

HB 5010 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Patrick Heath, Department of Administrative Services

Reviewed By: Ben Ruef, Legislative Fiscal Office

**Department of Consumer and Business Services
2023-25**

PRELIMINARY

Budget Summary*

	2021-23 Legislatively Approved Budget ⁽¹⁾	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
General Fund	\$ 12,557,108	\$ 77,976	\$ -	\$ (12,557,108)	(100.0%)
Other Funds Limited	\$ 391,677,192	\$ 304,600,426	\$ 417,769,756	\$ 26,092,564	6.7%
Other Funds Nonlimited	\$ 173,819,907	\$ 186,012,644	\$ 186,012,644	\$ 12,192,737	7.0%
Federal Funds Limited	\$ 126,930,616	\$ 14,981,339	\$ 135,295,472	\$ 8,364,856	6.6%
Total	\$ 704,984,823	\$ 505,672,385	\$ 739,077,872	\$ 34,093,049	4.8%

Position Summary

Authorized Positions	952	950	966	14
Full-time Equivalent (FTE) positions	941.65	948.00	961.57	19.92

⁽¹⁾ Includes adjustments through January 2023

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Department of Consumer and Business Services (DCBS) receives most of its revenue from almost 500 dedicated fees, assessments, and charges. The department's main Other Funds revenue sources are insurance taxes, the Workers Benefit Fund Assessment, and the Workers Compensation Premium Assessment, which support services in the Worker's Compensation Division, Worker's Compensation Board, Oregon Occupational Safety and Health Division (OR-OSHA), the Worker's Benefit Fund, and Worker's Compensation Nonlimited Accounts programs. The department also collects a 2.0 percent assessment on health insurer, Coordinated Care Organization, and Public Employee Benefit Board premiums, which is deposited into the Health Systems Fund and used to fund the Oregon Health Plan and the Oregon Reinsurance Program (ORP).

DCBS receives Federal Funds from a Section 1332 waiver agreement to fund the Oregon Reinsurance Program, from a grant for the Oregon Occupational Safety and Health Division, and through agreements with the federal government to inspect manufactured homes and to report on workplace injuries in Oregon.

DCBS' Division of Financial Regulation collects retaliatory taxes from out-of-state insurance companies, which it transfers to the General Fund. This retaliatory tax is collected from insurance companies based in states with higher tax rates than Oregon. The Division of Financial Regulation also makes a transfer of revenues in excess of expenditure needs to the General Fund. Additional General Fund transfers include fines collected by the Insurance Division and the Mortgage Lending Program.

Summary of Transportation and Economic Development Subcommittee Action

DCBS is Oregon's largest business regulatory and consumer protection agency, which administers state laws and rules to protect consumers and workers. The department regulates the workers' compensation system, occupational health and safety, financial services, insurance companies, and building codes. DCBS also operates the Oregon Health Insurance Marketplace, the state's health insurance exchange.

The subcommittee recommended a budget of \$739,077,872 total funds, including \$417,769,756 Other Funds expenditure limitation, \$186,012,644 Other Funds Nonlimited, \$135,295,472 Federal Funds expenditure limitation, and 966 positions (961.57 FTE). The total funds budget increased 4.8 percent from the 2021-23 Legislatively Approved Budget.

Workers Compensation Nonlimited Accounts

DCBS administers two reserves within its Operating Fund: the Self-Insured Employer Adjustment Reserve and the Self-Insured Employer Group Adjustment Reserve. These reserves are for the payment of claims from insolvent self-insured employers and are intended to protect injured workers who work for employers who self-insure their workers' compensation liability.

The subcommittee recommended funding this program at the current service level.

Workers' Benefit Fund

The Workers' Benefit Fund supports a variety of programs helping injured workers and employers. DCBS administers two Nonlimited special payment accounts and five workers' compensation reserve programs within the Workers Benefit Fund.

The subcommittee recommended funding this program at the current service level.

Workers' Comp Board

The Workers' Compensation Board is an independent adjudicatory agency within DCBS, which ensures Oregon workers, employers, and insurers have an efficient, effective, and expeditious mechanism to resolve disputes under the Workers' Compensation Act and the Oregon Safe Employment Act. The board's proceedings remove disputes from the court system and into an administrative forum, allowing for quick dispute resolution and reducing prolonged and costly litigation.

The subcommittee recommended funding this program at the current service level.

Workers' Comp Division

The Workers' Compensation Division administers, regulates, and enforces requirements to protect workers, provide medical care for injuries and diseases, and provide timely and accurate wage-replacement benefits. The division funds programs helping injured workers and employers.

The subcommittee recommended the following package:

Package 101 Workers' Compensation Modernization. This package adds \$6.4 million Other Funds and two permanent full-time positions (2.00 FTE) to continue planning for the implementation of a new core IT operating system for the Workers Compensation division. 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. The program plans to engage in a Request For Proposal process in the first half of 2023-25 and could begin implementing the project with the selected vendor as soon as Summer 2024.

OR-OSHA

OR-OSHA helps ensure workplace safety. The division reduces the cost of workers' compensation insurance and indirect costs of injuries and illnesses. Its top priority is to achieve the lowest possible occupational injury, illness, and fatality rates through a full range of services and regulation, all of which are designed to encourage and enable employers and their workers to pursue safe and healthy workplaces. OR-OSHA administers the Oregon Safe Employment Act and has regulatory authority over most Oregon employers.

The subcommittee recommended the following packages:

Package 108 Community Engagement. This package adds \$665,074 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.

Package 118 Occupational Safety and Health Lab. This package adds \$799,891 Other Funds expenditure limitation to pay for moving costs and increased rent needed to move Oregon OSHA's occupational safety and health lab 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. Included within that amount is \$147,916 in one-time costs related to the move between facilities.

Package 802 Vacant Position Reductions. As part of an agency-wide permanent finance plan, this package reclassifies three Office Specialist 2 positions to Administrative Specialist 1's and abolishes one Office Specialist 2 position (0.50 FTE), for a net reduction in one position (0.50 FTE) and \$22,032 Other Funds expenditure limitation. The reclassifications were reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Central Services

The Central Services Division provides department-wide leadership and administration to DCBS operating programs through the Director's Office, Central Services, Employee Services, Communications, and the Assessments Section.

The subcommittee recommended the following packages:

Package 070 Revenue Shortfalls. 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 the 2023-25 Current Service Level budget.

Package 090 Analyst Adjustments. This package fund shifts \$16,652 General Fund in Pension Obligation Bond costs to Other Funds to address budgeted expenditures inadvertently left over after the development of the 2023-25 Current Service Level budget.

Package 101 Workers' Compensation Modernization. This package adds \$128,530 Other Funds expenditure limitation and one permanent full-time Information Systems Specialist position (0.50 FTE) for the Central Services Division to serve as a tester for the implementation of the division's core information system project, the Workers' Compensation Modernization project.

Package 106 Prescription Drug Affordability Board. This package adds \$498,947 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.

Package 109 Agency-Wide IT Service Desk. This package adds \$489,368 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 Services Division to support the desktop IT needs of employees in office settings.

Package 110 Agency-wide IT Internal Security. This package provides \$821,959 Other Funds expenditure limitation and four permanent full-time positions (3.01 FTE) to establish an internal Information Security unit within DCBS. The program lost two 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.

Package 112 Agencywide Financial Services. This package adds \$333,501 Other Funds expenditure limitation and one permanent full-time 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.

Package 114 Workers' Compensation Board IT Support. This package adds \$234,688 Other Funds expenditure limitation and one permanent full-time position (0.88 FTE) to support the Workers' Compensation Board's requests for IT system upgrades and modifications.

Package 115 Agency-wide Data Modernization. This package adds \$439,538 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 DCBS programs have requested to transition their analytics and data platforms to Power BI as well.

Package 116 Information Technology & Research Workload. This package adds \$284,184 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.

Package 117 Agency-wide IT Training. This package adds \$214,783 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 ongoing training in safe coding practices, as well as to provide training to staff on new features available in Microsoft 365.

Package 802 Vacant Position Reductions. This package establishes a Human Resource Analyst 2 position (1.00 FTE), abolishes a long-term vacant Administrative Specialist 1 position (1.00 FTE) and reclassifies six positions upward for a net increase of \$193,735 Other Funds expenditure limitation. The reclassifications affect the following positions:

- 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

The reclassification requests were reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Division of Financial Regulation

The Division of Financial Regulation (DFR) oversees the safety and soundness of banks, trusts and credit unions, and the financial solvency of insurance institutions. DFR licenses finance and insurance professionals and ensures products and services comply with applicable laws and rules. DFR protects Oregonian's access to financial products and services through education, regulation, and consumer assistance.

The subcommittee recommended the following packages:

Package 070 Revenue Shortfalls. This package reduces Other Funds expenditure limitation by \$2,386,071 and six positions (6.00 FTE) in DFR 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 also reduces \$32,957 Federal Funds expenditure limitation for Services and Supplies, which is no longer needed due to the expiration of a federal grant.

Package 090 Analyst Adjustments. 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.

Package 102 Oregon Reinsurance Program. This package adds \$101,844,586 Other Funds expenditure limitation and \$120,075,414 Federal Funds expenditure limitation to make payments to insurers operating in Oregon's individual market through the Oregon Reinsurance Program (ORP). 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. This package provides the budget authority to make reinsurance payments for plan years 2022 and 2023.

Package 103 Information Systems Examiners. This package adds \$262,175 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.

Package 104 Non-Depository Licensing. This package adds \$410,036 Other Funds expenditure limitation and two permanent full-time positions (1.76 FTE) to reduce currently elevated processing times for license applications, particularly in the mortgage loan originator program.

Package 105 Insurance Institutions Section. This package adds \$252,607 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.

Package 106 Prescription Drug Affordability Board. This package adds \$2,471,178 Other Funds expenditure limitation and six permanent full-time positions (6.00 FTE) 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.

Package 107 Consumer Education Advocacy. This package adds \$695,825 Other Funds expenditure limitation and three permanent full-time 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.

Package 802 Vacant Position Reductions. This package reduces Other Funds expenditure limitation by \$597,684 and abolishes three positions (3.00 FTE), including a long-term vacant Insurance Examiner position (1.00 FTE), a Financial Examiner 2 position (1.00 FTE), and a Financial Examiner 1 position (1.00 FTE).

Building Codes

The Building Codes Division adopts construction codes for 13 specialty areas, licenses trade workers and businesses, and oversees a statewide inspection system of local government services to protect property and building occupants. The division ensures safe and effective building construction, while supporting a positive business climate.

The subcommittee recommended the following packages:

Package 090 Analyst Adjustments. 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.

Package 801 LFO Analyst Adjustments. This package shifts the funding for an Operations & Policy Analyst 2 position in the Building Codes Division from Other Funds to Federal Funds.

Package 802 Vacant Position Reductions. This package reduces Other Funds expenditure limitation by \$609,745 and three positions (3.00 FTE), abolishing a long-term vacant Professional Engineer 2 position (1.00 FTE), an Office Specialist 1 position (1.00 FTE), and a Structural/Mechanical Inspector, Commercial Residential position (1.00 FTE). The package also reclassifies a Plans Examiner - Residential to a Plans Examiner - Commercial & Residential. The reclassification request was reviewed and approved by the Department of Administrative Services, Chief Human Resources Office.

Summary of Performance Measure Action

See attached Legislatively Adopted 2023-25 Key Performance Measures form.

PRELIMINARY

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

**Department of Consumer and Business Services
Patrick Heath - 503-983-8670**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2021-23 Legislatively Approved Budget at Jan 2023 *	\$ 12,557,108	\$ -	\$ 391,677,192	\$ 173,819,907	\$ 126,930,616	\$ -	\$ 704,984,823	952	941.65
2023-25 Current Service Level (CSL)*	\$ 77,976	\$ -	\$ 304,600,426	\$ 186,012,644	\$ 14,981,339	\$ -	\$ 505,672,385	950	948.00
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
SCR 011-13 - Workers' Compensation Programs									
Package 101: Workers' Compensation Modernization									
Personal Services	\$ -	\$ -	\$ 484,261	\$ -	\$ -	\$ -	\$ 484,261	2	2.00
Services and Supplies	\$ -	\$ -	\$ 5,964,190	\$ -	\$ -	\$ -	\$ 5,964,190		
SCR 011-15 - Oregon OSHA									
Package 108: Community Engagement									
Personal Services	\$ -	\$ -	\$ 203,516	\$ -	\$ -	\$ -	\$ 203,516	1	0.88
Services and Supplies	\$ -	\$ -	\$ 461,558	\$ -	\$ -	\$ -	\$ 461,558		
Package 118: Occupational Safety and Health Lab									
Services and Supplies	\$ -	\$ -	\$ 799,891	\$ -	\$ -	\$ -	\$ 799,891		
Package 802: Vacant Position Reductions									
Personal Services	\$ -	\$ -	\$ (22,032)	\$ -	\$ -	\$ -	\$ (22,032)	(1)	(0.50)
SCR 017 - Central Services Division									
Package 070: Revenue Shortfall									
Personal Services	\$ -	\$ -	\$ (494,836)	\$ -	\$ -	\$ -	\$ (494,836)	(2)	(2.00)
Services and Supplies	\$ -	\$ -	\$ (15,658)	\$ -	\$ -	\$ -	\$ (15,658)		
Package 090: Analyst Adjustments									
Personal Services	\$ (16,652)	\$ -	\$ 16,652	\$ -	\$ -	\$ -	\$ -	0	0.00
Package 101: Workers' Compensation Modernization									
Personal Services	\$ -	\$ -	\$ 99,040	\$ -	\$ -	\$ -	\$ 99,040	1	0.50
Services and Supplies	\$ -	\$ -	\$ 29,490	\$ -	\$ -	\$ -	\$ 29,490		
Package 106: Prescription Drug Affordability Board									
Personal Services	\$ -	\$ -	\$ 478,184	\$ -	\$ -	\$ -	\$ 478,184	2	2.00
Services and Supplies	\$ -	\$ -	\$ 20,763	\$ -	\$ -	\$ -	\$ 20,763		
Package 109: Agency-wide IT Service Desk									
Personal Services	\$ -	\$ -	\$ 414,728	\$ -	\$ -	\$ -	\$ 414,728	2	2.00
Services and Supplies	\$ -	\$ -	\$ 74,640	\$ -	\$ -	\$ -	\$ 74,640		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 110: Agency-wide IT Internal Security										
Personal Services	\$ -	\$ -	\$ 721,618	\$ -	\$ -	\$ -	\$ 721,618	4	3.01	
Services and Supplies	\$ -	\$ -	\$ 100,341	\$ -	\$ -	\$ -	\$ 100,341			
Package 112: Agencywide Financial Services										
Personal Services	\$ -	\$ -	\$ 333,501	\$ -	\$ -	\$ -	\$ 333,501	1	1.00	
Package 114: Workers' Compensation Board IT Support										
Personal Services	\$ -	\$ -	\$ 200,327	\$ -	\$ -	\$ -	\$ 200,327	1	0.88	
Services and Supplies	\$ -	\$ -	\$ 34,361	\$ -	\$ -	\$ -	\$ 34,361			
Package 115: Agency-wide Data Modernization										
Personal Services	\$ -	\$ -	\$ 393,079	\$ -	\$ -	\$ -	\$ 393,079	2	1.76	
Services and Supplies	\$ -	\$ -	\$ 46,459	\$ -	\$ -	\$ -	\$ 46,459			
Package 116: Information Technology & Research										
Personal Services	\$ -	\$ -	\$ 246,866	\$ -	\$ -	\$ -	\$ 246,866	1	1.00	
Services and Supplies	\$ -	\$ -	\$ 37,318	\$ -	\$ -	\$ -	\$ 37,318			
Package 117: Agency-wide IT Training										
Personal Services	\$ -	\$ -	\$ 181,004	\$ -	\$ -	\$ -	\$ 181,004	1	0.88	
Services and Supplies	\$ -	\$ -	\$ 33,779	\$ -	\$ -	\$ -	\$ 33,779			
Package 802: Vacant Position Reductions										
Personal Services	\$ -	\$ -	\$ 193,735	\$ -	\$ -	\$ -	\$ 193,735	0	0.00	
SCR 018 - Division of Financial Regulation										
Package 070: Revenue Shortfalls										
Personal Services	\$ -	\$ -	\$ (1,528,780)	\$ -	\$ -	\$ -	\$ (1,528,780)	(6)	(6.00)	
Services and Supplies	\$ -	\$ -	\$ (857,291)	\$ -	\$ (32,957)	\$ -	\$ (890,248)			
Package 090: Analyst Adjustments										
Personal Services	\$ (51,646)	\$ -	\$ 51,646	\$ -	\$ -	\$ -	\$ -	0	0.00	
Package 102: Oregon Reinsurance Program										
Services and Supplies	\$ -	\$ -	\$ 120,000	\$ -	\$ -	\$ -	\$ 120,000			
Special Payments	\$ -	\$ -	\$ 101,724,586	\$ -	\$ 120,075,414	\$ -	\$ 221,800,000			
Package 103: Information Systems Examiners										
Personal Services	\$ -	\$ -	\$ 218,083	\$ -	\$ -	\$ -	\$ 218,083	1	0.88	
Services and Supplies	\$ -	\$ -	\$ 44,092	\$ -	\$ -	\$ -	\$ 44,092			
Package 104: Non-Depository Licensing										
Personal Services	\$ -	\$ -	\$ 342,685	\$ -	\$ -	\$ -	\$ 342,685	2	1.76	
Services and Supplies	\$ -	\$ -	\$ 67,351	\$ -	\$ -	\$ -	\$ 67,351			

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 105: Insurance Institutions Section										
Personal Services	\$ -	\$ -	\$ 218,933	\$ -	\$ -	\$ -	\$ 218,933	1	0.88	
Services and Supplies	\$ -	\$ -	\$ 33,674	\$ -	\$ -	\$ -	\$ 33,674			
Package 106: Prescription Drug Affordability Board										
Personal Services	\$ -	\$ -	\$ 1,475,018	\$ -	\$ -	\$ -	\$ 1,475,018	6	6.00	
Services and Supplies	\$ -	\$ -	\$ 996,160	\$ -	\$ -	\$ -	\$ 996,160			
Package 107: Consumer Education Advocacy										
Personal Services	\$ -	\$ -	\$ 599,548	\$ -	\$ -	\$ -	\$ 599,548	3	2.64	
Services and Supplies	\$ -	\$ -	\$ 96,277	\$ -	\$ -	\$ -	\$ 96,277			
Package 802: Vacant Position Reductions										
Personal Services	\$ -	\$ -	\$ (597,684)	\$ -	\$ -	\$ -	\$ (597,684)	(3)	(3.00)	
SCR 019 - Building Codes										
Package 090: Analyst Adjustments										
Personal Services	\$ (9,678)	\$ -	\$ 9,678	\$ -	\$ -	\$ -	\$ -	0	0.00	
Package 801: LFO Analyst Adjustments										
Personal Services	\$ -	\$ -	\$ (271,676)	\$ -	\$ 271,676	\$ -	\$ -	0	0.00	
Package 802: Vacant Position Reductions										
Personal Services	\$ -	\$ -	\$ (609,745)	\$ -	\$ -	\$ -	\$ (609,745)	(3)	(3.00)	
TOTAL ADJUSTMENTS	\$ (77,976)	\$ -	\$ 113,169,330	\$ -	\$ 120,314,133	\$ -	\$ 233,405,487	16	13.57	
SUBCOMMITTEE RECOMMENDATION *	\$ -	\$ -	\$ 417,769,756	\$ 186,012,644	\$ 135,295,472	\$ -	\$ 739,077,872	966	961.57	
% Change from 2021-23 Leg Approved Budget	(100.0%)	0.0%	6.7%	7.0%	6.6%	0.0%	4.8%	1.5%	2.1%	
% Change from 2023-25 Current Service Level	(100.0%)	0.0%	37.2%	0.0%	803.1%	0.0%	46.2%	1.7%	1.4%	

*Excludes Capital Construction Expenditures

Legislatively Approved 2023 - 2025 Key Performance Measures

Published: 5/11/2023 10:54:19 AM

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 Approved 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:

The Transportation and Economic Development Subcommittee approved the key performance measures and targets.

PRELIMINARY