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To: Transportation and Economic Development Subcommittee
From: Michelle Deister, Legislative Fiscal Office
Date: June 3, 2025
Subject: HB 5024 – Oregon Business Development Department
Work Session Recommendations

Oregon Business Development Department <i>Agency Totals</i>				
FUND TYPE	2021-23 ACTUAL	2023-25 LEGISLATIVELY APPROVED	2025-27 CURRENT SERVICE LEVEL	2025-27 LFO RECOMMENDED
General Fund	445,946,186	318,799,824	117,196,666	210,589,991
Lottery Funds	133,568,697	177,780,001	161,488,203	187,548,462
Other Funds	260,257,066	1,253,787,180	425,422,980	743,624,247
Other Funds NL	130,263,514	381,225,321	376,439,773	376,439,773
Federal Funds	49,801,034	141,262,092	70,687,471	283,081,621
TOTAL FUNDS	1,019,836,497	2,272,854,418	1,151,235,093	1,801,284,094
Positions	184	211	187	200
FTE	167.11	190.86	183.88	196.13

The Legislative Fiscal Office (LFO) recommends a 2025-27 total funds budget for the Oregon Business Development Department (OBDD) of \$1,801,284,094 and 200 positions (196.13 FTE). This is a 20.8% decrease from the 2023-25 legislatively approved budget and a 56.5 % increase from the 2025-27 current service level.

This budget recommendation carries forward General Fund, Lottery Funds, and Other Funds and Federal Funds expenditure limitation for projects approved in previous biennia that are estimated to have expenditures in 2025-27. Services and supplies expenditures were reduced, reflecting an inflation factor of less than 4.2%, and personal services expenditures were reduced assuming vacant positions would be open for an additional month before being filled.

The LFO recommendation assumes Lottery Funds support for the Strategic Reserve Fund of \$12.1 million.

The recommended budget includes the following:

- Eight positions approved by the Legislative Emergency Board related to deployment of state and federal broadband program funding;
- Four positions approved in SB 5550 (2025) that support the agency's Economic Development Management System information technology project;
- Resources for independent quality management, solution procurement, licensing and support costs, and solution procurement for the agency's EDMS information technology project;
- Other Funds and Federal Funds expenditure limitation for expected disbursements for Broadband projects funded by federal grants and the Oregon Broadband Fund;
- Additional investment in international trade;
- Estimated disbursements of General Fund, Lottery Funds, and American Rescue Plan Act (Other Funds) in the 2025-27 biennium for programs and projects approved in previous biennia; and
- Additional Other Funds expenditure limitation to ensure disbursements from the Cultural Development Account align with statutory distribution requirements.

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 5024. *(vote)*

OR

Modify LFO Recommendation

MOTION: I move the LFO recommendation to HB 5024, with modifications. *(vote)*

Performance Measures

See attached "Legislatively Proposed 2025-27 Key Performance Measures."

Accept LFO Recommendation

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

OR

Modify LFO Recommendation

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

Amendment

LFO recommends a budget of \$210,589,991 General Fund, \$187,548,462 Lottery Funds, \$743,624,247 Other Funds, \$283,081,621 Federal Funds, \$376,439,773 Other Funds Nonlimited, and 200 positions (196.13 FTE), which is reflected in the -3 amendment.

MOTION: I move adoption of the -3 amendment to HB 5024. *(vote)*

Final Subcommittee Action

LFO recommends that HB 5024, as amended by the -3 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5024, as amended, to the Full Committee with a do pass recommendation. *(vote)*

Carriers

Full Committee:

House Floor:

Senate Floor:

LFO102 - Work Session Presentation Report
2025-27 BienniumVersion: L - 01 - LFO Analyst Recommended
Cross Reference: 12300-000-00-00-00000
Oregon Business Development Department

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	162,020,442	170,662,496	1,182,169,925	97,901,528	379,396,861	-	1,992,151,252	188	179.45
2023-25 Ebds, SS & Admin Act	156,779,382	7,117,505	71,617,255	43,360,564	1,828,460	-	280,703,166	23	11.41
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	318,799,824	177,780,001	1,253,787,180	141,262,092	381,225,321	-	2,272,854,418	211	190.86
2023-25 Leg Approved Budget (Base)	318,799,824	177,780,001	1,253,787,180	127,504,132	379,396,861	-	2,257,267,998	203	187.36
Summary of Base Adjustments	10,234,102	19,298,793	(821,966)	164,574	(2,957,088)	-	25,918,415	(16)	(3.48)
2025-27 Base Budget	329,033,926	197,078,794	1,252,965,214	127,668,706	376,439,773	-	2,283,186,413	187	183.88
010: Non-PICS Pers Svc/Vacancy Factor	(49,145)	(810,841)	(833,766)	(179,610)	-	-	(1,873,362)	-	-
020: Phase In / Out Pgm & One-time Cost	(211,962,722)	(37,695,860)	(848,111,417)	(59,544,383)	-	-	(1,157,314,382)	-	-
030: Inflation & Price List Adjustments	174,607	2,890,798	21,402,949	2,742,758	-	-	27,211,112	-	-
060: Technical Adjustments	-	25,312	-	-	-	-	25,312	-	-
2025-27 Current Service Level	117,196,666	161,488,203	425,422,980	70,687,471	376,439,773	-	1,151,235,093	187	183.88
080: E-Boards	-	-	555,234	1,796,582	-	-	2,351,816	8	8.00
Adjusted 2025-27 Current Service Level	117,196,666	161,488,203	425,978,214	72,484,053	376,439,773	-	1,153,586,909	195	191.88
Total LFO Recommended Packages	93,393,325	26,060,259	317,646,033	210,597,568	-	-	647,697,185	5	4.25
2025-27 Legislative Actions	210,589,991	187,548,462	743,624,247	283,081,621	376,439,773	-	1,801,284,094	200	196.13
Net change from 2023-25 Leg Approved Budget	(108,209,833)	9,768,461	(510,162,933)	141,819,529	(4,785,548)	-	(471,570,324)	(11)	5.27
Percent change from 2023-25 Leg Approved Budget	(33.9%)	5.5%	(40.7%)	100.4%	(1.3%)	0.0%	(20.8%)	(5.2%)	2.8%
Net change from 2025-27 Adj Current Service Level	93,393,325	26,060,259	317,646,033	210,597,568	-	-	647,697,185	5	4.25
Percent change from 2025-27 Adj Current Service Level	79.7%	16.1%	74.6%	290.5%	0.0%	0.0%	56.2%	2.6%	2.2%

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Cross Reference: 12300-110-00-00-00000

Operations

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	15,248,370	5,122,696	633,078	-	-	21,004,144	59	55.26
2023-25 Ebds, SS & Admin Act	194,574	1,722,538	950,877	267,856	-	-	3,135,845	12	5.40
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	194,574	16,970,908	6,073,573	900,934	-	-	24,139,989	71	60.66
2023-25 Leg Approved Budget (Base)	194,574	16,970,908	6,073,573	689,543	-	-	23,928,598	67	59.16
Summary of Base Adjustments	185,132	1,551,250	(65,149)	91,665	-	-	1,762,898	(4)	0.72
2025-27 Base Budget	379,706	18,522,158	6,008,424	781,208	-	-	25,691,496	63	59.88
010: Non-PICS Pers Svc/Vacancy Factor	(1,040)	(410,173)	(158,467)	(23,559)	-	-	(593,239)	-	-
020: Phase In / Out Pgm & One-time Cost	19,849	(1,427,935)	(284,756)	-	-	-	(1,692,842)	-	-
030: Inflation & Price List Adjustments	7,247	194,803	90,994	7,146	-	-	300,190	-	-
060: Technical Adjustments	-	-	20,000	-	-	-	20,000	-	-
2025-27 Current Service Level	405,762	16,878,853	5,676,195	764,795	-	-	23,725,605	63	59.88
080: E-Boards	-	-	402,152	696,417	-	-	1,098,569	4	4.00
Adjusted 2025-27 Current Service Level	405,762	16,878,853	6,078,347	1,461,212	-	-	24,824,174	67	63.88
Total LFO Recommended Packages	(4,149)	2,937,672	2,943,671	-	-	-	5,877,194	4	4.00
2025-27 Legislative Actions	401,613	19,816,525	9,022,018	1,461,212	-	-	30,701,368	71	67.88
Net change from 2023-25 Leg Approved Budget	207,039	2,845,617	2,948,445	560,278	-	-	6,561,379	-	7.22
Percent change from 2023-25 Leg Approved Budget	106.4%	16.8%	48.6%	62.2%	0.0%	0.0%	27.2%	0.0%	11.9%
Net change from 2025-27 Adj Current Service Level	(4,149)	2,937,672	2,943,671	-	-	-	5,877,194	4	4.00
Percent change from 2025-27 Adj Current Service Level	(1.0%)	17.4%	48.4%	0.0%	0.0%	0.0%	23.7%	6.0%	6.3%

	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 081 May 2024 Emergency Board

Package Description This package phases in the personal services, positions, and services and supplies associated with positions approved at the May 2024 meeting of the Legislative Emergency Board, for central services support (primarily in accounting and procurement) associated with disbursement of an estimated \$68 million from the federal Infrastructure Investment and Jobs Act for the Broadband, Equity, Access, and Deployment program.

LFO Recommendation Approve.

LFO Recommended	-	-	402,152	696,417	-	-	1,098,569	4	4.00
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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 increases vacancy savings by two percent.

LFO Recommendation

LFO Recommended	(4,149)	(190,549)	-	-	-	-	(194,698)	-	-
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Operations

	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 EDMS Modernization Program Continuation

Package Description Expenditure limitation in the amount of \$3.1 million Lottery Funds and \$2.8 million Other Funds is provided to continue development, project management and staffing, and procurement costs for the agency's Economic Development Management System (EDMS) project. EDMS is intended to consolidate and modernize the agency's disaggregated loan and project management systems. A contractor for the project has been selected, and a total of 11 staff are currently dedicated to the project, four of which were approved in March 2025 (SB 5550).

Package position costs reflect the phase in of the four positions. Personal services and services and supplies costs total \$665,879 Lottery Funds, and \$590,494 Other Funds.

LFO Recommendation Approve.

LFO Recommended	-	3,132,117	2,777,537	-	-	-	5,909,654	4	4.00
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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 123 Oregon Broadband Office

Package Description This package increases services and supplies related to the Broadband program, and is supported by the Oregon Broadband Fund.

LFO Recommendation Approve.

LFO Recommended	-	-	166,134	-	-	-	166,134	-	-
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	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 801 LFO Analyst Adjustments

Package Description This adjustment reduces inflation allowed on General Fund and Lottery Fund expenditures in the Operations division by 2%.

LFO Recommendation Approve.

LFO Recommended	-	(3,896)	-	-	-	-	(3,896)	-	-
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Business, Innovation, Trade

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	24,500,000	83,877,615	255,560,004	37,258,810	12,976,050	-	414,172,479	74	71.55
2023-25 Ebds, SS & Admin Act	47,276,236	5,243,495	58,959,661	29,327,494	-	-	140,806,886	1	0.50
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	71,776,236	89,121,110	314,519,665	66,586,304	12,976,050	-	554,979,365	75	72.05
2023-25 Leg Approved Budget (Base)	71,776,236	89,121,110	314,519,665	66,586,304	12,976,050	-	554,979,365	75	72.05
Summary of Base Adjustments	-	806,403	(189,944)	(200,669)	-	-	415,790	(9)	(6.05)
2025-27 Base Budget	71,776,236	89,927,513	314,329,721	66,385,635	12,976,050	-	555,395,155	66	66.00
010: Non-PICS Pers Svc/Vacancy Factor	-	(311,010)	(375,011)	(65,782)	-	-	(751,803)	-	-
020: Phase In / Out Pgm & One-time Cost	(71,776,236)	(19,611,560)	(269,532,884)	(43,894,383)	-	-	(404,815,063)	-	-
030: Inflation & Price List Adjustments	-	2,565,901	1,804,607	908,088	-	-	5,278,596	-	-
060: Technical Adjustments	-	(1,093,493)	(255,557)	-	-	-	(1,349,050)	(3)	(3.00)
2025-27 Current Service Level	-	71,477,351	45,970,876	23,333,558	12,976,050	-	153,757,835	63	63.00
Adjusted 2025-27 Current Service Level	-	71,477,351	45,970,876	23,333,558	12,976,050	-	153,757,835	63	63.00
Total LFO Recommended Packages	-	7,380,647	44,401,185	36,000,000	-	-	87,781,832	1	0.25
2025-27 Legislative Actions	-	78,857,998	90,372,061	59,333,558	12,976,050	-	241,539,667	64	63.25
Net change from 2023-25 Leg Approved Budget	(71,776,236)	(10,263,112)	(224,147,604)	(7,252,746)	-	-	(313,439,698)	(11)	(8.80)
Percent change from 2023-25 Leg Approved Budget	(100.0%)	(11.5%)	(71.3%)	(10.9%)	0.0%	0.0%	(56.5%)	(14.7%)	(12.2%)
Net change from 2025-27 Adj Current Service Level	-	7,380,647	44,401,185	36,000,000	-	-	87,781,832	1	0.25
Percent change from 2025-27 Adj Current Service Level	0.0%	10.3%	96.6%	154.3%	0.0%	0.0%	57.1%	1.6%	0.4%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package increases vacancy savings by two percent and shifts \$250,000 of Oregon Growth Fund expenditures from Lottery Funds to Other Funds.

LFO Recommendation Approve.

LFO Recommended	-	(397,903)	250,000	-	-	-	(147,903)	-	-
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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 Expansion of Intl Trade & Investment Support

Package Description Additional funding is provided for contracted services that encourage and support international trade, particularly in the markets of Japan and Europe. Currently, OBDD has foreign represenatives under contract in Japan and Canada. This additional investment is intended to be ongoing in future biennia.

LFO Recommendation Approve.

LFO Recommended	-	400,000	-	-	-	-	400,000	-	-
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Business, Innovation, Trade

	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 EEIP Staffing

Package Description Other Funds expenditure limitation is recommended on a one-time basis to support a six-month extension of a limited duration Program Analyst 3 position. The position manages resources and contracts associated with the Economic Equity Investment Program, funded with a one-time \$8 million General Fund investment in the 2023-25 biennium.

LFO Recommendation Approve.

LFO Recommended	-	-	92,485	-	-	-	92,485	1	0.25
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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 124 Lottery Fund Carryover

Package Description This package carries forward \$8,500,000 Lottery Funds on a one time basis for projects in the Business, Innovation and Trade division that approved in a prior biennium, as follows:

- \$5,800,000 related to committed projects from the Strategic Reserve Fund from the 2023-25 biennium;
- \$900,000 from the Industry Competitiveness Fund from the 2023-25 biennium;
- \$500,000 for garment and outdoor gear industry projects, approved in section 3, chapter 546, Oregon Laws 2023 (HB 3410);
- \$1,000,000 for Small Business Development Centers, approved in section 11, chapter 546, Oregon Laws 2023; and
- \$300,000 for small business innovation and research projects made through the agency’s Small Business Assistance program in the 2023-25 biennium.

Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	-	8,500,000	-	-	-	-	8,500,000	-	-
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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 126 Other Fund Capital Projects Carryover

Package Description This package increases Other Funds expenditure limitation by \$44.1 million Other Funds on a one-time basis for Businesss, Innovation and Trade projects funded in previous biennia that will have disbursements in the 2025-27 biennium. Limitation and projects comprising this package total consist of the following:

- \$1,298,700 for committed projects from the Strategic Reserve Fund from the 2023-25 biennium;
- \$29,760,000 for projects funded from the Oregon Chips Fund, pursuant to section 8b, chapter 25, Oregon Laws 2023;
- \$10,000,000 for projects funded from the University Innovation Research Fund under Section 8d, chapter 25, Oregon Laws 2023; and
- \$3,000,000 for projects funded from the University Innovation Research Fund under section 49(2), Oregon Laws 2023.

Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	-	-	44,058,700	-	-	-	44,058,700	-	-
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Business, Innovation, Trade

	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 The recommendation includes Federal Funds expenditure limitation for carry forward related to federal grants. Federal Funds expenditure limitation of \$34 million is needed to expend funds from State Small Business Credit Initiative (SSBCI) grants from the U.S. Department of the Treasury, and \$2 million is for a federal business assistance grant through the SMART program.

The Strategic Reserve Fund is reduced by \$1.1 million Lottery Funds due to resource constraints. The recommendation intends this reduction as a permanent adjustment for the purposes of current service level calculations in future biennia.

The package reduces the inflation allowance applied to the division's current service level Lottery Funds calculation by 2.2% due to resource constraints.

LFO Recommendation Approve.

LFO Analyst Notes The recommendation results in the Strategic Reserve Fund being funded at \$12.1 million Lottery Funds for the in the 2025-27 biennium.

LFO Recommended	-	(1,121,450)	-	36,000,000	-	-	34,878,550	-	-
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Infrastructure

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	24,942,667	20,170,779	899,124,615	57,801,454	366,420,811	-	1,368,460,326	45	43.14
2023-25 Ebds, SS & Admin Act	97,487,279	186,132	10,817,579	13,765,214	8,330	-	122,264,534	10	5.01
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	122,429,946	20,356,911	909,942,194	71,566,668	366,429,141	-	1,490,724,860	55	48.15
2023-25 Leg Approved Budget (Base)	122,429,946	20,356,911	910,010,174	58,020,099	366,420,811	-	1,477,237,941	51	46.15
Summary of Base Adjustments	177,473	499,464	644,741	273,578	(2,957,088)	-	(1,361,832)	(3)	1.85
2025-27 Base Budget	122,607,419	20,856,375	910,654,915	58,293,677	363,463,723	-	1,475,876,109	48	48.00
010: Non-PICS Pers Svc/Vacancy Factor	(11,227)	(89,658)	(247,260)	(90,269)	-	-	(438,414)	-	-
020: Phase In / Out Pgm & One-time Cost	(121,791,112)	(16,656,365)	(566,097,904)	(15,650,000)	-	-	(720,195,381)	-	-
030: Inflation & Price List Adjustments	11,558	67,957	19,159,772	1,734,268	-	-	20,973,555	-	-
060: Technical Adjustments	-	1,118,805	235,557	-	-	-	1,354,362	3	3.00
2025-27 Current Service Level	816,638	5,297,114	363,705,080	44,287,676	363,463,723	-	777,570,231	51	51.00
080: E-Boards	-	-	153,082	1,100,165	-	-	1,253,247	4	4.00
Adjusted 2025-27 Current Service Level	816,638	5,297,114	363,858,162	45,387,841	363,463,723	-	778,823,478	55	55.00
Total LFO Recommended Packages	90,261,004	15,741,940	263,955,587	174,597,568	-	-	544,556,099	-	-
2025-27 Legislative Actions	91,077,642	21,039,054	627,813,749	219,985,409	363,463,723	-	1,323,379,577	55	55.00
Net change from 2023-25 Leg Approved Budget	(31,352,304)	682,143	(282,128,445)	148,418,741	(2,965,418)	-	(167,345,283)	-	6.85
Percent change from 2023-25 Leg Approved Budget	(25.6%)	3.4%	(31.0%)	207.4%	(0.8%)	0.0%	(11.2%)	0.0%	14.2%
Net change from 2025-27 Adj Current Service Level	90,261,004	15,741,940	263,955,587	174,597,568	-	-	544,556,099	-	-
Percent change from 2025-27 Adj Current Service Level	11052.8%	297.2%	72.5%	384.7%	0.0%	0.0%	69.9%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 081 May 2024 Emergency Board

Package Description This package provides expenditure limitation and position authority for four permanent positions approved at the May 2024 meeting of the Legislative Emergency Board. The positions manage contracts and distribute grant funding for a \$689 million federal broadband funding award through the federal Infrastructure Investment and Jobs Act Broadband Equity, Access, and Deployment Program.

LFO Recommendation Approve.

LFO Recommended	-	-	153,082	1,100,165	-	-	1,253,247	4	4.00
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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 increases vacancy savings by two percent.

LFO Recommendation Approve.

LFO Recommended	(8,889)	(60,782)	-	-	-	-	(69,671)	-	-
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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 123 Oregon Broadband Office

Package Description This package increases expenditure limitation for estimated disbursement of Federal Funds for the Broadband Equity, Access, and Deployment (BEAD) program, and the Digital Equity State Capacity Grant program. Other Funds expenditure limitation is also included for state match for these projects from the Broadband Fund.

LFO Recommendation Approve.

LFO Recommended	-	-	883,000	159,947,568	-	-	160,830,568	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 12300-300-00-00-00000

Infrastructure

	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 124 Lottery Fund Carryover

Package Description This package establishes one-time Lottery Funds expenditures for projects that were originally authorized in previous biennia that are expected to have expenditures in 2025-27. The items and their associated funding are:

- \$1,600,000 for unexpended funded for the Port Orford Cannery project included in section 8(3), chapter 475, Oregon Laws 2023; and
- \$14,205,418 for unexpended funding for the following water projects that were approved in section 256, chapter 605, Oregon Laws 2023:
 - oCity of Estacada New Wastewater Facility Project: \$2,414,622.
 - oCity of Waldport Industrial Sewer Park expansion: \$2,200,000
 - oCity of Port Orford Water Recycling Project: \$750,000.
 - oHarney County Industrial Improvements, B Street Extension: \$1,781,628.
 - oWheeler County Industrial Development: \$2,400,000.
 - oTillamook County Shilo Levee Rehabilitation: \$1,267,000.
 - oPort of Morrow, South Morrow County Water and Transportation Infrastructure Development: \$2,500,000.
 - oIllinois Valley Fire District Extension of Water and Sewer Lines: \$892,168.

This action reestablishes the expenditure authority in the 2025-27 biennium for unspent funds in the 2023-25 biennium related to these projects. It is the intent of the Legislature that the total program expenditures across biennia do not exceed the original appropriation amounts for each item. Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	-	15,805,418	-	-	-	-	15,805,418	-	-
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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 125 General Fund Carryover

Package Description This package establishes a one-time General Fund appropriation in the Infrastructure division for projects that were provided General Fund appropriations in previous biennia, but for which a portion of the funding will remain unexpended. These projects and associated remaining unexpended funding reestablished in this package are:

- A combined total of \$77,160,206 for infrastructure projects to support 44 individual housing in specific communitites, as established by section 63 of SB 1530 (2024). A table of specific amounts by project is included in the budget report.
- \$2,000,000 for a grant to the City of McMinnville for a water project, pursuant to section 5(2), HB 4134 (2024).
- \$640,000 for the City of Toledo, pursusant to section 5(4), HB 4134 (2024);
- Carryover amounts for the following projects initially approved in the 2021-23 biennium, reauthorized in SB 5524 (2023):
 - oPort of Coos Bay Channel Navigation: \$5,000,000
 - oSt. Helens waterfront redevelopment: \$977,122
 - oWarm Springs water and wastewater systems: \$2,707,565
- City of Willamina for erosion mediation, pursuant to authorization in section 497 of HB 5701 (2024): \$1,685,000; and
- \$100,000 for forgivable loans authorized under section 30, funded from the Aquifer Recharge Fund established by section 33 and funded through the appropriation in section 47 of HB 5010 (2023).

This action reestablishes the expenditure authority in the 2025-27 biennium for unpent funds in the 2023-25 biennium related to these projects. It is the intent of the Legislature that the total program expenditures across biennia do not exceed the orginal appropriation amounts for each item. Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	90,269,893	-	-	-	-	-	90,269,893	-	-
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LFO102 - Work Session Presentation Report
2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 12300-300-00-00-00000

Infrastructure

	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 126 Other Fund Capital Projects Carryover

Package Description This package increases Other Funds expenditure limitation by \$263.1 million Other Funds on a one-time basis for Infrastructure Finance Authority projects approved in previous biennia that will have disbursements in the 2025-27 biennium. Limitation and projects comprising this package total consist of the following:

- \$1,000,000 related to distributions to child care infrastructure from the CHIPS Child Care Fund, created by HB 4098 (2024);
- \$1,000,000 for Housing technical assistance grants pursuant to section 63 of SB 1537 (2024);
- Projects funded with American Rescue Plan Act funding in the 2021-23 biennium, and reauthorized in Section 6, SB 5524 (2023), with estimated remaining expenditures totaling \$197,247,462. A table of specific amounts by project is included in the budget report.
- \$47,325,000 for the following projects funded with Lottery Bond proceeds, named in section 248 of SB 5506::
 - oUmatilla Electrical Cooperative Association Industrial Site Utility Expansion: \$5,000,000
 - oCity of Phonex Industrial Improvements, South Valley Employment Center: \$4,500,000
 - oCity of Aumsville Wastewater System Improvements (this project included an additional \$4 million added in SB 5701): \$9,000,000
 - oCity of Molalla New Waste Water Treatment Plant: \$5,000,000
 - oCity of Newport Waste Water Treatment and Conveyance System Improvements: \$3,825,000; and
 - oPort of Coos Bay Channel Modification: \$20,000,000
- \$3,000,000 for projects from the Aquifer Recharge Testing Fund, pursuant to section 47 of HB 5010;
- \$150,000 for broadband technical assistance funded through the Oregon Broadband Fund;
- \$350,000 for technical assistance grants to libraries funded through the Oregon Broadband Fund; and
- \$13,000,000 for Levee Project Grants from the Levee Project Grant Fund.

Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	-	-	263,072,587	-	-	-	263,072,587	-	-
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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 reduces the inflation allowance applied to the division's General Fund and Lottery Funds current service level calculation.

In addition, the package carries forward Federal Funds expenditure limitation of \$14.6 million, related to a USDA Grant for the Opal Creek Wilerness approved in 2023.

LFO Recommendation Approve.

LFO Recommended	-	(2,696)	-	14,650,000	-	-	14,647,304	-	-
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Version: L - 01 - LFO Analyst Recommended

Cross Reference: 12300-500-00-00-00000

Film and Video

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	-	1,479,463	-	-	-	-	1,479,463	-	-
2023-25 Ebds, SS & Admin Act	-	-	-	-	-	-	-	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	-	1,479,463	-	-	-	-	1,479,463	-	-
2023-25 Leg Approved Budget (Base)	-	1,479,463	-	-	-	-	1,479,463	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2025-27 Base Budget	-	1,479,463	-	-	-	-	1,479,463	-	-
030: Inflation & Price List Adjustments	-	62,137	-	-	-	-	62,137	-	-
2025-27 Current Service Level	-	1,541,600	-	-	-	-	1,541,600	-	-
Adjusted 2025-27 Current Service Level	-	1,541,600	-	-	-	-	1,541,600	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2025-27 Legislative Actions	-	1,541,600	-	-	-	-	1,541,600	-	-
Net change from 2023-25 Leg Approved Budget	-	62,137	-	-	-	-	62,137	-	-
Percent change from 2023-25 Leg Approved Budget	0.0%	4.2%	0.0%	0.0%	0.0%	0.0%	4.2%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

LFO102 - Work Session Presentation Report
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Version: L - 01 - LFO Analyst Recommended

Cross Reference: 12300-600-00-00-00000

Arts

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	10,974,571	-	21,261,895	2,208,186	-	-	34,444,652	10	9.50
2023-25 Ebds, SS & Admin Act	11,853,793	-	821,158	-	-	-	12,674,951	-	0.50
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	22,828,364	-	22,083,053	2,208,186	-	-	47,119,603	10	10.00
2023-25 Leg Approved Budget (Base)	22,828,364	-	22,083,053	2,208,186	-	-	47,119,603	10	10.00
Summary of Base Adjustments	307,648	-	(110,899)	-	-	-	196,749	-	-
2025-27 Base Budget	23,136,012	-	21,972,154	2,208,186	-	-	47,316,352	10	10.00
010: Non-PICS Pers Svc/Vacancy Factor	(36,878)	-	(53,028)	-	-	-	(89,906)	-	-
020: Phase In / Out Pgm & One-time Cost	(18,415,223)	-	(12,195,873)	-	-	-	(30,611,096)	-	-
030: Inflation & Price List Adjustments	155,802	-	347,576	93,256	-	-	596,634	-	-
2025-27 Current Service Level	4,839,713	-	10,070,829	2,301,442	-	-	17,211,984	10	10.00
Adjusted 2025-27 Current Service Level	4,839,713	-	10,070,829	2,301,442	-	-	17,211,984	10	10.00
Total LFO Recommended Packages	3,136,470	-	6,345,590	-	-	-	9,482,060	-	-
2025-27 Legislative Actions	7,976,183	-	16,416,419	2,301,442	-	-	26,694,044	10	10.00
Net change from 2023-25 Leg Approved Budget	(14,852,181)	-	(5,666,634)	93,256	-	-	(20,425,559)	-	-
Percent change from 2023-25 Leg Approved Budget	(65.1%)	0.0%	(25.7%)	4.2%	0.0%	0.0%	(43.4%)	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	3,136,470	-	6,345,590	-	-	-	9,482,060	-	-
Percent change from 2025-27 Adj Current Service Level	64.8%	0.0%	63.0%	0.0%	0.0%	0.0%	55.1%	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 090 Analyst Adjustments

Package Description This package increases vacancy savings by two percent.

LFO Recommendation Approve.

LFO Recommended	(19,461)	-	-	-	-	-	(19,461)	-	-
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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 125 General Fund Carryover

Package Description This package establishes a one-time General Fund appropriation in the Arts division for arts and cultural projects approved in section 496 of SB 5701 (2024) that were provided General Fund appropriations, but for which a portion of the funding will remain unexpended. These projects and associated remaining unexpended funding reestablished in this package are:

- Southern Oregon Historical Society: \$480,234
- Friends of the Oregon Caves and Chateau: \$455,690
- Salem Parks Foundation: \$150,000
- Clatsop County Historical Society: \$1,000,000
- Black United Fund of Oregon: \$900,000
- Very Little Theater: \$36,339
- Portland Institute for Contemporary Art: \$135,625

Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	3,157,888	-	-	-	-	-	3,157,888	-	-
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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 126 Other Fund Capital Projects Carryover

Package Description Other Funds Expenditure Llimitation is included for 2025-27 estimated expenditdures from lottery bond proceeds authorized in previous biennia for the following projects:

- Native Arts & Cultures Foundation, pursuant to Section 249 of HB 5506 (2023): \$3,000,000;
- The following projects included in section 44 of HB 5534 (2021):
 - oEastern Oregon Regional Theater Baker Orpheum: \$295,000
 - oJosephy Center: \$333,300; and
 - oSiletz Tribal Arts & Heritage Society: \$750,000

Budget amounts reflect estimated expenditures as of May, 2025.

LFO Recommendation Approve.

LFO Recommended	-	-	4,378,300	-	-	-	4,378,300	-	-
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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 Additional Other Funds expenditure limitation is added to accommodate anticipated awards by the Oregon Cultural Trust, ensuring that the Cultural Development Account disburses funds pursuant to the requirements of ORS 359.426 and ORS 359.441. The package adjusts special payments between accounts to reflect distributions to appropriate entities.

This package also reduces the inflation allowance applied to the division's General Fund current service level calculation.

LFO Recommendation Approve.

LFO Recommended	(1,957)	-	1,967,290	-	-	-	1,965,333	-	-
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2025-27 Biennium

Version: L - 01 - LFO Analyst Recommended

Cross Reference: 12300-900-00-00-00000

Lottery & General Obligation Bond Debt Svc

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2023-25 Agy. Leg. Adopted	101,603,204	49,886,269	1,100,715	-	-	-	152,590,188	-	-
2023-25 Ebds, SS & Admin Act	(32,500)	(34,660)	67,980	-	1,820,130	-	1,820,950	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2023-25 Leg Approved Budget	101,570,704	49,851,609	1,168,695	-	1,820,130	-	154,411,138	-	-
2023-25 Leg Approved Budget (Base)	101,570,704	49,851,609	1,100,715	-	-	-	152,523,028	-	-
Summary of Base Adjustments	9,563,849	16,441,676	(1,100,715)	-	-	-	24,904,810	-	-
2025-27 Base Budget	111,134,553	66,293,285	-	-	-	-	177,427,838	-	-
2025-27 Current Service Level	111,134,553	66,293,285	-	-	-	-	177,427,838	-	-
Adjusted 2025-27 Current Service Level	111,134,553	66,293,285	-	-	-	-	177,427,838	-	-
Total LFO Recommended Packages	-	-	-	-	-	-	-	-	-
2025-27 Legislative Actions	111,134,553	66,293,285	-	-	-	-	177,427,838	-	-
Net change from 2023-25 Leg Approved Budget	9,563,849	16,441,676	(1,168,695)	-	(1,820,130)	-	23,016,700	-	-
Percent change from 2023-25 Leg Approved Budget	9.4%	33.0%	(100.0%)	0.0%	(100.0%)	0.0%	14.9%	0.0%	0.0%
Net change from 2025-27 Adj Current Service Level	-	-	-	-	-	-	-	-	-
Percent change from 2025-27 Adj Current Service Level	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

Legislatively Proposed 2025 - 2027 Key Performance Measures

Published: 5/25/2025 1:18:31 AM

Agency: Oregon Business Development Department

Mission Statement:

Business Oregon invests in Oregon's businesses, communities, and people to promote a globally competitive, diverse, and inclusive economy.

Legislatively Proposed KPMs	Metrics	Agency Request	Last Reported Result	Target 2026	Target 2027
1. Number of jobs created		Approved	490	800	800
2. Number of jobs retained		Approved	10,318	750	750
3. Personal income tax generated by the Department's investment in jobs		Approved	\$17,691,166.00	\$20,000,000.00	\$20,000,000.00
4. New export sales of assisted clients		Approved	\$71,249,595.00	\$75,000,000.00	\$75,000,000.00
5a. Total dollar amount of federal contracts awarded to Oregon Businesses receiving Government Contract Assistance Program assistance.		Approved	\$178,152,293.00	\$50,000,000.00	\$50,000,000.00
5b. Number of federal contracts awarded to Oregon businesses receiving Government Contract Assistance Program assistance.		Approved	1,548	400	400
6. Additional Jobs Created through Property Tax Abatement Programs - New jobs created at businesses that used either the Enterprise Zone program or Strategic Investment Program.		Approved	2,402	750	750
7. Number of community capital projects assisted for planning (infrastructure, community and organizational).		Approved	84	60	60
8. Number of community capital construction financing projects that address public health and safety issues.		Approved	63	60	60
9. Number of community capital construction financing projects that assist with future economic and community development.		Approved	79	15	15
10. Customer Service - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved	87%	90%	90%
	Expertise		87%	90%	90%
	Overall		85%	90%	90%
	Accuracy		85%	90%	90%
	Timeliness		83%	90%	90%
	Availability of Information		81%	90%	90%

LFO Recommendation:

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

The target for KPM 2, Number of Jobs Retained is adjusted to reflect the phase out of COVID-era Emergency Business Assistance grants, and Operational Cost Assistance grants, and a decrease \$1.1 million decrease in funding for the Strategic Reserve Fund.

SubCommittee Action: