51,646	-	62,179,345	-	694,911	-	62,925,902	179	179.00
Total LFO Recommended Packages	(51,646)	-	105,390,369	120,075,414	-	-	225,414,137	10	9.16
2023-25 Legislative Actions	-	-	167,569,714	120,075,414	694,911	-	288,340,039	189	188.16
Net change from 2021-23 Leg Approved Budget	(1,679,374)	-	5,226,799	10,633,540	-	-	14,180,965	4	8.32
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	3.2%	9.7%	0.0%	0.0%	5.2%	2.2%	4.6%
Net change from 2023-25 Adj Current Service Level	(51,646)	-	105,390,369	120,075,414	-	-	225,414,137	10	9.16
Percent change from 2023-25 Adj Current Service Level	(100.0%)	0.0%	169.5%	100.0%	0.0%	0.0%	358.2%	5.6%	5.1%

	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 070 Revenue Shortfalls

Package Description This package reduces Other Funds expenditure limitation by \$2,386,071 and six permanent full-time positions (6.00 FTE) in the Division of Financial Regulation due to fees to pay for the administrative support needed for the operations of the Prescription Drug Affordability Board not having been established yet. The program was started in 2021-23 using one-time General Fund support; funding was shifted to Other Funds during the development of 2023-25 Current Service Level. The package was modified to further reduce Other Funds by \$911,053 to account for budgeted amounts missed in the initial package submission. The package was further modified to reduce \$32,957 in Federal Funds expenditure limitation for Services and Supplies which is no longer needed due to the expiration of a federal grant.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(2,386,071)	(32,957)	-	-	(2,419,028)	(6)	(6.00)
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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 fund shifts \$51,646 General Fund in Pension Obligation Bond costs to Other Funds to address budgeted expenditures inadvertently left over after the development of Current Service Level.

The package also transfers an additional \$34.9 million of revenue from the Health Systems Fund to the Oregon Health Authority to reflect a change in the assumed sunset date for revenues paid into the fund, bringing the total transfer to \$584.3 million for the biennium.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	(51,646)	-	51,646	-	-	-	-	-	-
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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 102 Oregon Reinsurance Program

Package Description This package provides \$101,844,586 in Other Funds expenditure limitation and \$120,075,414 in Federal Funds expenditure limitation to make payments to insurers operating in Oregon’s individual market through the Oregon Reinsurance Program. ORP is designed to reduce insurer rates in the individual market by a net 6.0 percent below what they otherwise would be; it works by reimbursing insurers at a rate of 50 percent of the cost of individual claims between approximately \$90,000 and \$1 million. Insurer rates are reduced during the annual rate setting process (usually in the fall of the prior year) but ORP payments are not made until after the plan year ends and claims can be reviewed, usually in the fall of the subsequent year. DCBS’ 2023-25 request is to make reinsurance payments for plan years 2022 and 2023.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	101,844,586	120,075,414	-	-	221,920,000	-	-
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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 103 Information Systems Examiners

Package Description This package adds \$262,175 in Other Funds expenditure limitation and one permanent full-time position (0.88 FTE) to address increased review requirements for insurers' information systems. National accreditation bodies for state insurance programs require a higher level of staff credential and more in-depth exams as a result of changes in the industry. DCBS anticipates insurer support for this proposal, as maintaining DCBS' national accreditation allows Oregon insurers to operate nationally. Funding for this package comes from DCBS' annual insurer assessment, the rate of which is set annually in rule by the department.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	262,175	-	-	-	262,175	1	0.88
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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 104 Non-Depository Licensing

Package Description This package adds \$410,036 in Other Funds expenditure limitation and two permanent full-time positions (1.76 FTE) to reduce currently elevated processing times for license applications, particularly in its mortgage loan originator program. DCBS anticipates industry support for the proposal, as it will ensure the applications can be approved in a timely fashion. Funding for this package comes a variety of fees and assessments charged to the regulated industry; current fee levels are sufficient to support the staff in question.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	410,036	-	-	-	410,036	2	1.76
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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 105 Insurance Institutions Section

Package Description This package adds \$252,607 in Other Funds expenditure limitation and one permanent full-time position (0.88 FTE) to review the work of staff who examine the numerous financial filings made annually by insurers. National accrediting bodies require a DCBS staff member to analyze each filing, after which each analysis must be reviewed by a manager or senior staff member within three weeks of the completion of the original analysis. The program has fallen short of this standard in recent years, potentially jeopardizing the program’s national accreditation. DCBS anticipates insurer support for this proposal, as maintaining DCBS’ national accreditation allows Oregon insurers to operate nationally. Funding for this package comes from DCBS’ annual insurer assessment, the rate of which is set annually in rule by the department.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	252,607	-	-	-	252,607	1	0.88
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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 106 Prescription Drug Affordability Board

Package Description This package requests \$2,471,178 in Other Funds expenditure limitation and six positions (6.00 FTE) to continue to build and support the platform needed to support the Prescription Drug Affordability Board established by Senate Bill 844 (2021). Funding for the package in 2023-25 will come from a combination of internal borrowing and fees which are yet to be proposed. The package is expected to be fully funded with fee revenue by the 2025-27 biennium.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	2,471,178	-	-	-	2,471,178	6	6.00
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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 107 Consumer Education Advocacy

Package Description This package provides \$695,825 in Other Funds expenditure limitation and 3 positions (2.64 FTE) to expand Division of Financial Regulation’s consumer education team, providing additional staff to handle complaints against insurers, one to respond to complaints against banks, credit unions and other financial institutions, and an additional manager to address a high supervisor to employee ratio. The package also provides financial sponsorships to community-based organizations who the program will partner with to do outreach and education events in the community, allowing the program to reach communities who are currently underserved. Funding for this package comes from a blend of the funding sources DFR uses to operate.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	695,825	-	-	-	695,825	3	2.64
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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 802 Vacant Position Reductions

Package Description This package abolishes a long-term vacant Insurance Examiner position (-1.00 FTE), a Financial Examiner 2 position (-1.00 FTE), and implements an agency-wide permanent finance plan with a net reduction of \$597,684 Other Funds and three positions (-3.00 FTE).

For the Division of Financial Regulation, the permanent finance plan abolishes one Financial Examiner 1 position (-1.00 FTE) to help fund the request to reclassify the agency needs.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(597,684)	-	-	-	(597,684)	(3)	(3.00)
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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)
2021-23 Agy. Leg. Adopted	10,678,004	-	43,639,212	28,995	-	-	54,346,211	135	135.00
2021-23 Ebds, SS & Admin Act	15,444	-	911,515	244,807	-	-	1,171,766	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2021-23 Leg Approved Budget	10,693,448	-	44,550,727	273,802	-	-	55,517,977	135	135.00
2021-23 Leg Approved Budget (Base)	10,693,448	-	44,550,727	273,802	-	-	55,517,977	135	135.00
Summary of Base Adjustments	10,469	-	2,613,254	(244,807)	-	-	2,378,916	-	-
2023-25 Base Budget	10,703,917	-	47,163,981	28,995	-	-	57,896,893	135	135.00
010: Non-PICS Pers Svc/Vacancy Factor	9,678	-	189,944	-	-	-	199,622	-	-
020: Phase In / Out Pgm & One-time Cost	(10,703,917)	-	-	-	-	-	(10,703,917)	(1)	(1.00)
030: Inflation & Price List Adjustments	-	-	840,661	2,123	-	-	842,784	-	-
060: Technical Adjustments	-	-	(1,278,768)	-	-	-	(1,278,768)	-	-
2023-25 Current Service Level	9,678	-	46,915,818	31,118	-	-	46,956,614	134	134.00
Adjusted 2023-25 Current Service Level	9,678	-	46,915,818	31,118	-	-	46,956,614	134	134.00
Total LFO Recommended Packages	(9,678)	-	(871,743)	271,676	-	-	(609,745)	(3)	(3.00)
2023-25 Legislative Actions	-	-	46,044,075	302,794	-	-	46,346,869	131	131.00
Net change from 2021-23 Leg Approved Budget	(10,693,448)	-	1,493,348	28,992	-	-	(9,171,108)	(4)	(4.00)
Percent change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	3.4%	10.6%	0.0%	0.0%	(16.5%)	(3.0%)	(3.0%)
Net change from 2023-25 Adj Current Service Level	(9,678)	-	(871,743)	271,676	-	-	(609,745)	(3)	(3.00)
Percent change from 2023-25 Adj Current Service Level	(100.0%)	0.0%	(1.9%)	873.1%	0.0%	0.0%	(1.3%)	(2.2%)	(2.2%)

	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 fund shifts \$9,678 General Fund in Pension Obligation Bond costs to Other Funds to address budgeted expenditures inadvertently left over after the development of Current Service Level.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	(9,678)	-	9,678	-	-	-	-	-	-
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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 package shifts the funding for an Operations & Policy Analyst 2 position in the Building Codes Division from Other Funds to Federal Funds.

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(271,676)	271,676	-	-	-	-	-
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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 802 Vacant Position Reductions

Package Description This package abolishes a long-term vacant Professional Engineer 2 position (-1.00 FTE), a Office Specialist 1 position (-1.00 FTE), and implements an agency-wide permanent finance plan for a net reduction of \$609,745 Other Funds and -3.00 FTE.

For the Building Codes Division, the permanent finance plan reclassifies one position and abolishes one position and helps fund the request to reclassify the agency needs for each of the reclassification requests reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

- Reclassifies a Plans Examiner - Residential to a Plans Examiner - Commercial & Residential
- Abolishes a Structural/Mechanical Inspector, Commercial Residential position, -1.00 FTE

LFO Recommendation The Legislative Fiscal Office recommends approval.

LFO Recommended	-	-	(609,745)	-	-	-	(609,745)	(3)	(3.00)
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Legislatively Proposed 2023 - 2025 Key Performance Measures

Published: 5/5/2023 1:06:50 PM

Agency: Department of Consumer and Business Services

Mission Statement:

To protect and serve Oregon's consumers and workers while supporting a positive business climate in the state.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2024	Target 2025
1. CUSTOMER RESPONSE TIME - Average elapsed time, in days, between a customer's initial contact with office and internal owner's communication of decision.		Approved	35	35	35
2. EFFECTIVE REGULATION - Percent of licensees receiving a satisfactory examination score.		Approved	97.20%	92%	92%
3. OCCUPATIONAL INJURY AND ILLNESS INCIDENCE RATES - Number of occupational injury and illness cases per 100 full-time workers.		Approved	3.80	3.60	3.50
4. TIMELY WORKER BENEFITS - Percent of injured workers who receive timely benefits from insurers.		Approved	90.40%	93%	93%
5. ACCURATE WORKER BENEFITS - Percent of injured workers who receive accurate benefits from insurers.		Approved	97.10%	95%	95%
6. RE-EMPLOYMENT OF INJURED WORKERS - Difference in percentage from workers with disabling injuries from those without disabling injuries.		Approved	93.50%	94%	94%
8. WORKERS' COMPENSATION COVERAGE - Number of claims against employers without workers' compensation coverage per 1,000 accepted disabling claims.		Approved	1.60	3	3
9. WORKERS' COMPENSATION INSURER PERFORMANCE - Percentage of workers' compensation insurers meeting standards for benefit delivery and reporting.		Approved	76%	85%	85%
10. UPHELD WORKERS' COMPENSATION DECISIONS - Percent of Workers' Compensation Board decisions affirmed on appeal to the Judiciary.		Approved	92.30%	90%	90%
11. PERMITS FOR MINOR CONSTRUCTION WORK - Number of building permits that can be used by contractors in multiple jurisdictions for minor construction work.		Approved	95,520	84,560	84,560
12. ON-TIME WORK - Percent of timelines for key department activities that are met.		Approved	89.10%	95%	95%
13. E-TRANSACTIONS FOR CUSTOMERS - Percent of customer transactions completed electronically.		Approved	65.30%	80%	80%
14. CUSTOMER SERVICE - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved	97.60%	95%	95%
	Availability of Information		96.80%	95%	95%
	Helpfulness		96.50%	95%	95%
	Overall		96.70%	95%	95%
	Accuracy		96.60%	95%	95%
	Timeliness		94.80%	95%	95%

LFO Recommendation:

The Legislative Fiscal Office recommends key performance measures and targets as presented with changes outlined below.

LFO recommends lowering the target in KPM #1, Customer Response Time, from 45 to 35 days due the actual performance data consistently coming in below target.

LFO recommends increasing the target in KPM #2, Effective Regulation, from 90% to 92% due the actual performance exceeding target five of the six previous years.

In KPM #3, Occupational Injury and Illness Incidence Rates, the fifteen-year trend is to reduce the target by 0.10 incidences per 100 full-time workers showing consistent improvement. The agency has met or beat this target for over fifteen years showing a vast improvement in workplace safety since 2000. LFO recommends the continuation of this practice with targets of 3.60 for 2024 and 3.50 for 2025.

LFO recommends increasing the target in KPM #11, Permits for Minor Construction Work, from 61,450 to 84,560 which is a four-year average of recent data.

LFO recommends increasing the targets in KPM #14, Customer Service, from 90% to 95% to align with actual performance figures.

SubCommittee Action: