

**SB 5701 A BUDGET REPORT and MEASURE SUMMARY**

**Carrier:** Rep. Sanchez

**Joint Committee On Ways and Means**

---

**Action Date:** 03/06/24

**Action:** Do Pass the A-Eng bill.

**House Vote**

**Yeas:** 12 - Breese-Iverson, Evans, Gomberg, Helfrich, Holvey, Lewis, Mannix, McLain, Pham K, Sanchez, Smith G, Valderrama

**Exc:** 1 - Owens

**Senate Vote**

**Yeas:** 11 - Anderson, Campos, Dembrow, Findley, Frederick, Gelser Blouin, Girod, Hansell, Knopp, Sollman, Steiner

**Prepared By:** Tom MacDonald, Legislative Fiscal Office

**Reviewed By:** Amanda Beitel, Legislative Fiscal Office

---

**Emergency Board**

**2023-25**

**Various Agencies**

**2023-25**

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Emergency Board</u></b>				
General Fund - General Purpose	50,000,000	50,000,000	-	0.0%
General Fund - Special Purpose Appropriations				
State Agencies for state employee compensation	330,000,000	-	(330,000,000)	-100.0%
State Agencies for recruitment and retention	120,000,000	-	(120,000,000)	-100.0%
State Agencies for non-state employee compensation	75,000,000	-	(75,000,000)	-100.0%
Oregon CHIPS Fund	50,000,000	-	(50,000,000)	-100.0%
Long-term rental assistance	39,000,000	-	(39,000,000)	-100.0%
Natural disasters	35,000,000	20,000,000	(15,000,000)	-42.9%
Fire protection	14,000,000	7,478,019	(6,521,981)	-46.6%
Special education stipend	8,900,000	-	(8,900,000)	-100.0%
Employment Related Day Care Program caseload	8,000,000	72,000,000	64,000,000	800.0%
Firearm background checks	7,593,100	-	(7,593,100)	-100.0%
Unrepresented defendant/persons crisis	5,000,000	-	(5,000,000)	-100.0%
Transfer Public Defense Commission to the executive bran	5,000,000	3,761,190	(1,238,810)	-24.8%
OJD mandated payments and third-party collections	3,000,000	1,836,007	(1,163,993)	-38.8%
Public Defense adult trial and juvenile caseloads	3,000,000	-	(3,000,000)	-100.0%
District Attorneys victim assistance	1,000,000	-	(1,000,000)	-100.0%
Nonunanimous jury convictions	1,000,000	-	(1,000,000)	-100.0%
NEW: Veterans' home in Roseburg, Oregon	-	35,000,000	35,000,000	0.0%
NEW: Temporary lodging prevention services	-	10,000,000	10,000,000	100.0%
NEW: Emergency management stockpile	-	5,000,000	5,000,000	100.0%
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
General Fund	113,782,009	179,391,702	65,609,693	57.7%
General Fund Debt Service	5,409,290	5,559,290	150,000	2.8%
Lottery Funds Debt Service	49,197,384	47,726,972	(1,470,412)	-3.0%
Other Funds	800,860,095	958,442,878	157,582,783	19.7%
Other Funds Debt Service	536,720,304	538,056,345	1,336,041	0.2%
Federal Funds	174,448,029	181,426,435	6,978,406	4.0%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Department of Revenue</u></b>				
General Fund	227,766,867	243,809,971	16,043,104	7.0%
Other Funds	181,044,728	186,741,507	5,696,779	3.1%
<b><u>Employment Relations Board</u></b>				
General Fund	3,339,446	3,548,203	208,757	6.3%
Other Funds	2,652,273	2,816,298	164,025	6.2%
<b><u>Office of the Governor</u></b>				
General Fund	22,178,495	23,569,345	1,390,850	6.3%
Lottery Funds	4,639,197	4,923,010	283,813	6.1%
Other Funds	4,137,935	4,408,651	270,716	6.5%
<b><u>Oregon Advocacy Commissions Office</u></b>				
General Fund	2,077,280	2,238,291	161,011	7.8%
<b><u>Oregon Government Ethics Commission</u></b>				
Other Funds	5,415,403	5,698,983	283,580	5.2%
<b><u>Oregon Liquor and Cannabis Commission</u></b>				
Other Funds	362,769,909	370,162,516	7,392,607	2.0%
<b><u>Oregon Racing Commission</u></b>				
Other Funds	7,313,421	7,482,263	168,842	2.3%
<b><u>Public Employees Retirement System</u></b>				
Other Funds	165,486,496	175,425,064	9,938,568	6.0%
<b><u>Public Records Advocate</u></b>				
Other Funds	909,059	1,000,967	91,908	10.1%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Secretary of State</u></b>				
General Fund	17,975,875	19,486,697	1,510,822	8.4%
Other Funds	89,525,312	97,793,249	8,267,937	9.2%
Federal Funds	5,015,435	5,050,327	34,892	0.7%
<b><u>State Library</u></b>				
General Fund	4,898,156	5,095,768	197,612	4.0%
Other Funds	8,450,493	9,083,535	633,042	7.5%
Federal Funds	5,273,204	5,401,406	128,202	2.4%
<b><u>State Treasurer</u></b>				
Other Funds	128,778,305	135,388,831	6,610,526	5.1%
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>				
<b><u>Bureau of Labor and Industries</u></b>				
General Fund	31,822,914	33,767,840	1,944,926	6.1%
Lottery Funds	297,187	316,222	19,035	6.4%
Other Funds	18,527,853	21,246,618	2,718,765	14.7%
Federal Funds	2,050,945	2,240,160	189,215	9.2%
<b><u>Department of Consumer and Business Services</u></b>				
General Fund	12,742,576	12,803,438	60,862	0.5%
Other Funds	422,005,708	444,001,096	21,995,388	5.2%
Federal Funds	135,295,281	136,584,313	1,289,032	1.0%
<b><u>State Board of Accountancy</u></b>				
Other Funds	2,946,809	3,074,589	127,780	4.3%
<b><u>State Board of Chiropractic Examiners</u></b>				
Other Funds	2,570,046	2,661,824	91,778	3.6%
<b><u>Construction Contractors Board</u></b>				
Other Funds	18,860,099	19,950,763	1,090,664	5.8%
<b><u>Oregon Board of Dentistry</u></b>				
Other Funds	4,241,950	4,427,096	185,146	4.4%
<b><u>Health Related Licensing Boards</u></b>				
Other Funds	9,326,352	9,825,831	499,479	5.4%

<b>Budget Summary</b>	<b>2023-25 Legislatively Adopted Budget</b>	<b>2024 Committee Recommendation</b>	<b>Committee Change from 2023-25 Adopted Budget</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>Oregon Medical Board</u></b>				
Other Funds	18,442,127	19,272,417	830,290	4.5%
<b><u>Oregon State Board of Nursing</u></b>				
Other Funds	24,343,710	25,956,362	1,612,652	6.6%
<b><u>State Board of Licensed Social Workers</u></b>				
Other Funds	2,544,944	2,819,682	274,738	10.8%
<b><u>Mental Health Regulatory Agency</u></b>				
Other Funds	5,702,602	5,998,269	295,667	5.2%
<b><u>State Board of Pharmacy</u></b>				
Other Funds	10,709,144	11,391,000	681,856	6.4%
<b><u>Public Utility Commission</u></b>				
Other Funds	62,341,166	65,505,686	3,164,520	5.1%
Federal Funds	1,213,146	1,292,424	79,278	6.5%
<b><u>Real Estate Agency</u></b>				
Other Funds	13,996,881	14,691,991	695,110	5.0%
<b><u>State Board of Tax Practitioners</u></b>				
Other Funds	1,123,356	1,162,920	39,564	3.5%
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>				
<b><u>Oregon Business Development Department</u></b>				
General Fund	60,417,238	115,216,693	54,799,455	90.7%
General Fund Debt Service	101,603,204	101,570,704	(32,500)	0.0%
Lottery Funds	120,776,227	127,928,392	7,152,165	5.9%
Lottery Funds Debt Service	49,886,269	49,851,609	(34,660)	-0.1%
Other Funds	1,181,069,210	1,247,118,485	66,049,275	5.6%
Other Funds Debt Service	1,100,715	1,168,695	67,980	6.2%
Federal Funds	97,901,528	127,504,132	29,602,604	30.2%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Employment Department</u></b>				
Other Funds	412,010,052	425,276,313	13,266,261	3.2%
Federal Funds	176,466,400	208,606,201	32,139,801	18.2%
<b><u>Housing and Community Services Department</u></b>				
General Fund	491,157,199	531,932,123	40,774,924	8.3%
General Fund Debt Service	127,170,731	126,667,431	(503,300)	-0.4%
Lottery Funds Debt Service	30,569,883	29,707,030	(862,853)	-2.8%
Other Funds	706,163,861	737,778,490	31,614,629	4.5%
Other Funds Debt Service	29,000	1,425,554	1,396,554	4815.7%
Federal Funds	401,941,943	404,102,240	2,160,297	0.5%
<b><u>Department of Veterans' Affairs</u></b>				
General Fund	8,956,423	9,423,180	466,757	5.2%
Lottery Funds	21,872,654	22,352,358	479,704	2.2%
Other Funds	138,624,314	141,425,696	2,801,382	2.0%
Federal Funds	3,881,025	3,932,620	51,595	1.3%
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Early Learning and Care</u></b>				
General Fund	498,740,395	591,048,845	92,308,450	18.5%
Other Funds	457,517,563	472,502,353	14,984,790	3.3%
Federal Funds	382,723,695	390,133,739	7,410,044	1.9%
<b><u>Department of Education</u></b>				
General Fund	9,502,415,851	9,410,313,993	(92,101,858)	-1.0%
General Fund Debt Service	53,345,161	53,202,231	(142,930)	-0.3%
Lottery Funds	604,125,973	638,737,863	34,611,890	5.7%
Other Funds	3,681,563,291	3,818,665,897	137,102,606	3.7%
Other Funds Debt Service	7,968,610	8,112,110	143,500	1.8%
Federal Funds	1,538,457,342	1,542,525,013	4,067,671	0.3%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Higher Education Coordinating Commission</u></b>				
General Fund	2,581,069,620	2,589,729,239	8,659,619	0.3%
General Fund Debt Service	328,031,747	308,899,282	(19,132,465)	-5.8%
Lottery Funds	158,736,007	156,236,007	(2,500,000)	-1.6%
Other Funds	251,465,383	258,733,689	7,268,306	2.9%
Other Funds Debt Service	-	19,132,685	19,132,685	100.0%
Federal Funds	135,687,443	136,448,359	760,916	0.6%
<b><u>Teacher Standards and Practices Commission</u></b>				
General Fund	1,926,257	2,005,295	79,038	4.1%
Other Funds	14,839,855	16,273,044	1,433,189	9.7%
<b><u>HUMAN SERVICES PROGRAM AREA</u></b>				
<b><u>Commission for the Blind</u></b>				
General Fund	7,829,032	8,429,871	600,839	7.7%
Other Funds	1,133,931	1,140,387	6,456	0.6%
Federal Funds	18,857,846	19,299,483	441,637	2.3%
<b><u>Oregon Health Authority</u></b>				
General Fund	5,452,153,816	5,495,642,327	43,488,511	0.8%
Lottery Funds	23,294,471	23,437,483	143,012	0.6%
Other Funds	10,151,545,294	10,329,609,878	178,064,584	1.8%
Other Funds Capital Improvements	818,441	2,216,810	1,398,369	170.9%
Federal Funds	19,926,259,516	19,751,545,218	(174,714,298)	-0.9%
<b><u>Department of Human Services</u></b>				
General Fund	5,694,812,555	6,042,949,656	348,137,101	6.1%
General Fund Debt Service	10,862,670	10,860,670	(2,000)	0.0%
Other Funds	1,033,829,144	1,182,170,140	148,340,996	14.3%
Other Funds Debt Service	264,000	267,000	3,000	1.1%
Federal Funds	8,123,354,666	8,771,416,768	648,062,102	8.0%
<b><u>Long Term Care Ombudsman</u></b>				
General Fund	12,066,961	13,833,416	1,766,455	14.6%
Other Funds	1,509,546	1,558,347	48,801	3.2%
<b><u>Psychiatric Security Review Board</u></b>				
General Fund	4,392,585	4,672,439	279,854	6.4%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>JUDICIAL BRANCH</u></b>				
<b><u>Commission on Judicial Fitness and Disability</u></b>				
General Fund	333,565	386,660	53,095	15.9%
<b><u>Judicial Department</u></b>				
General Fund	666,148,176	720,928,974	54,780,798	8.2%
General Fund Debt Service	58,989,610	56,487,870	(2,501,740)	-4.2%
Other Funds	182,932,008	398,757,443	215,825,435	118.0%
Other Funds Debt Service	260,000	2,782,130	2,522,130	970.1%
Federal Funds	1,589,232	4,737,986	3,148,754	198.1%
<b><u>Public Defense Commission</u></b>				
General Fund	557,105,356	577,348,857	20,243,501	3.6%
Other Funds	21,769,668	22,352,949	583,281	2.7%
<b><u>LEGISLATIVE BRANCH</u></b>				
<b><u>Legislative Administration Committee</u></b>				
General Fund	44,695,506	58,152,572	13,457,066	30.1%
General Fund Debt Service	44,259,527	42,972,527	(1,287,000)	-2.9%
Other Funds	11,642,200	11,657,277	15,077	0.1%
Other Funds Debt Service	-	1,333,000	1,333,000	100.0%
<b><u>Legislative Assembly</u></b>				
General Fund	72,072,109	76,462,887	4,390,778	6.1%
<b><u>Legislative Counsel</u></b>				
General Fund	19,817,118	21,695,313	1,878,195	9.5%
Other Funds	2,275,376	2,429,570	154,194	6.8%
<b><u>Legislative Fiscal Office</u></b>				
General Fund	9,054,671	9,602,798	548,127	6.1%
Other Funds	5,011,440	5,338,078	326,638	6.5%
<b><u>Legislative Policy and Research Committee</u></b>				
General Fund	20,439,866	21,755,654	1,315,788	6.4%



## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Legislative Revenue Office</u></b>				
General Fund	4,061,646	4,462,474	400,828	9.9%
<b><u>Commission on Indian Services</u></b>				
General Fund	1,230,711	1,361,741	131,030	10.6%
<b><u>NATURAL RESOURCES PROGRAM AREA</u></b>				
<b><u>State Department of Agriculture</u></b>				
General Fund	54,006,785	57,988,648	3,981,863	7.4%
Lottery Funds	8,834,102	9,323,768	489,666	5.5%
Other Funds	90,424,789	97,593,748	7,168,959	7.9%
Federal Funds	19,646,495	24,616,353	4,969,858	25.3%
<b><u>Columbia River Gorge Commission</u></b>				
General Fund	2,292,904	2,502,980	210,076	9.2%
<b><u>Elliott State Research Forest Authority</u></b>				
General Fund	4,002,152	-	(4,002,152)	-100.0%
<b><u>State Department of Energy</u></b>				
General Fund	55,621,037	57,413,105	1,792,068	3.2%
Other Funds	108,324,936	143,459,848	35,134,912	32.4%
Federal Funds	9,300,643	16,211,130	6,910,487	74.3%
<b><u>Department of Environmental Quality</u></b>				
General Fund	73,595,323	80,191,250	6,595,927	9.0%
General Fund Debt Service	10,301,375	10,086,375	(215,000)	-2.1%
Lottery Funds	6,437,743	6,812,996	375,253	5.8%
Other Funds	307,196,720	322,310,187	15,113,467	4.9%
Other Funds Debt Service	54,000	271,000	217,000	401.9%
Federal Funds	41,066,125	42,750,723	1,684,598	4.1%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>State Department of Fish and Wildlife</u></b>				
General Fund	62,858,841	67,496,867	4,638,026	7.4%
Lottery Funds	6,818,260	7,253,227	434,967	6.4%
Other Funds	258,508,418	281,141,782	22,633,364	8.8%
Other Funds Capital Improvements	6,590,855	6,642,810	51,955	0.8%
Federal Funds	210,011,046	220,461,852	10,450,806	5.0%
<b><u>Department of Forestry</u></b>				
General Fund	150,928,497	189,817,455	38,888,958	25.8%
General Fund Debt Service	16,874,785	16,465,728	(409,057)	-2.4%
Other Funds	346,100,893	424,019,794	77,918,901	22.5%
Other Funds Debt Service	1,352,694	1,761,811	409,117	30.2%
Federal Funds	45,278,229	81,911,546	36,633,317	80.9%
<b><u>Department of Geology and Mineral Industries</u></b>				
General Fund	9,383,601	9,844,208	460,607	4.9%
Other Funds	7,383,915	7,741,135	357,220	4.8%
Federal Funds	5,522,133	5,663,435	141,302	2.6%
<b><u>Department of Land Conservation and Development</u></b>				
General Fund	35,491,485	38,665,406	3,173,921	8.9%
Other Funds	8,250,237	8,378,477	128,240	1.6%
Federal Funds	9,187,910	9,534,680	346,770	3.8%
<b><u>Land Use Board of Appeals</u></b>				
General Fund	2,775,881	2,994,485	218,604	7.9%
<b><u>State Marine Board</u></b>				
Other Funds	32,247,002	33,059,376	812,374	2.5%
Federal Funds	6,974,348	6,993,480	19,132	0.3%
<b><u>Department of Parks and Recreation</u></b>				
Lottery Funds	158,888,937	164,343,893	5,454,956	3.4%
Lottery Funds Debt Service	3,969,050	3,825,745	(143,305)	-3.6%
Other Funds	168,980,622	174,262,858	5,282,236	3.1%
Other Funds Debt Service	-	143,306	143,306	100.0%
Federal Funds	21,750,147	21,868,180	118,033	0.5%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Department of State Lands</u></b>				
General Fund	-	4,002,152	4,002,152	100.0%
Other Funds	66,534,504	74,277,975	7,743,471	11.6%
Federal Funds	5,925,269	5,580,888	(344,381)	-5.8%
<b><u>Water Resources Department</u></b>				
General Fund	81,331,457	86,614,428	5,282,971	6.5%
Lottery Funds Debt Service	15,856,857	14,102,838	(1,754,019)	-11.1%
Other Funds	174,067,284	176,326,762	2,259,478	1.3%
Other Funds Debt Service	-	1,755,115	1,755,115	100.0%
Federal Funds	703,315	2,153,385	1,450,070	206.2%
<b><u>Watershed Enhancement Board</u></b>				
General Fund	35,485,333	40,770,232	5,284,899	14.9%
Lottery Funds	115,133,838	116,197,727	1,063,889	0.9%
Other Funds	39,214,873	44,496,489	5,281,616	13.5%
Federal Funds	57,035,037	56,787,165	(247,872)	-0.4%
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>				
<b><u>Department of Corrections</u></b>				
General Fund	2,034,921,333	2,136,751,458	101,830,125	5.0%
General Fund Debt Service	104,194,212	103,571,242	(622,970)	-0.6%
Other Funds	95,699,273	98,210,384	2,511,111	2.6%
Other Funds Debt Service	1,184,175	1,807,275	623,100	52.6%
Federal Funds	300,000	2,029,649	1,729,649	576.5%
<b><u>Department of the State Fire Marshal</u></b>				
General Fund	47,559,579	66,648,738	19,089,159	40.1%
Other Funds	44,029,367	51,329,575	7,300,208	16.6%
<b><u>Oregon Criminal Justice Commission</u></b>				
General Fund	98,364,803	98,957,183	592,380	0.6%
Other Funds	30,616,268	30,640,302	24,034	0.1%
Federal Funds	13,299,955	13,375,225	75,270	0.6%
<b><u>District Attorneys</u></b>				
General Fund	16,511,672	18,463,050	1,951,378	11.8%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Oregon Department of Emergency Management</u></b>				
General Fund	26,339,937	28,236,104	1,896,167	7.2%
General Fund Debt Service	4,542,080	4,491,080	(51,000)	-1.1%
Other Funds	180,666,405	186,022,549	5,356,144	3.0%
Other Funds Debt Service	190,000	241,500	51,500	27.1%
Federal Funds	1,052,531,927	1,056,771,485	4,239,558	0.4%
<b><u>Department of Justice</u></b>				
General Fund	183,456,138	198,330,283	14,874,145	8.1%
Other Funds	486,285,823	521,205,084	34,919,261	7.2%
Federal Funds	215,413,763	222,471,269	7,057,506	3.3%
<b><u>Oregon Military Department</u></b>				
General Fund	28,315,016	29,436,861	1,121,845	4.0%
General Fund Debt Service	12,884,410	12,862,750	(21,660)	-0.2%
Other Funds	20,667,980	21,556,675	888,695	4.3%
Other Funds Debt Service	721,000	743,200	22,200	3.1%
Federal Funds	138,295,998	144,741,627	6,445,629	4.7%
<b><u>Oregon Board of Parole and Post Prison Supervision</u></b>				
General Fund	13,407,170	14,027,372	620,202	4.6%
<b><u>Department of State Police</u></b>				
General Fund	444,765,749	468,505,702	23,739,953	5.3%
Lottery Funds	9,395,685	9,751,741	356,056	3.8%
Other Funds	125,760,503	130,812,241	5,051,738	4.0%
Federal Funds	14,585,952	14,660,025	74,073	0.5%
<b><u>Department of Public Safety Standards and Training</u></b>				
Other Funds	66,603,510	72,427,141	5,823,631	8.7%
Federal Funds	7,621,702	7,652,537	30,835	0.4%

## Budget Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Oregon Youth Authority</u></b>				
General Fund	376,717,696	395,861,116	19,143,420	5.1%
General Fund Debt Service	21,187,457	21,161,557	(25,900)	-0.1%
Other Funds	26,066,752	28,291,330	2,224,578	8.5%
Other Funds Debt Service	56,000	83,100	27,100	48.4%
Federal Funds	46,283,121	46,844,302	561,181	1.2%
<b><u>TRANSPORTATION PROGRAM AREA</u></b>				
<b><u>Department of Aviation</u></b>				
Other Funds	24,162,790	24,446,266	283,476	1.2%
Federal Funds	9,453,795	9,467,107	13,312	0.1%
<b><u>Department of Transportation</u></b>				
General Fund	14,500,000	60,000,000	45,500,000	313.8%
Lottery Funds Debt Service	136,068,150	134,554,750	(1,513,400)	-1.1%
Other Funds	5,225,442,818	5,383,082,914	157,640,096	3.0%
Other Funds Debt Service	443,275,713	444,789,113	1,513,400	0.3%
Federal Funds	191,089,743	193,450,141	2,360,398	1.2%
<b><u>2023-25 Budget Summary</u></b>				
<b>General Fund Total</b>	30,705,605,763	31,139,660,561	434,054,798	1.4%
<b>General Fund Debt Service Total</b>	899,656,259	870,367,657	(24,797,522)	-2.8%
<b>Lottery Funds Total</b>	1,239,250,281	1,287,614,687	48,364,406	3.9%
<b>Lottery Funds Debt Service Total</b>	285,547,593	279,768,944	(5,778,649)	-2.0%
<b>Other Funds Total</b>	28,563,163,994	30,014,311,814	1,451,147,820	5.1%
<b>Other Funds Capital Improvements Total</b>	7,409,296	8,859,620	1,450,324	19.6%
<b>Other Funds Debt Service Total</b>	993,176,211	1,023,631,439	30,696,728	3.1%
<b>Federal Funds Total</b>	33,251,693,329	33,898,243,008	646,549,679	1.9%

<b>Position Summary</b>	<b>2023-25 Legislatively Adopted Budget</b>	<b>2024 Committee Recommendation</b>	<b>Committee Change from 2023-25 Adopted Budget</b>	
			<b>\$ Change</b>	<b>% Change</b>
<b><u>ADMINISTRATION PROGRAM AREA</u></b>				
<b><u>Department of Administrative Services</u></b>				
Authorized Positions	988	1,001	13	1.3%
Full-time Equivalent (FTE) positions	978.71	989.28	10.57	1.1%
<b><u>Department of Revenue</u></b>				
Authorized Positions	1,149	1,162	13	1.1%
Full-time Equivalent (FTE) positions	1,078.61	1,086.88	8.27	0.8%
<b><u>Oregon Racing Commission</u></b>				
Authorized Positions	15	15	-	0.0%
Full-time Equivalent (FTE) positions	10.64	10.39	(0.25)	-2.3%
<b><u>Secretary of State</u></b>				
Authorized Positions	243	247	4	1.6%
Full-time Equivalent (FTE) positions	242.50	244.96	2.46	1.0%
<b><u>State Library</u></b>				
Authorized Positions	41	42	1	2.4%
Full-time Equivalent (FTE) positions	39.13	39.76	0.63	1.6%
<b><u>CONSUMER AND BUSINESS SERVICES PROGRAM AREA</u></b>				
<b><u>State Board of Licensed Social Workers</u></b>				
Authorized Positions	8	10	2	25.0%
Full-time Equivalent (FTE) positions	7.50	8.50	1.00	13.3%
<b><u>State Board of Pharmacy</u></b>				
Authorized Positions	23	24	1	4.3%
Full-time Equivalent (FTE) positions	23.00	23.63	0.63	2.7%
<b><u>Oregon State Board of Nursing</u></b>				
Authorized Positions	58	61	3	5.2%
Full-time Equivalent (FTE) positions	57.90	59.78	1.88	3.2%

Position Summary	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Bureau of Labor and Industries</u></b>				
Authorized Positions	157	168	11	7.0%
Full-time Equivalent (FTE) positions	145.05	151.93	6.88	4.7%
<b><u>Department of Consumer and Business Services</u></b>				
Authorized Positions	973	983	10	1.0%
Full-time Equivalent (FTE) positions	967.77	972.39	4.62	0.5%
<b><u>Oregon Veterinary Medical Examining Board</u></b>				
Authorized Positions	5	5	-	0.0%
Full-time Equivalent (FTE) positions	4.75	5.00	0.25	5.3%
<b><u>ECONOMIC AND COMMUNITY DEVELOPMENT PROGRAM AREA</u></b>				
<b><u>Department of Veterans' Affairs</u></b>				
Authorized Positions	101	103	2	2.0%
Full-time Equivalent (FTE) positions	100.97	102.23	1.26	1.2%
<b><u>Employment Department</u></b>				
Authorized Positions	2,009	2,082	73	3.6%
Full-time Equivalent (FTE) positions	1,946.16	1,991.79	45.63	2.3%
<b><u>Housing and Community Services Department</u></b>				
Authorized Positions	470	470		
Full-time Equivalent (FTE) positions	459.99	459.99		
<b><u>Oregon Business Development Department</u></b>				
Authorized Positions	188	196	8	4.3%
Full-time Equivalent (FTE) positions	179.45	184.23	4.78	2.7%
<b><u>EDUCATION PROGRAM AREA</u></b>				
<b><u>Department of Early Learning and Care</u></b>				
Authorized Positions	354	364	10	2.8%
Full-time Equivalent (FTE) positions	343.90	354.66	10.76	3.1%
<b><u>Department of Education</u></b>				
Authorized Positions	656	681	25	3.8%
Full-time Equivalent (FTE) positions	626.29	639.99	13.70	2.2%

## Position Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>Teacher Standards and Practices Commission</u></b>				
Authorized Positions	30	38	8	26.7%
Full-time Equivalent (FTE) positions	28.00	33.00	5.00	17.9%
<b><u>HUMAN SERVICES PROGRAM AREA</u></b>				
<b><u>Commission for the Blind</u></b>				
Authorized Positions	66	67	1	1.5%
Full-time Equivalent (FTE) positions	66.00	67.00	1.00	1.5%
<b><u>Department of Human Services</u></b>				
Authorized Positions	11,034	11,264	230	2.1%
Full-time Equivalent (FTE) positions	10,775.66	10,952.58	176.92	1.6%
<b><u>Long Term Care Ombudsman</u></b>				
Authorized Positions	36	41	5	13.9%
Full-time Equivalent (FTE) positions	35.50	38.00	2.50	7.0%
<b><u>Oregon Health Authority</u></b>				
Authorized Positions	5,661	5,717	56	1.0%
Full-time Equivalent (FTE) positions	5,556.17	5,588.36	32.19	0.6%
<b><u>JUDICIAL BRANCH</u></b>				
<b><u>Judicial Department</u></b>				
Authorized Positions	2,094	2,121	27	1.3%
Full-time Equivalent (FTE) positions	2,030.17	2,045.02	14.85	0.7%
<b><u>Public Defense Commission</u></b>				
Authorized Positions	143	161	18	12.6%
Full-time Equivalent (FTE) positions	137.55	148.89	11.34	8.2%



Position Summary	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>NATURAL RESOURCES PROGRAM AREA</u></b>				
<b><u>Department of Agriculture</u></b>	521	523	2	0.4%
Authorized Positions	401.00	402.26	1.26	0.3%
Full-time Equivalent (FTE) positions				
<b><u>Department of Land Conservation and Development</u></b>				
Authorized Positions	78	79	1	1.3%
Full-time Equivalent (FTE) positions	75.93	76.56	0.63	0.8%
<b><u>State Department of Energy</u></b>				
Authorized Positions	123	130	7	5.7%
Full-time Equivalent (FTE) positions	118.61	122.50	3.89	3.3%
<b><u>Department of Forestry</u></b>				
Authorized Positions	1,393	1,431	38	2.7%
Full-time Equivalent (FTE) positions	1,056.02	1,075.02	19.00	1.8%
<b><u>Department of Fish and Wildlife</u></b>				
Authorized Positions	1,365	1,380	15	1.1%
Full-time Equivalent (FTE) positions	1,178.63	1,186.58	7.95	0.7%
<b><u>Elliott State Research Forest Authority</u></b>				
Authorized Positions	3	-	(3)	-100.0%
Full-time Equivalent (FTE) positions	1.73	-	(1.73)	-100.0%
<b><u>Water Resources Department</u></b>				
Authorized Positions	258	259	1	0.4%
Full-time Equivalent (FTE) positions	246.63	248.71	2.08	0.8%

## Position Summary

	2023-25 Legislatively Adopted Budget	2024 Committee Recommendation	Committee Change from 2023-25 Adopted Budget	
			\$ Change	% Change
<b><u>PUBLIC SAFETY PROGRAM AREA</u></b>				
<b><u>Oregon Department of Emergency Management</u></b>				
Authorized Positions	141	140	(1)	-0.7%
Full-time Equivalent (FTE) positions	132.40	132.29	(0.11)	-0.1%
<b><u>Department of Justice</u></b>				
Authorized Positions	258	279	21	8.1%
Full-time Equivalent (FTE) positions	246.63	257.05	10.42	4.2%
<b><u>Military Department</u></b>				
Authorized Positions	494	495	1	0.2%
Full-time Equivalent (FTE) positions	455.62	456.25	0.63	0.1%
<b><u>Oregon Youth Authority</u></b>				
Authorized Positions	990	991	1	0.1%
Full-time Equivalent (FTE) positions	955.90	956.53	0.63	0.1%
<b><u>TRANSPORTATION PROGRAM AREA</u></b>				
<b><u>Department of Transportation</u></b>				
Authorized Positions	4,913	4,939	26	0.5%
Full-time Equivalent (FTE) positions	4,791.70	4,806.87	15.17	0.3%

### **Summary of Revenue Changes**

The General Fund appropriations and Lottery Funds adjustments included in the measure are within the level of resources projected in the March 2024 state economic and revenue forecast published by the Department of Administrative Services, Office of Economic Analysis. The General Fund resources forecasted for the 2023-25 biennium have increased by \$1.2 billion from the level assumed in the 2023-25 legislatively adopted budget, which includes \$657.4 million from unexpended 2021-23 appropriations reverted to the General Fund. Forecasted net lottery proceeds available to transfer to the Economic Development Fund represent an increase of \$1.4 million compared to the May 2023 forecast, which was used to develop the 2023-25 legislatively adopted budget. When including one-time reversions of unspent resources from the 2021-23 biennium and administrative actions, total lottery resources available for transfer have increased by a total of \$16.2 million.

### **Summary of Capital Construction Subcommittee Action**

SB 5701 is an omnibus budget bill that adjusts General Fund appropriations to the Emergency Board and modifies state agency budgets and position authority in the 2023-25 biennium. The amendment recommended by the Subcommittee includes the legal citations necessary to effectuate the omnibus budget adjustments, which are described in the narrative below. Net of expenditures supported with existing appropriations to the Emergency Board, the measure increases General Fund appropriations by \$409.3 million. It also increases Lottery Funds expenditure limitation by a net \$42.6 million, increases Other Funds expenditure limitation by \$1.5 billion, and increases Federal Funds expenditure limitation by \$646.5 million. These actions also result in an increase of 630 budgeted positions (416.69 FTE) across various state agency budgets.

Major changes made by the measure, outside of adjustments to Emergency Board appropriations, include the following:

- \$86 million General Fund for the Department of Early Learning and Care to support the Employment Related Day Care Program caseload, with a related Other Funds expenditure limitation increase of \$99 million in the Department of Human Services.
- \$76.2 million net General Fund increase (\$238.1 million total funds) and 70 positions (50.94 FTE) to rebalance the Department of Human Services and Oregon Health Authority budgets for changes in forecasted caseloads, revenue, and expenditures for existing program services.
- \$42.6 million General Fund for one-time 2023 and 2024 fire season costs, including \$34.6 million for 2023 fire season costs for the Departments of Forestry (\$26.1 million) and State Fire Marshal (\$8.5 million), and \$8 million for the Department of the State Fire Marshal to support repositioning, readiness response, and cash flow constraints for the 2024 fire season.
- \$39 million General Fund, on a one-time basis, for the Department of Transportation to support winter and other essential highway maintenance needs across the state (\$19 million) and health and safety issues along agency rights of way in the Portland metro area (\$20 million).
- \$21.9 million General Fund for the Department of Human Services to establish 79 positions (79.00 FTE) that are not currently budgeted and were administratively established by the agency for the Office of Resiliency and Emergency Management and other purposes in the agency's Central Services Division.
- \$12.2 million General Fund (\$96.6 million total funds) and 65 positions (21.83 FTE) for the Department of Human Services, Oregon Health Authority, and Department of Education to implement the Summer Electronic Benefit Transfer program.
- \$10 million General Fund for distribution to higher education institutions for semiconductor workforce development.

- \$10 million General Fund to the Higher Education Coordinating Commission for distribution to Oregon State University to support student scholarships.
- \$8.8 million General Fund (\$17.6 million total funds) for the Department of Human Services to support case management through Area Agencies on Aging.
- \$8 million General Fund, on a one-time basis, for the Economic Equity Investment Program in the Oregon Department of Business Development.
- \$5.9 million General Fund for one-time distributions to seven specified cultural venues and an additional \$5.9 million one-time General Fund for distribution to other targeted arts and cultural institutions for capital projects.
- \$4 million General Fund for the Department of State Lands to support Elliott State Research Forest operations, which is offset by the elimination of a General Fund appropriation of the same amount to the Elliott State Research Forest Authority.

The Subcommittee approved 11 budget notes to provide instructions to certain state agencies. The budget notes are included in the following agency sections: Higher Education Coordinating Commission (one budget note); Department of Human Services (two budget notes); Criminal Justice Commission (one budget note); Department of Emergency Management (two budget notes); Department of Forestry (one budget note); Department of Justice (one budget note); Department of the State Fire Marshal (two budget notes); and Public Defense Commission (one budget note).

### **Emergency Board**

The 2023-25 legislatively adopted budget included a \$50 million General Fund appropriation to the Emergency Board for general purposes, plus 19 special purpose appropriations totaling \$780.4 million General Fund. SB 5701 makes no changes to the \$50 million general purpose emergency fund, reduces or eliminates 15 existing special purpose appropriations, increases one existing special purpose appropriation, and establishes three new special purpose appropriations. These adjustments result in a net reduction of \$550.4 million General Fund in appropriations to the Emergency Board. After these and other actions during the 2024 session, the special purpose appropriation balances available to the Emergency Board total approximately \$234.7 million General Fund. The following summarizes the Emergency Board adjustments made in the measure:

- Eliminates the \$330 million special purpose appropriation for state employee compensation plan changes and the \$120 million special purpose appropriation for state employee recruitment and retention; the combined \$450 million is appropriated to state agencies for state employee compensation plan changes.
- Eliminates the \$75 million special purpose appropriation for non-state employee collectively bargained compensation changes; the funding is appropriated to the Department of Human Services and Oregon Health Authority for the same purpose.
- Establishes a \$35 million special purpose appropriation for allocation to the Oregon Department of Veterans' Affairs for the construction of a veterans' home in Roseburg, Oregon upon federal approval.
- Increases the \$8 million special purpose appropriation for caseload-related changes in the Employment Related Day Care program by \$64 million, resulting in a total special purpose appropriation of \$72 million for the same purpose.
- Eliminates the \$50 million special purpose appropriation for the Oregon CHIPS Fund; this funding is appropriated to the Oregon Business Development Department for the same purpose.

- Eliminates the \$39 million special purpose appropriation for long-term rental assistance; this funding is appropriated to the Housing and Community Services Department for rehousing services and longer term rental assistance.
- Reduces the \$35 million special purpose appropriation for natural disaster prevention, preparedness, response, and recovery; leaving a balance of \$20 million.
- Establishes a \$10 million special purpose appropriation to be allocated to the Department of Human Services for temporary lodging prevention services to children and young adults with complex needs.
- Reduces the \$14 million special purpose appropriation for fire protection expenses by \$6.5 million; this funding is appropriated to the Department of Forestry for the same purpose, leaving a balance of \$7.5 million.
- Eliminates the \$8.9 million special purpose appropriation for providing stipends to licensed educators and classified school employees working in special education during the 2024-25 school year; this funding is appropriated to the Department of Education for the same purpose.
- Eliminates the \$7.6 million special purpose appropriation for firearm background checks; the funding was made available for general purposes.
- Establishes a \$5 million special purpose appropriation for allocation to the Department of Emergency Management for a disaster preparedness stockpile.
- Eliminates the \$5 million special purpose appropriation for the unrepresented defendant/persons crisis; the funding is appropriated to the Public Defense Commission for the same purpose.
- Eliminates the \$3 million special purpose appropriation for Public Defense Commission adult and juvenile trial caseloads.
- Reduces the \$5 million special purpose appropriation for the transfer of the Public Defense Commission from the judicial branch to the executive branch by \$1.2 million, leaving a balance of \$3.8 million.
- Reduces the \$3 million special purpose appropriation for Judicial Department mandated payments and third-party collections; leaving a balance of \$1.8 million.
- Eliminates the \$1 million special purpose appropriation for nonunanimous jury convictions.
- Eliminates the \$1 million special purpose appropriation for one-time non-routine expenses related to nonunanimous jury convictions; the funding is appropriated for the same purpose to the Department of Justice for the expenses of district attorneys.

The Subcommittee also approved a modification to the appropriation language contained in HB 5204 (2024) related to a \$4.7 million General Fund special purpose appropriation to the Emergency Board for the United We Heal Medicaid Payment Program. The appropriation language in HB 5204 originally required the funding to be reserved until the Oregon Health Authority (OHA) had obtained authorization from the Centers for Medicare and Medicaid Services (CMS) to use the Federal Medical Assistance funds for this purpose. In place of the requirement for federal approval to occur prior to the allocation of funding, the revised language included in SB 5701 allows for the allocation of funding once OHA submits a request for approval to CMS as opposed to once federal approval is given.

### **Adjustments to 2023-25 Agency Budgets**

## **STATEWIDE ADJUSTMENTS**

### **Employee Compensation Distribution**

The Subcommittee approved increases of \$465.6 million General Fund, \$10.6 million Lottery Funds, \$368.5 million Other Funds, and \$158.2 million Federal Funds in state agency budgets for employee compensation increases and pension obligation bond cost adjustments. Sections 516-525 of SB 5701 include these adjustments for each agency according to program area. The adjustments are also included in the table near the beginning of the budget report, but are not further described in each agency's narrative section of the report.

The funding for compensation changes includes \$455.1 million General Fund (\$980 million total funds) for collectively bargained cost-of-living adjustments (COLAs), which include one-time payments of \$1,500 for eligible employees, a 6.5% COLA effective December 1, 2023, and a 6.55% COLA effective February 1, 2025. Based on point-in-time statewide calculations, the funding included in the measure is expected to fully cover these increases. In addition, the measure includes approximately \$13 million General Fund (\$27.7 million total funds) for advancing the effective date of the second COLA from February 1 to January 1, 2025. The pension obligation bond adjustments result in an offsetting decrease of \$2.5 million General Fund (\$4.8 million total funds).

Of the total net General Fund cost of \$465.6 million for these changes, \$450 million is supported from the elimination of two special purpose appropriations to the Emergency Board established in SB 5506 (2023). These include a \$330 million special purpose appropriation established for state employee compensation plan changes and a \$120 million special purpose appropriation established for state employee recruitment and retention.

### **Other Statewide Adjustments**

The measure adjusts various agency budgets to account for interest earnings and excess bond proceeds that can be applied to debt service. Overall, these adjustments result in savings of \$24.8 million General Fund and \$5.8 million Lottery Funds. Offsetting increases are made to existing Other Funds expenditure limitations to use the available revenue for debt service payments. Sections 516-525 include debt service adjustments made to existing budget structures; new Other Funds expenditure limitations were established to accommodate these adjustments for the Legislative Administration Committee, Parks and Recreation Department, and Water Resources Department.

Other actions impacting various agency budgets include corrections to adjustments included in the 2023-25 legislatively adopted budget for state government service charges. These changes result in a net increase of \$2.7 million General Fund (\$1.8 million total funds) and are also included in sections 516-525. In addition, the measure includes adjustments totaling \$16 million General Fund for judicial branch agencies and \$27.4 million General Fund for legislative branch agencies to recognize unexpended General Fund from the 2021-23 biennium. These adjustments are included in sections 514 and 515, and are made pursuant to ORS 293.195, which directs any unexpended General Fund appropriations for the judicial and legislative branches to be appropriated to those branches of government in the subsequent biennium. These appropriations are largely used to fund General Fund cost increases within and outside of the judicial and legislative branches, as described below in each respective section of this report.

## **ADMINISTRATION**

**Department of Administrative Services - American Rescue Plan Act**

As part of HB 5006 (2021), \$240 million in federal American Rescue Plan Act (ARPA) funds were approved for the Department of Administrative Services (DAS) to distribute in each Senate and House district in the amounts of \$4 million per Senate district and \$2 million per House district, for member identified projects. After session, a subset of the projects required adjustments to the project or descriptions. The Subcommittee approved the following revisions to the 2021 session member ARPA projects:

District	Member	OLD Recipient	OLD Project Description	OLD Amount
		NEW Recipient	NEW Project Description	NEW Amount
S-8	Gelser Blouin	Linn County	Millersburg Rail Quiet Zone	700,000
		<b>Creating Housing Coalition</b>	<b>Completion of an intentional community of energy efficient homes in Albany serving individuals that have had experience with homelessness</b>	<b>635,913</b>
S-20	Meek	Clackamas County Fair Improvement Foundation	Clackamas County Fairgrounds Livestock Barn and RV Park / Emergency Housing Center	3,040,800
		Clackamas County Fair Improvement Foundation	<b>Clackamas County Fairgrounds Livestock Barn and Fair Facilities Improvements / Deferred Maintenance</b>	3,040,800
H-16	Rayfield	Linn-Benton Housing Authority	Affordable Housing Land Acquisitions	750,000
		Linn-Benton Housing Authority	<b>Affordable Housing Development</b>	750,000
H-55	Breese-Iverson	City of La Pine	La Pine Highway 97 East Pedestrian Improvements	500,000
		City of La Pine	<b>Highway 97 Comprehensive Improvement Design</b>	500,000

**Department of Administrative Services**

SB 5701 makes various one-time and ongoing adjustments to the Department of Administrative Services (DAS) budget. A one-time increase of \$1 million General Fund is included for DAS to distribute to the Willamette Education Service District to fund regional career and technical education programs provided by the Willamette Career Academy. A one-time expenditure limitation increase of \$6.8 million Federal Funds is also included for monies from the American Rescue Plan Act State Fiscal Recovery Funds returned to DAS for the purpose of redistributing to eligible state agencies and local entities for expenditures and activities to respond to the COVID-19 public health emergency and its economic impacts. In addition, the Subcommittee approved an

increase of \$1 million Other Funds expenditure limitation and four permanent positions (3.67 FTE) for the DAS Chief Human Resource Office to administer the ASCENT Leadership Program.

SB 5701 also includes funding for two DAS requests recommended during the January 2024 meeting of the Joint Interim Committee on Ways and Means. The first is an expenditure limitation increase of \$2.1 million Other Funds and the establishment of two limited duration positions (1.26 FTE) and seven permanent positions (5.64 FTE) to address organizational changes. The second is an increase of \$772,360 Other Funds expenditure limitation to reclassify 36 positions as part of an agency reorganization and to ensure the accurate placement of management positions within The Oregon Management Project classification series.

Additional adjustments include an increase of \$111.4 million Other Funds expenditure limitation for special governmental payments supported by proceeds of previously issued bonds; and a decrease of \$13.65 million Other Funds expenditure limitation for special governmental payments to fix incorrect legal references, which is offset by expenditure limitation increases of \$6.95 million Other Funds for Mill Creek Land Sales and \$6.7 million Other Funds for the Oregon Worker Relief Program. The following net-zero expenditure limitation adjustments were also approved to accurately reflect the budget for the Office of the State Chief Information Officer: 1) a decrease of \$2 million Other Funds for Microsoft 365; 2) a decrease of \$300,000 Other Funds for State Data Center Operations; and 3) an increase of \$2.3 million Other Funds for State Data Center Policy.

The measure includes the following one-time General Fund appropriations for DAS to distribute for specified purposes:

- \$2.5 million for distribution to Greater Portland Inc. for a marketing strategy to attract businesses and generate investment for Oregon.
- \$2 million for distribution to Old Town Community Association for the Made in Old Town project.
- \$1.25 million for distribution to Northwest Health Foundation II for comprehensive data collection and research on the lived experiences and social determinants of health of minority populations, based on sexual orientation and gender identity, and Oregon state agencies' policies and investments impacting these populations.
- \$1 million for distribution to the Coalition of African and African American Pastors to support land acquisition and development of low-income housing.
- \$375,000 for distribution to Special Olympics Oregon for sports training and athletic competition.
- \$100,000 for distribution to the Civil Air Patrol U.S. Airforce Auxiliary Oregon Wing to support operations.

A \$1 million General Fund appropriation was also approved for distribution to the Oregon Historical Society to support ongoing operations.

The Subcommittee approved a \$9.1 million decrease in Other Funds expenditure limitation to account for the shift of two capital projects to General Fund support that were initially approved to be supported with lottery fund proceeds during the 2023 legislative session to accommodate project timelines. The expenditure limitation reductions include:

- \$5.1 million for the Eugene Civic Alliance for the Civic Park project, which includes \$5 million for project costs and \$60,949 for cost of issuance.



- \$4.1 million for the Latino Network for the La Plaza Esperanza - Service Hub for Portland and Gresham residents, which includes \$4 million for project costs and \$51,914 for cost of issuance.

SB 5701 includes a total of \$56.3 million General Fund in one-time appropriations for the following capital projects:

- \$15 million for distribution to Multnomah County to support the construction of a behavioral health drop-off center. This amount, along with \$10 million included in HB 5204 (2024), brings the total funding for this project provided during the 2024 session to \$25 million.
- \$5 million to the Eugene Civic Alliance for the Eugene Civic Park Stadium project.
- \$4 million to the Latino Network for the La Plaza Esperanza service hub for Portland and Gresham residents.
- \$3.6 million to Clackamas County Children's Commission for the Milwaukie Head Start Center.
- \$3 million to Round-Up City Development Corporation to support the construction of the Pendleton Regional Sports Complex.
- \$3 million to Willamette University for artificial turf and lights at Roy S. "Spec" Keene Stadium at Bush Park for Salem youth baseball and softball.
- \$2.5 million to the Oregon Vietnamese American Cultural Center to support the acquisition and development of a community center.
- \$2.5 million to the Emergency Communications of Southern Oregon for the Radio Infrastructure Build Out and Modernization project.
- \$2.5 million to Benton County for housing units as part of the county's coordinated response to housing and homelessness.
- \$2 million to Nehalem Bay Health District for the Nehalem Bay Health and Senior Care Improvement project
- \$2 million to Homeless Solutions Coalition of Clackamas County, Inc. for the Oregon City Resource Center.
- \$1.5 million to Portland Japanese Garden for The Japan Institute at Portland Japanese Garden.
- \$1.5 million to Homes for Good Housing Agency for the Ollie Court Housing Project (formerly Naval Reserve Housing and Early Learning Center Project).
- \$1.4 million to the Clackamas County Children's Commission for the Marylhurst Center for Children and Families.
- \$1.3 million to Samaritan Pacific Health Services, Inc. to support the Lincoln County Residential Substance Use Disorder Treatment Facility.
- \$1 million to the City of Junction City for the Alderdale Well project.
- \$1 million to Mid-Willamette Family YMCA for Linn County YMCA Veterans Housing.
- \$900,000 to Lane County for emergency communications equipment.
- \$750,000 to Center for Hope and Safety for the HOPE Plaza project.
- \$750,000 to Wonderfolk for The Kidz Outside for the George Park lighting and walkway improvement project.
- \$500,000 to City of Gresham Fire Department to support the replacement of the training tower at Gresham Fire and Emergency Station 74.

- \$400,000 to the Vietnam War Memorial Fund for the Vietnam War Memorial on the Oregon State Capitol grounds.
- \$190,000 to La Pine Rural Fire Protection District for EMS rescue equipment.

The Subcommittee approved Other Funds expenditure limitation increases totaling \$29.9 million to facilitate the pass-through of lottery revenue bond projects, including the cost of issuance, for the following purposes:

- \$15.2 million to the City of Hillsboro for the construction of the Hillsboro Hops Ballpark, which includes \$15 million for project costs and \$196,461 for costs of issuance.
- \$7.6 million to Lane County for construction of the Fairgrounds Multi-Use Facility, which includes \$7.5 million for project costs and \$114,676 for costs of issuance.
- \$4.1 million to the Parrott Creek Child and Family Services for construction of a youth residential treatment campus in Clackamas County, which includes \$4 million for project costs and \$52,940 for costs of issuance.
- \$3 million for distribution to the Family YMCA of Marion and Polk Counties for the development of a centralized social service and resource center that includes affordable housing and workforce development in Salem. This amount includes \$3 million for project costs and \$46,891 for costs of issuance.

Scope changes are included in the measure for two projects funded in SB 5506 (2023). The appropriation to Row River Fire Response for emergency communication equipment was modified to include fire and emergency responder communications, personal protective and emergency medical equipment, and training and certification costs related to the new equipment. The appropriation to Community Connection of Northeast Oregon for food bank equipment was expanded to food bank equipment, facility renovations, HVAC upgrades, and delivery vehicles.

### **Department of Revenue**

The Subcommittee approved three Department of Revenue (DOR) budget requests recommended during the January 2024 meeting of the Joint Interim Committee on Ways and Means. The first adjustment adds \$339,946 General Fund, \$6,937 Other Funds, and three permanent full-time Public Service Representative 4 positions (1.88 FTE) in the Personal Tax and Compliance Division to establish a fraud unit monitoring tax returns claiming the new Oregon Kids Credit created in HB 3235 (2023). While DOR was provided eight positions to implement the measure at the time of passage, none of those positions are dedicated to preventing fraudulent claims, which is an identified risk given the refundable nature of the new tax credit. The second budget adjustment recommended by the interim committee adds \$640,238 General Fund, \$194,329 Other Funds, and seven permanent full-time positions (4.39 FTE) to address the growing workload involving the issuance of certificates of tax compliance. The Department is expecting a possible increase of over 7,000 requests for certificates this biennium due to policy changes. The established positions include six Service Representative 4 positions divided into two teams of three positions each assigned to the Personal Tax and Compliance Division and the Business Division. An Information Services Specialist 4 position is added to the Information Technology Services Division to support the work of the two teams.

The third approved budget request recommended during the January 2024 interim meeting adds \$463,423 General Fund, \$75,357 Other Funds, and three permanent full-time positions (2.00 FTE) to support the implementation of measures passed during the 2023 legislative session and to support an information technology project. Of this, \$159,799 General Fund, \$47,732 Other Funds, and one permanent full-time Information Systems Specialist 7

position (0.75 FTE) in the Information Technology Services Division support the operations and maintenance of the Electronic Valuation Information System (ELVIS) as the project moves to focusing on appraisals of large industrial properties. \$226,624 General Fund, \$4,625 Other Funds, and two permanent full-time Administrative Specialist 2 positions (1.25 FTE) are added to the Personal Tax and Compliance Division to administer provisions of HB 2083 (2023), which extended the Pass-Through Entity Tax. During the first tax season for this new credit, DOR received around 17,000 returns; however, the Department never received any staffing to handle these new filings, which by their nature, are complex. To fund administration and collection of telecommunications taxes that support the 9-8-8 Crisis System Program, which was established in HB 2757 (2023), the interim committee also recommended adding \$77,000 General Fund and \$23,000 Other Funds to support necessary information technology professional services expenditures of system development. This recommended budget increase was adjusted by the Subcommittee to utilize more Other Funds support as discussed later in this section.

The Subcommittee also added \$331,081 General Fund and reduced Other Funds by \$331,081 in the Property Tax Division to reflect the impact of compensation plan increases adopted for this biennium. While this Division is generally supported with 80% General Fund and 20% Other Funds, the ability to charge administrative costs to the various Other Fund revenue streams is often either prohibited by law or capped at a specific percentage. Other Funds revenue is insufficient to support all the costs increases from the new compensation plan requiring the addition of General Fund to support the increased costs. The Subcommittee also made a technical adjustment to a recommended budget increase from the January 2024 meeting of the Joint Interim Committee on Ways and Means. The adjustment recommended in January used a mix of General Fund and Other Funds to support information technology professional services expenditures necessary to implement the 9-8-8 Crisis System Program created by HB 2757 (2023). This program is funded by a tax on telecommunications administered by DOR. The original recommendation did not utilize all Other Fund resources available for this one-time expenditure; the \$77,000 of General Fund support from the original recommendation is eliminated and \$77,000 Other Funds is added instead.

#### **Office of the Governor**

The Subcommittee approved a \$30,000 General Fund appropriation for contract support to facilitate the Task Force on Tribal Consultation, working closely with the Tribal Affairs Director from the Governor's Office and the Legislative Commission on Indian Services. The contract will support the development of a long-term strategy, policy recommendations, and outcomes related to state-tribal government-to-government relations in Oregon.

#### **Oregon Racing Commission**

As a technical adjustment to the Oregon Racing Commission's budget, the Subcommittee approved a decrease of \$38,525 Other Funds expenditure limitation and 0.25 FTE to eliminate a vacant part-time Research Analyst position, which is no longer needed by the agency.

#### **Public Employees Retirement System**

The Subcommittee approved, on a time-time basis, a rebalance of existing Other Funds expenditure limitation in the Public Employees Retirement System (PERS) budget for the Modernization Program under the Core Retirement System Application. The Modernization Program is a six-year information technology development and implementation initiative intended to transform the core pension administration and supporting systems, consisting of 19 projects at a cost of more than \$150 million.

This is the first re-baselining of the Modernization Program's budget due to a variety of factors including, but not limited to: (a) shifting priorities; (b) delays from competing priorities, such as SB 1049 (2019) implementation; (c) evolving program scope and objectives; and (d) delays in procurement. The rebalance represents a shift from what PERS requested and was approved by the Legislature in the 2023 session. The Client Relationship Management project budget

is reduced by \$855,000, from \$1.3 million to \$400,000; the Data & Analytics project budget is reduced by \$300,000, from \$1.3 million to \$1 million; the Development and Operations budget is reduced by \$542,000, from \$1.1 million to \$560,000; the Architecture project budget is increased by \$1.1 million, from \$950,000 to \$2 million; the Hybrid Integration Platform budget is increased by \$50,000, from \$400,000 to \$450,000; the Telephony project budget is increased by \$347,000, from \$210,000 to \$557,000; and the Independent Quality Management Services budget is increased by \$250,000, from \$950,000 to \$1.2 million. The scope, schedule, and program budget remain undetermined, as foundational project management documentation are not fully developed yet or reviewed by Independent Quality Management Services (IQMS); however, IQMS recently completed an initial risk assessment of the program.

SB 5701 also increases Other Funds expenditure limitation by \$142,956 for the reclassification of the Public Employees Retirement System Executive Director position based on a Department of Administrative Services Chief Human Resources Office statewide management classification review. This adjustment was recommended for approval by the Joint Interim Committee on Ways and Means in January 2024.

In addition, the Subcommittee approved a net zero technical adjustment to move personal services for 13 existing permanent full-time positions in the Electronic Content Management Section from the Information Services Division to the Central Administration Division. The adjustment includes the reclassification of the Agency Records Officer from an Administrative Specialist 2 to an Operations Policy Analyst 2 and transfers the position from the Information Services Division to the Compliance, Audit and Risk Division. The Department of Administrative Services Chief Human Resource Office has approved the reclassification.

### **Secretary of State**

The measure includes several Secretary of State (SOS) budget adjustments recommended during the January 2024 meeting of the Joint Interim Committee on Ways and Means. The first adjustment is \$557,000 Other Funds, on a one-time basis, for the Corporation Division to digitize business records currently stored on microfilm or microfiche, which are degrading. SOS will use the funding to contract with a company to convert all 4.3 million records currently stored using the old media. All records that are digitized will be made publicly available online and will be searchable. The second adjustment is a one-time increase of \$147,000 Other Funds for carryover expenditure limitation to complete the agency's server room upgrade project, which was originally approved in the 2021-23 legislatively adopted budget. Due to delays in replacing the HVAC system, the completion schedule slipped, and the project was unable to be completed in the 2021-23 biennium, necessitating the need for additional expenditure limitation in 2023-25 to complete the project. Finally, a number of budget adjustments to accommodate positions actions were also approved including \$91,627 Other Funds and authorization for a limited duration part-time Public Affairs Specialist 3 (0.25 FTE) to address elections public records requests at the state and county level; \$99,936 Other Funds to move an existing half-time Legislative Analyst position to full-time status (0.32 FTE); and \$19,527 Other Funds to support the upward reclassification of the agency's Legislative Director position to an Operations and Policy Analyst 4 to match the position's roles and responsibilities.

The Subcommittee also approved two budget adjustments for the Elections Division. The first is \$162,207 General Fund to establish a third elections investigator position (Compliance Specialist 3, 0.63 FTE), which will increase the total number of investigators to three. Prior to the start of this biennium there was only one investigator to respond to complaints. Election related complaints have increased from 176 cases in 2019 to 471 cases in 2023. The second is \$151,523 General Fund and a limited-duration Helpdesk Technician position (Operations and Policy Analyst 2, 0.63 FTE) to help counties and SOS implement a new voter registration system named ORVIS. The position is needed to provide timely support services to county election officials during the system implementation and stabilization periods. A \$303,963 Other Funds budget adjustment is included to formally establish a General Counsel position for audits and elections (0.63 FTE). The agency previously hired someone to serve in this capacity to meet the immediate needs of the agency and has been

funding the work by repurposing other Administration Division resources. This action would formalize the decision by bringing the counsel position on budget. Establishment of this General Counsel position to support the work of the Secretary of State has been endorsed by Oregon's current Attorney General.

### **State Library**

The measure increases Other Funds expenditure limitation by \$200,000 and supports the establishment of one limited duration full-time State Library Specialist 2 position (0.63 FTE) to catalog federal publications and support the migration to a new software program to provide public access to digital Oregon government publications. This adjustment is consistent with the recommendation made by the Joint Interim Committee on Ways and Means in January 2024.

## **CONSUMER AND BUSINESS SERVICES**

### **Board of Chiropractic Examiners**

As a technical adjustment, SB 5701 decreases Other Funds expenditure limitation by \$26,514 to appropriately align funding to actual position costs for the Board of Chiropractic Examiners.

### **Board of Nursing**

The measure increases Other Funds expenditure limitation by \$512,160 to establish three permanent full-time positions (1.88 FTE) for the Oregon State Board of Nursing (OSBN), which is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024. The increased funding supports a permanent full-time Contact Center Supervisor (0.50 FTE) to provide dedicated oversight for the agency's contact center, which reopened after being closed during the COVID-19 pandemic. A permanent full-time Investigator position (0.50 FTE) is also included to reduce investigators' workload from 50-100 cases to an estimated 40 cases per investigator and reduce the current backlog of 200 cases. In addition, the measure supports the establishment of a permanent full-time Business Operations Administrator position (0.88 FTE) to provide greater administrative oversight and assist frontline managers.

### **Board of Pharmacy**

The Subcommittee approved an increase of \$138,752 Other Funds expenditure limitation for the establishment of a permanent full-time Administrative Specialist 1 position (0.63 FTE) in the Board of Pharmacy, which is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024. The new position is necessary due to substantial increases in investigations and inspections. Funding will also be used to reclassify an existing Office Specialist 2 position.

### **Bureau of Labor and Industries**

The measure includes several adjustments to the budget for the Bureau of Labor and Industries (BOLI). A one-time increase of \$631,615 Other Funds expenditure limitation is included for the establishment of nine limited duration positions (3.00 FTE) to address the registered apprenticeship program compliance review backlog. The funding to support these positions is available from unexpended American Rescue Plan Act State Fiscal Recovery Funds from the 2021-23 biennium. This adjustment was recommended for approval at the January 2024 meeting of the Joint Interim Committee on Ways and Means.

Also included in SB 5701 is an ongoing increase of \$98,000 General Fund for a public records management software license, and a one-time increase of \$162,500 General Fund, \$77,500 Other Funds, and \$10,000 Federal Funds for phase 1 of a new case management software project. In addition, the Subcommittee approved net-zero technical adjustments to move one civil rights position from the Commissioner's Office to the Civil Rights Division and adjust four civil rights positions within the Civil Rights Division to align them with the appropriate budget structure.

SB 5701 also supports a one-time Other Funds expenditure limitation increase of \$991,772, the establishment of two limited duration positions (3.88 FTE), and an extension of nine existing limited duration positions for registered apprenticeship program compliance review. This increase is funded from unexpended grant funds from the Future Ready Oregon program initially authorized by SB 1545 (2022) that were returned to the agency.

### **Bureau of Licensed Social Workers**

The measure increases the Other Funds expenditure limitation for the Board of Licensed Social Workers (BLSW) by \$136,836 to fund two limited duration Office Specialist 2 positions (1.00 FTE) to help address the agency's caseload. HB 4071 (2022) waived fees for all new applications without adding new staff; this change increased applications from 227 in 2022 to 786 in 2023. During the 2023 legislative session, BLSW received one part time Office Specialist 2 position, which was able to reduce applications by a little over 25% in three months. The two additional positions are anticipated to clear the backlog and maintain an ongoing application review period of 7-14 days.

### **Department of Consumer and Business Services**

The Subcommittee approved two Department of Consumer and Business Services (DCBS) budget requests recommended during the January 2024 meeting of the Joint Interim Committee on Ways and Means. The first adds \$1.2 million Other Funds expenditure limitation and establishes eight full-time permanent positions starting July 1, 2024 (4.00 FTE) in the Division of Financial Regulation to address increased workload and implement 2023 legislation. Two Tax Auditor 2 positions and one Public Service Representative 4 position are added to address a backlog of processing insurance retaliatory tax returns, some of which date back to 2020 and 2021. Two Compliance and Regulatory Manager 2 positions are established to better manage and reorganize oversight of positions regulating the insurance industry. One Financial Examiner 3 position is added to oversee the state-chartered Umpqua Bank, which merged with Columbia Bank in February 2023. After the merger, Umpqua Bank became the largest financial institution overseen by the Division of Financial Regulation and requires additional oversight support. A Compliance and Regulatory Manager 2 position and an Operations and Policy Analyst 3 are added to implement HB 2725 (2023), which prohibits pharmacy benefit managers from retroactively decreasing reimbursements, from charging fees on pharmacists after the point of sale and requires sufficient notice of denied claims be provided to pharmacists.

The second budget request recommended during the January 2024 interim meeting increases Other Funds expenditure limitation by \$893,818 and Federal Funds expenditure limitation by \$26,057, and adds three permanent full-time positions in the Central Services Division to address workload issues, reclassify six positions, and support negotiated salary selectives for six Training and Development Specialists and 11 Elevator Inspectors. The three positions added to address increased workload in the Central Services Division include an IT Application Development Manager 1 (0.50 FTE), an Information Systems Specialist 5 (0.50 FTE), and a Human Resources Analyst 1 (0.50 FTE).

The Subcommittee also recognized a \$7.7 million revenue transfer to Oregon Health and Science University (OHSU) for the Oregon Institute of Occupational Health Safety to properly account for how funds are being distributed by DCBS to OHSU. A second technical adjustment is made to correctly reflect the fiscal impact of HB 3409 (2023). DCBS was approved for two positions in the Buildings Code Division to support the work required by the measure; however, this

budget adjustment was based on an earlier version of the bill and the version that was enacted requires DCBS to report on options for reducing greenhouse gas emissions that result from materials used in building construction. To accommodate this need, the Subcommittee eliminated the erroneously added Professional Engineer 2 position (0.88 FTE) and moved \$346,942 Other Funds from personal services to services and supplies to support a contract to complete the required report.

### **Veterinary Medical Examining Board**

The Subcommittee approved an increase of \$43,762 in Other Funds expenditure limitation and an increase of 0.25 FTE for an existing Administrative Specialist 2 position in the Veterinary Medical Examining Board due to the position's workload.

## **ECONOMIC AND COMMUNITY DEVELOPMENT**

### **Department of Veterans' Affairs**

SB 5701 supports two adjustments for the Home Loan Servicing information technology project resulting in a combined expenditure limitation increase of \$1.7 million Other Funds and two positions (1.26 FTE). The first includes \$1.2 million Other Funds, on a one-time basis, for additional project costs including independent quality management services, procurement, project management, legal fees, insurance, and contingency. The second adjustment includes an increase of \$564,682 Other Funds for the establishment of two permanent positions. One position is an Information Specialist 7 (0.63 FTE), which serves as an information technology (IT) project manager to move system implementation in-house and support future IT projects at the agency. The second position (0.63 FTE) is an Accountant 3 to support implementation and ongoing operation of the new system.

In addition, a special purpose appropriation to the Emergency Board is established in the amount of \$35 million for the state's portion of construction of a third veterans' home in Roseburg, Oregon. Total construction costs are estimated at a minimum of \$100 million and the U.S. Department of Veterans Affairs (USDVA) will cover 65% of the total if the project is authorized by USDVA to move forward.

### **Employment Department**

Consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024, the Subcommittee approved an increase of \$99,436 Other Funds expenditure limitation and authorized the establishment of one position (0.63 FTE) in the Oregon Employment Department's (OED's) Office of Administrative Hearings. This adjustment re-establishes the budget and position authority for a permanent legal secretary position that was inadvertently eliminated in the 2023-25 legislatively adopted budget.

An increase of \$20.5 million Federal Funds expenditure limitation and a corresponding Other Funds expenditure limitation decrease was approved to align program expenditures with the appropriate revenue sources. OED identified \$13 million in expenditures related to modernization of OED business systems and processes, and a combined \$7.6 million in the Unemployment Insurance, Shared Services, Workforce Operations, Contributions and Recovery, and Workforce and Economic Research divisions that are eligible for and expected to be funded with federal resources.

The Subcommittee also approved a net-zero technical adjustment shifting funding and positions between budget structures. In the legislatively adopted budget, 17 positions and \$3.7 million Other Funds were erroneously attributed to the Paid Leave Oregon program, and 16 positions and \$3.6 million Other

Funds were erroneously attributed to the Modernization Initiative. These positions are related to other divisions and functions within OED, and as such, \$7.3 million Other Funds expenditure limitation was removed from the divisions noted above and added to unemployment insurance, shared services, workforce operations, contributions and recovery, and workforce and economic research.

In addition, the Employment Department’s Other Funds expenditure limitation is increased by \$10.4 million to support permanent position authority for 72 positions (45.00 FTE). These positions were approved on a limited duration basis with General Fund appropriated in HB 5049 (2023) for the purpose of eliminating investigation backlogs, maintaining timely payments, providing adequate supervisory support, and improving customer access to information through translation of materials. An increase in the Supplemental Employment Department Administrative Fund allocation - from 0.09% to 0.109% - is included in HB 4035 (2024) and will support these positions and activities on an ongoing basis.

**Housing and Community Services Department**

The measure appropriates \$39 million General Fund to the Housing and Community Services Department (HCSD) for deposit into the Long-Term Rent Assistance Fund established in ORS 458.392 to expand the number of Oregonians receiving longer-term rental assistance and associated rehousing services by an estimated 700 households. This funding is available from the elimination of a corresponding General Fund special purpose appropriation made to the Emergency Board in SB 5506 (2023). The appropriation to HCSD will pay for services and related longer-term rental assistance for a period of up to 24 months. Other Funds expenditure limitation to allow funds to be expended from the Long-Term Rent Assistance Fund is included in the amount of \$25 million, with the remaining \$14 million anticipated to be expended in the 2025-27 biennium. Statutory changes to the Long-Term Rent Assistance Fund are included in SB 1501 (2024), which is the program change measure, to broaden eligible expenditures from the fund to include other supportive services and rental assistance to those experiencing, or at risk of experiencing, homelessness. These adjustments are consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

Due to constraints with the number of permanent supportive housing projects that can be developed over the course of a biennium, HCSD is updating the project allocations made from \$600 million in proceeds from Article XI-Q bonds authorized during the 2023 session for financing affordable housing. These updates, which result in net-zero budget changes, are summarized in the following table:

<b>HCS D Program</b>	<b>Previously Reported Article XI-Q Bond Allocation</b>	<b>New Allocation Amount</b>	<b>Number of Expected Units</b>
Local Innovation and Fast Track (LIFT) Rental Housing	\$350 million	\$440 million	1,833
LIFT Home Ownership	\$90 million	\$40 million (with a possible additional \$40 million)	348 - 696
Permanent Supportive Housing	\$160 million	\$80 million	400
<b>Total</b>	<b>\$600 million</b>	<b>\$600 million</b>	<b>2,581 - 2,929</b>

The projections assume an initial offering of \$40 million for homeownership opportunities. However, if over-subscribed, the Department proposes to offer up to an additional \$40 million for this program. Any unutilized proceeds will be allocated for the financing of affordable rental housing.



In addition, SB 5701 appropriates \$475,808 General Fund to HCSD to support professional services contracts related to reporting, grant compliance, and expertise for homelessness prevention and response. These services will support efforts intended to shelter and rehouse Oregonians pursuant to local planning group and multi-agency coordinating group initiatives. Support for this appropriation is available from vacancy savings within the Department of Emergency Management for position authority that was granted but later determined not to be needed to support homelessness response efforts.

### **Oregon Business Development Department**

The measure makes three adjustments to the budget for the Oregon Business Development Department (OBDD) pursuant to recommendations by the Joint Interim Committee on Ways and Means in January 2024. First, the measure increases Federal Funds expenditure limitation by \$29.2 million to support expenditures for small business assistance. The planned expenditures are supported by a federal Small Business Credit Initiative grant award of \$83.5 million; the adjustment included in the measure reflects the second of three distributions to OBDD associated with this grant.

Second, the measure adjusts OBDD's budget to reflect the passage of HB 3532 (2023), which removed the annual administrative spending cap of \$400,000 from the Trust for Cultural Development Account and replaced it with a cap of 5% of the value of the account. The change results in more dollars being available for program operations, technical assistance, local cultural planning, and other cultural activities. The budgetary adjustments made to accommodate the change result in a net increase of \$687,822 Other Funds expenditure limitation, an increase of 0.50 FTE for an existing Executive Support Specialist 2 position, and a decrease of \$49,194 General Fund for the OBDD Arts program.

Third, the measure increases Other Funds expenditure limitation by \$165,205 and supports the establishment of one full-time permanent position (0.63 FTE) for OBDD to assist communities in accessing funds to address drinking water system contaminants. This adjustment corresponds to a federal grant award totaling \$9.94 million for the first year of funding provided through the Bipartisan Infrastructure Law of 2021 for projects that address emerging contaminants through investments in safe drinking water infrastructure. An additional \$45.9 million is estimated to be available from this grant over the next four years. Funds are granted from the U.S. Environmental Protection Agency to the Oregon Health Authority and transferred to OBDD for projects. An Operations and Policy Analyst 3 position will act as a project manager, facilitating between 10-20 funding contracts per year, most of which require upfront technical assistance, including federal requirements, procurement assistance, and contract management.

In addition, the Subcommittee approved a net General Fund reduction of \$16.8 million to reflect actual 2021-23 General Fund expenditures for named projects. These projects expended more in the 2021-23 biennium than initially projected when the 2023-25 budget was being developed; as a result, less General Fund carryforward is needed in the 2023-25 biennium.

The passage of HB 2009 (2023) resulted in new responsibilities and corresponding fiscal impacts for OBDD that were not incorporated into its regular budget bill or the end-of-session budget reconciliation bill in the 2023 session. The legislation requires the agency to design and implement a new research and development tax credit for semiconductors, procure and distribute a study, update existing Enterprise Zone requirements, and incorporate changes into the agency's Strategic Investment Program. SB 5701 increases Lottery Funds expenditure limitation by \$294,909 and Other Funds expenditure limitation by \$83,273 to support the creation of a new full-time Program Analyst 3 (0.50 FTE) position to manage new and update existing incentives and procurements, and the creation of a half-time Public Affairs Specialist position (0.25 FTE) for related training, marketing and communications.

The measure includes expenditure limitation increases of \$564,898 Lottery Funds and \$500,947 Other Funds to support three new full-time positions dedicated to planning and implementation of the agency's Economic Development Management System information technology project, intended to replace and integrate several obsolete financial and business process systems within the Department. OBDD reported to the Transportation and Economic Development Subcommittee of Ways and Means on project status, as required by a budget note. Lottery Funds will support three permanent full-time positions (0.58 FTE each): a Modernization Program Manager; a Senior Project Manager to replace contracted project management services; and an Organizational Change Management Analyst. These resources will enable the agency to have dedicated state resources available for further planning, analysis, and proposal evaluation and selection, which increases the likelihood that the project will be implemented as planned and budgeted. The Other Funds expenditure limitation will be used for contracted independent quality management services.

Expenditure limitation increases of \$231,447 Lottery Funds and \$57,862 Other Funds are included in the measure to support two permanent full-time Human Resource Analyst positions (0.58 FTE each). The positions will augment existing staff of three positions and enable the Department to manage a significant increase in recruitment and hiring actions experienced since 2019.

Additional adjustments to Lottery Funds expenditure limitation are included in the measure for different purposes. First, an increase of \$250,000 is included to facilitate the execution of global trade missions to promote international investment in Oregon, both as a place to do business and expand markets for Oregon products and services. Second, a net increase of \$3.8 million is included to adjust for actual carry forward balances of committed Lottery Funds from the 2021-23 biennium, which includes a \$3.9 million increase in Business, Innovation and Trade, and a \$71,620 expenditure limitation decrease for the Infrastructure program.

The measure increases General Fund by \$50 million for deposit into the Oregon CHIPS Fund for grants and loans to businesses seeking federal CHIPS Act funding through the U.S. Department of Commerce. This funding augments a \$190 million investment made in SB 4 (2023) for the purpose of supporting investments of semi-conductor technology companies with Oregon locations that seek to expand operations in the state. The measure increases Other Funds expenditure limitation by \$50 million to expend the money deposited into the fund and eliminates a \$50 million General Fund special purpose appropriation to the Emergency Board for the same purpose.

A one-time General Fund appropriation of \$8 million is approved for deposit in the Economic Equity Investment Fund established under ORS 285B.763. Other Funds expenditure limitation is increased by \$8 million to expend monies from the fund for awarding grants to organizations providing culturally responsive services supporting economic stability, self-sufficiency, wealth building and economic equity among disadvantaged individuals, families, businesses, and communities in Oregon.

The Subcommittee approved an increase of \$500,000 in Other Funds expenditure limitation from the Broadband Fund established under ORS 285A.167 to provide technical support to libraries in accessing federal broadband funding. Other Funds expenditure limitation is also increased to reflect approval of an additional \$4 million in net lottery bond proceeds authorized for the City of Aumsville's wastewater treatment plant construction and sewer system improvements. These bonds have associated issuance costs of \$52,940.

One-time General Fund in the amount of \$1.7 million is included for distribution by OBDD to the City of Willamina for an erosion remediation project at Hampton Park.

SB 5701 also includes one-time General Fund appropriations to support specified arts and cultural programs and projects. As part of this, \$5.9 million General Fund is appropriated to OBDD for the following one-time distributions to seven major culture venues:

- \$379,750 for the High Desert Museum
- \$341,775 for the Oregon Ballet Theater
- \$2.6 million for the Oregon Shakespeare Festival
- \$949,375 for the Oregon Symphony
- \$743,298 for the Portland Art Museum
- \$474,687 for Portland Center Stage
- \$474,687 for the Portland Opera

An additional \$5.9 million General Fund is appropriated on a one-time basis for OBDD to distribute grants to 13 arts and cultural institutions for the following capital projects:

- \$1 million to Clatsop County Historical Society for expansion of the Oregon Film Museum.
- \$900,000 to the Black United Fund of Oregon for building the United Futures Complex.
- \$455,690 to Friends of the Oregon Caves and Chateau for restoration of the Oregon Caves Chateau.
- \$400,000 to Columbia County Museum Association for relocation and improved accessibility of the Columbia County Museum.
- \$424,603 to Josephine Community Library Foundation for acquisition of land for a new library and commons.
- \$500,000 to Southern Oregon Historical Society for creation of an event center and new museum.
- \$250,000 to Portland Art Museum for the PAM CUT Tomorrow Theatre.
- \$500,000 to Painted Sky Center for Arts for the arts building acquisition.
- \$350,000 to Very Little Theatre for renovation and remodeling of the theater.
- \$150,000 to Portland Institute for Contemporary Art for capital repairs and upgrades to the building.
- \$500,000 to Rainier Oregon Historical Museum for a new museum building.
- \$150,000 to Salem Parks Foundation for restoration of the Eco-Earth Globe at Riverfront Park.
- \$300,000 to The Portland Playhouse for acquisition of Portland Playhouse and property.

## EDUCATION

### **Department of Early Learning and Care**

The Birth Through Five Literacy Fund was established by HB 3198 (2023) and received limitation of \$1 as a placeholder pending legislative approval of a plan for a Birth Through Five Literacy grant program from the Department of Early Learning and Care (DELIC). In January 2024, the Joint Interim Committee on Ways and Means received the report and approved the plan. The Subcommittee increased the Other Funds expenditure limitation established in HB 3198 by \$9.4 million to implement the Birth Through Five Literacy plan. The source of Other Funds is the Early Learning Account in the Fund for Student Success. To transfer funds from the Early Learning Account to DELIC for the Birth Through Five Literacy plan, the Subcommittee also increased Other Funds expenditure limitation for the Department of Education by a commensurate \$9.4 million.

Chapter 595, Oregon Laws 2023 (HB 2683) expands eligibility for the Employment Related Day Care (ERDC) program based on household income, employment status, and use of support or intervention social services, such as homelessness services, teen parent services, or domestic violence services. The new eligibility categories take effect in July 2025 and July 2027. To prepare the ONE Eligibility system to accommodate additional eligibility categories, the Legislature appropriated \$1.8 million General Fund in the 2023-25 legislatively adopted budget. The Subcommittee approved moving this appropriation between budget units in the DELIC budget for accounting purposes.

Expanded eligibility requirements for ERDC took effect on July 1, 2023. Since then, the program's caseload has grown by 40%, with costs estimated to exceed the program's 2023-25 budget before January 2025. To manage demand, a waitlist was implemented on November 3, 2023; the cost-containment effect of the waitlist will not take full effect in the current biennium. To ensure the program can cover the cost of families currently eligible to receive ERDC services, the Subcommittee approved increases of \$86 million General Fund and \$4.5 million Federal Funds expenditure limitation. Combined with \$8.5 million from the federal American Rescue Plan Act re-purposed within the agency's existing budget, increased resources for the ERDC program in the current biennium total \$99 million, bringing the ERDC program budget to \$452 million for the 2023-25 biennium. In addition, the existing \$8 million special purpose appropriation to the Emergency Board for caseload-related changes in the ERDC program is increased by \$64 million, for a total of \$72 million. This funding is available for allocation upon request by the agency and demonstration of caseload needs at a future meeting of the Emergency Board.

Eligibility for the ERDC program is determined through the ONE Eligibility system housed in the Department of Human Services (DHS). Implementation of a waitlist for the ERDC program required changes to be made to the system. For DELIC to reimburse DHS for the cost of making the required system changes, the Subcommittee approved \$250,000 General Fund on a one-time basis.

The rapid growth of the ERDC caseload has increased the workload of the 20-member staff in the Direct Pay Unit, which is responsible for making ERDC payments to child care providers. To address the increased workload and ensure that timely processing of payments continues, the measure includes, on a one-time basis, \$347,891 General Fund for the establishment of three full-time limited duration positions (1.88 FTE). A new child care provider payment system that is currently under development by the Department will eliminate the need for these positions after the 2023-25 biennium.

The ERDC program serves many families and pays many providers that speak languages other than English. To relay information about the program in both English-speaking and non-English-speaking communities, the Subcommittee approved \$474,598 General Fund and the establishment of one permanent position (0.63 FTE) to provide program communications. Of this amount, \$294,000 will pay for translation services and publication costs.

Various budget actions taken in the 2021 and 2022 legislative sessions provided funding and positions needed to establish DELC as a fully operational new state agency as of July 1, 2023. In the course of building the new agency, the costs of more than one-third of the 351 positions funded in the Department's 2023-25 budget have been affected by pay equity and/or management reviews, new-hire actions, or reclassifications, resulting in payroll costs that are higher than previously budgeted. To address these costs and reduce the likelihood DELC will overspend its budget, the Subcommittee approved an increase of \$3.7 million General Fund and \$123,951 Federal Funds.

The Subcommittee approved \$1.4 million General Fund and authorized the establishment of six permanent ongoing positions (8.25 FTE) in the Child Care Licensing Division to accommodate a sustained workload increase of more than 50% since 2022.

The Subcommittee approved, on a one-time basis, \$1.5 million General Fund for DELC to grant to the Provider Services Fund (PSF), a non-profit organization whose mission is to make child care more sustainable in Oregon. PSF makes grants to child care providers to expand their capacity and provides training opportunities to child care providers throughout the state.

To balance resources available in the Early Learning Account to General Fund resource constraints, the Subcommittee approved an increase of \$5 million Other Funds expenditure limitation for the Oregon Prenatal to Kindergarten (OPK) program and a corresponding \$5 million decrease in General Fund support, for no net change in program resources.

#### **Department of Education**

Based on recommendations from the Joint Interim Committee on Ways and Means made in January 2024, the Subcommittee authorized the establishment of one permanent Education Program Manager 3 position (1.00 FTE) to oversee the Office of School Facilities in the Oregon Department of Education (ODE).

To address caseload growth in the Early Intervention and Early Childhood Special Education programs, the Subcommittee also approved an expenditure limitation increase of \$22.1 million Other Funds. The source of Other Funds is the Early Learning Account in the Fund for Student Success.

The Early Literacy Success Community Grant Fund was established by HB 3198 (2023) and received limitation of \$1 as a placeholder pending legislative approval of a plan for an Early Literacy Success Community grant program. In January 2024, the Joint Interim Committee on Ways and Means received the report and approved ODE's plan. The measure increases the Other Funds expenditure limitation established in HB 3198 by \$9,999,999 to implement the Early Literacy Success Community grant program. The source of Other Funds is the Statewide Education Initiatives Account in the Fund for Student Success.

For providing one-time stipends to licensed educators and classified school employees working in special education during the 2024-25 school year, the measure increases General Fund by \$8.9 million, with a corresponding reduction in the special purpose appropriation made to the Emergency Board in SB 5506 (2023) for the same purpose.

To address a backlog of appeals of complaints alleging discrimination in public education and to provide parent advocates for families navigating district and state-level complaint processes, the Subcommittee approved \$2 million General Fund and authorized the establishment of 14 permanent positions (7.00 FTE). Of this amount, \$150,000 will fund the expansion of the Department's pool of contract investigators.

ODE collects and maintains a wide variety of data from local school districts, including revenue and expenditure budgets and audited actual annual revenues and expenditures. To develop and maintain publicly accessible data dashboards featuring school district financial data, the Subcommittee approved \$2.2 million General Fund and authorized the establishment of six permanent positions (3.50 FTE). Included within this amount is \$1.1 million in one-time resources for contract services for data visualization development and assessing the Department's data management requirements.

For the Department to provide staff support needed to establish and operate a federal Summer Electronic Benefit Transfer (EBT) child nutrition program jointly administered with the Department of Human Services and the Oregon Health Authority, the Subcommittee approved \$169,164 General Fund, \$169,164 Federal Funds expenditure limitation, and the authorization of one limited duration position (0.31 FTE) and one permanent ongoing position (0.63 FTE).

Using federal grant and pandemic relief funds, the Department launched a Community Care Demonstration Project to provide school-based mental health and health care supports and system navigation to students and families in four Oregon school districts. To continue the demonstration project through the end of the 2023-25 biennium, the Subcommittee approved \$1 million General Fund on a one-time basis. This funding will support ten Community Care specialists employed by the four school districts participating in the demonstration project.

The U.S. Department of Agriculture's Child and Adult Day Care Food program (CACFP) reimburses in-home day care providers for meals served to children while in their care. To support the local organizations that administer the CACFP, the Subcommittee approved \$660,000 General Fund on an ongoing basis.

HB 2166 (2021) set a timeline of July 1, 2024 for school districts to implement new Transformative Social and Emotional Learning standards, which were approved by the State Board of Education in June 2023, providing a very short timeframe in which to develop curriculum supplements and educator professional development materials. To ensure materials are available, educators are trained on the new curricula, and sufficient staff support exists to manage implementation, the Subcommittee approved an increase of \$1.7 million General Fund on a one-time basis and authorized the establishment of one limited duration position (0.63 FTE).

To properly account for the Department's transfer of funds from the Early Learning Account in the Fund for Student Success to the Department of Early Learning and Care, the Subcommittee approved the correction of a reference in the budget report for HB 5014 (2023), from Summary Cross Reference (SCR) 300, Grant-in-Aid and District Supports, to SCR 500, Early Learning Division.

SB 5701 includes a reduction of \$115.9 million General Fund, an increase of \$34.6 million Lottery Funds, and an increase of \$81.3 million Other Funds expenditure limitation for the State School Fund (SSF) from the Fund for Student Success. This change reflects the balance of available Lottery Funds used to support the SSF, as well as the most recent forecast of the Fund for Student Success revenues statutorily transferred to the SSF. The 2023-25 State School Fund budget total of \$10.2 billion is not changed.

To support further development of an information technology project to replace the system relied upon to calculate and process State School Fund distributions to school districts and education service districts, the Subcommittee approved \$186,255 General Fund and authorized the establishment of

one limited duration Business Analyst (Information Systems Specialist 7) position (0.63 FTE) through the end of the 2025-27 biennium. The Subcommittee also approved extending one existing limited duration Business Analyst (ISS7) position and one existing limited duration Project Manager 3 position for this project through the end of the 2025-27 biennium.

The Early Learning Account in the Fund for Student Success is a significant source of support for early learning programs provided by the Department of Early Learning and Care (DELIC). Since becoming an independent state agency, funds from the Early Learning Account must be transferred to DELIC by the Department of Education. To balance the transfer of funds to program budget changes approved during the 2024 legislative session, the Subcommittee approved an increase in Other Funds expenditure limitation of \$5.3 million. The budget changes supported by this transfer are shown in the table below.

<b>To Balance Early Learning Account transfer to DELIC</b>	<b>OF-ELA</b>
Statewide and compensation plan changes	323,379
Increase ELA Funds for OPK/reduce GF	5,000,000
<b>Total: 2024 Session Actions</b>	<b>5,323,379</b>

To distribute the available ending fund balance in the Student Investment Account to school districts in the 2023-25 biennium, the Subcommittee approved an increase of \$4.9 million Other Funds expenditure limitation.

**Higher Education Coordinating Commission**

SB 5701 includes a one-time expenditure limitation increase of \$1 million Other Funds for the Higher Education Coordinating Commission (HECC) to support public university educator preparation programs for the planning, tracking, and reporting on the progress of developing a pre-kindergarten through grade 12 educator workforce that more closely mirrors the linguistic and cultural diversity of students. The Subcommittee also approved a one-time increase of \$5.1 million Other Funds for HECC to collaborate with the Oregon Department of Education (ODE) and Educator Advancement Council (EAC) to award scholarships to culturally and linguistically diverse teacher candidates as part of the Oregon Teachers Scholars Program (OTSP). During the 2023 session, these funds were appropriated to ODE for deposit into the Statewide Education Initiatives Account for these efforts. Although HECC was authorized to enter into an interagency agreement with ODE and EAC to distribute funds for the equity plans and to award the scholarships pertaining to OTSP, expenditure limitation was not included in HECC’s primary budget bill, HB 5025 (2023), until the two agencies finalized the interagency agreement. These adjustments are consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

The measure establishes the following one-time General Fund appropriations to HECC for targeted purposes:

- \$500,000 for distribution to Portland State University to support the operations of the Center for Women’s Leadership.
- \$1 million for distribution to the University of Oregon Just Futures Institute to conduct research to understand and address water needs of environmental justice communities and to award grants.
- \$1.9 million for distribution to the Oregon State University Veterinary Diagnostic Laboratory to support programs to improve Oregon’s coordination, monitoring, prevention, and response to zoonotic diseases.

A series of net-zero expenditure limitation adjustments were approved to accurately reflect the budget for the newly established Oregon Cybersecurity Center of Excellence. These include a decrease of \$4.9 million Other Funds for HECC programs; an increase of \$2.5 million Other Funds for payments out of the Oregon Cybersecurity Center of Excellence Operating Fund; an increase of \$2.15 million Other Funds for payments from the Oregon Cybersecurity Workforce Development Fund; and an increase of \$250,000 Other Funds for payments from the Oregon Cybersecurity Grant Program Fund. Additional net-zero adjustments are included to move college in prison funding to the correct budget structure. These include a \$306,000 General Fund decrease for HECC programs and operations; \$126,000 General Fund increase for public universities; and \$180,000 General Fund increase for community colleges.

The Subcommittee approved increasing Other Funds expenditure limitation by \$115,000 for the cost of issuing bonds authorized in HB 5201 (2024) for public universities. Capital construction expenditure limitation for new public university capital projects is provided in HB 5202 (2024) and project descriptions are included in HB 5201 (2024).

A total of \$17.5 million Lottery Funds is available to offset an equal amount of General Fund for the Oregon Opportunity Grant program (OOG), through increased Education Stability Fund interest and a distribution from the Oregon Growth Account. This offset leaves the OOG program funded at the same level as the legislatively adopted budget.

The measure also includes a one-time General Fund appropriation of \$10 million to distribute to the following universities and community colleges to support the semiconductor industry:

- \$2 million to the University of Oregon to expand and modernize training facilities for workforce development related to the semiconductor industry.
- \$1.9 million to Portland State University to establish a center for semiconductor research, education, and workforce development.
- \$2 million to Oregon State University to invest in semiconductor infrastructure including faculty, graduate students, equipment, and curriculum development.
- \$671,141 to Oregon Institute of Technology for semiconductor manufacturing training facilities in Klamath Falls.
- \$1.7 million to Portland Community College to increase career readiness connections for students in high school and adult learners; expand stackable micro-credential, certificate, and apprenticeship programs; provide tuition assistance and support to students pursuing semiconductor workforce training; and support faculty and staff.
- \$1.7 million to Mt. Hood Community College to build the semiconductor career pipeline, with a focus on historically underserved populations, through career awareness, expansion of stackable credentials, increasing skills of incumbent workers, tuition assistance and support to students, supporting faculty and staff.

The Subcommittee approved a one-time \$20 million decrease in Outdoor School Lottery Funds expenditure limitation. A total of \$29 million in unspent funding is available in the Oregon State University Extension Service Outdoor School Fund due to decreased expenditures during the COVID-19 pandemic. This offset leaves the Outdoor School program funded at a level sufficient to maintain current biennium programming, as well as to support one-time improvement grants to Outdoor School partners. In addition, the Subcommittee approved a one-time General Fund appropriation of \$10 million for distribution Oregon State University for student scholarships.



The Subcommittee approved a one-time General Fund appropriation of \$100,000 for distribution to the University of Oregon Labor Education and Research Center to research the potential workforce impacts across Oregon’s key economic industries to understand the impact of automation and artificial intelligence. The Subcommittee also adopted the following budget note:

**BUDGET NOTE**

The University of Oregon Labor Education and Research Center is directed to submit a report on their research and findings to the Joint Legislative Committee on Information Management and Technology, including recommendations for legislation, no later than February 1, 2025.

**Teacher Standards and Practices Commission**

To address a backlog of applications for licensure and a backlog of investigations into complaints of educator misconduct, the measure increases Other Funds expenditure limitation by \$914,270 on a one-time basis and supports the establishment of eight limited-duration positions (5.00 FTE) for the Teacher Standards and Practices Commission. This adjustment is consistent with the recommendation of the Joint Interim Committee on Ways and Means at its meeting in January 2024.

**HUMAN SERVICES**

**Commission for the Blind**

During the 2023 session, the Legislature approved funding for the Oregon Commission for the Blind (OCB) to use the Department of Administrative Services (DAS) Information Technology (IT) Services. However, DAS IT was unable to immediately address the Commission’s specialized IT needs. As a result, the measure makes permanent an unbudgeted Information Security Specialist 3 position (1.00 FTE) and transfers services and supplies of \$472,936 General Fund from four of OCB’s divisions to offset the cost of the position (\$205,092 General Fund), resulting in net savings of \$267,844 General Fund.

SB 5701 also includes an increase of \$524,866 General Fund and a decrease in Federal Funds of \$502,605 to reclassify two positions upward and shift funding for three positions that are ineligible for federal match. The reclassifications are based on a review of the DAS Chief Human Resources Office and include changing a Business Operations Supervisor 1 to a Business Operations Supervisor 2 and an Executive Support Specialist 2 to an Executive Assistant. In addition, the U.S. Department of Education identified positions within OCB that do not provide a direct service to the blind and are ineligible for a federal match. To address this, the measure supports 100% General Fund for the reclassified Business Operations Supervisor 2, the Executive Assistant, and an Information Security Specialist 6 position.

**Department of Human Services**

SB 5701 adjusts the Department of Human Services (DHS) budget for updated caseload forecasts and other cost variations to rebalance the agency’s budget. The measure also includes several program investments. The following table provides a high-level summary of these changes:

<b>Department of Human Services</b>						
<b>2023-25 Adjustments Approved in SB 5701</b>	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total</b>	<b>Positions</b>	<b>FTE</b>
Fall 2023 Rebalance	108,798,080	15,382,504	295,553,826	419,734,410	25	25.68
Non-State Employee Compensation Changes	74,321,001	-	131,223,453	205,544,454	-	-
Office of Financial Services Positions	294,877	702,814	172,531	1,170,222	6	3.00
Office of Resiliency and Emergency Management Positions	7,808,548	390,427	4,815,271	13,014,246	29	29.00
Central Office Positions	14,067,927	470,379	8,840,067	23,378,373	50	50.00
Area Agencies on Aging Case Management	8,780,977	-	8,780,975	17,561,952	-	-
Housing Support Positions	-	-	-	-	11	11.00
Acuity-Based Staffing Positions	783,944	-	783,944	1,567,888	9	6.75
Temporary Assistance for Domestic Violence Survivors	96,236	-	10,463,320	10,559,556	1	0.38
Background Check Unit Positions	707,064	1,679,074	607,312	2,993,450	11	8.05
Developmental Disabilities Systems Projects	579,732	-	21,352,985	21,932,717	33	27.21
Summer Electronic Benefit Transfer	11,984,958	149,247	82,506,435	94,640,640	55	15.85
Employment-Related Day Care Limitation	-	99,000,000	-	99,000,000	-	-
Treatment Foster Care	1,800,000	-	-	1,800,000	-	-
Humanitarian Mission Savings	(2,500,000)	-	-	(2,500,000)	-	-
Newcomer Support Services Pilot	2,000,000	-	-	2,000,000	-	-
Temporary Lodging Prevention*	-	15,000,000	-	15,000,000	-	-
Employment-Related Day Care - ONE Eligibility System Changes	-	250,000	-	250,000	-	-
<b>Total DHS SB 5701 Adjustments**</b>	<b>229,523,344</b>	<b>133,024,445</b>	<b>565,100,119</b>	<b>927,647,908</b>	<b>230</b>	<b>176.92</b>

\*SB 5701 also includes a \$10 million General Fund special purpose appropriation to the Emergency Board for the same purpose.

\*\*Table does not include statewide adjustments.

### Fall 2023 Rebalance

For the Department of Human Services' first budget rebalance of the 2023-25 biennium, the Subcommittee approved adjustments resulting in a net General Fund increase of \$108.8 million, an Other Funds expenditure limitation increase of \$15.4 million, and a Federal Funds expenditure limitation increase of \$295.6 million; and authorized a total of 25 new positions (25.68 FTE). The adjustments encompass a number of issues affecting the DHS budget, including savings and funding gaps due to changes in caseload, cost per case, and the federal medical assistance percentage (FMAP); and other program changes arising since the 2023 legislative session. The major DHS rebalance adjustments include:

- \$41 million net General Fund increase (\$173.5 million total funds) due to changes in caseload, compared to spring 2023.
- \$28.6 million General Fund increase (\$63.6 million total funds) for higher costs per case in the Intellectual/Developmental Disabilities program, and corrections in the Child Welfare budget.
- \$24.7 million General Fund on a one-time basis to meet the American Rescue Plan Act maintenance of effort requirement for Home and Community-Based Services.
- \$7.2 million General Fund for additional local staff to manage the uptick in caseload, including \$6.7 million General Fund (\$12.9 million total funds) for Community Developmental Disability Programs, and \$0.5 million General Fund (\$4.6 million total funds) for Area Agencies on Aging.
- \$3.7 million General Fund for Paid Leave Oregon costs for home care workers and personal support workers.

- \$14.7 million Other Funds expenditure limitation increase related to provider payments in the Employment-Related Day Care program.
- \$56.7 million Federal Funds expenditure limitation increase for the Supplemental Nutrition Assistance Program to match the actual grant amounts received.
- \$23 million Federal Funds expenditure limitation increase to reflect increased federal grant funds for assistance to Afghan and Ukrainian refugees.

New positions approved in the rebalance are mostly for implementation of federal grants received since the start of the biennium or to support federally funded activities which had previously been performed under contract with outside entities. This includes seven positions (4.41 FTE) in Child Welfare to administer a federal foster care grant, two positions (1.58 FTE) in Self Sufficiency to administer the Sexual Risk Avoidance Education grant, two positions (2.00 FTE) in Aging and People with Disabilities for disability determinations services, and 10 positions (6.30 FTE) in Vocational Rehabilitation for the provision of Pre-Employment Transition Services to students with disabilities. In addition, various budget-neutral technical adjustments were approved related to internal transfers of positions and funding. The agency noted in the rebalance report several potential risks to its budget, including, for example, changes in program caseloads and costs per case.

#### Non-State Employee Compensation Changes

Consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024, the Subcommittee approved a \$74.3 million General Fund appropriation (\$205.5 million total funds) to the Department of Human Services to support the cost of collective bargaining agreements for non-state workers. This covers the workforce of more than 39,000 adult foster home providers, personal support workers, and home care workers who serve an estimated 32,000 Oregonians monthly. The Subcommittee also approved \$678,999 General Fund (\$1.6 million total funds) for the Oregon Health Authority to cover the cost of non-state employee compensation changes. Funding for the combined \$75 million General Fund increase is available from the elimination of a special purpose appropriation to the Emergency Board established by SB 5506 (2023) to cover the cost of non-state employee compensation changes.

#### Office of Financial Services Positions

The measure includes a General Fund appropriation of \$294,877 (\$1.2 million total funds) to the Department of Human Services to support the establishment of six positions (3.00 FTE) in the Office of Financial Services, which provides financial reporting and accounting support for DHS and the Oregon Health Authority. The additional staff needs result from legislation approved in the 2023 session and ongoing agency initiatives, particularly the expansion of Medicaid funded services under the current demonstration waiver that have increased the volume and complexity of work undertaken by the Office of Financial Services. This adjustment is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

#### Office of Resiliency and Emergency Management Positions

The Subcommittee approved \$7.8 million General Fund (\$13 million total funds) for 29 full-time permanent positions (29.00 FTE) in the Office of Resiliency and Emergency Management (OREM), including personal services costs of \$5.1 million General Fund (\$8.5 million total funds), and services and supplies costs of \$2.7 million General Fund (\$4.5 million total funds). This action addresses 29 non-budgeted positions that had been administratively established by DHS and supported until now with savings in other areas of the agency's budget. OREM now has 40 budgeted permanent full-time positions.

#### Central Services Positions

An increase of \$14.1 million General Fund (\$23.4 million total funds) was approved for 50 full-time permanent positions (50.00 FTE) in Central Services; including six positions in the Director's Office; 19 positions in the Office of Human Resources, two positions in the Office of Budget Planning and Analysis; 15 positions in the Office of Public Affairs; three positions in Government relations; and five positions in the Office of Reporting, Research, Analytics, and Implementation. This action addresses 50 non-budgeted positions that had been administratively established by DHS and supported until now with savings in other areas of the agency's budget.

#### Area Agencies on Aging - Case Management

The measure includes \$8.8 million General Fund (\$17.6 million total funds) to increase contracts with Area Agencies on Aging (AAA) for case management services provided to older adults and people with disabilities who have been determined eligible for long-term services and supports but are not receiving paid care.

#### Aging and People with Disabilities - Housing Support Positions

The budget supports the establishment of 11 limited-duration positions (11.00 FTE) and contract funds for Area Agencies on Aging to assist individuals receiving long-term services and supports with housing-related needs. The funding for these costs is available from one-time monies already in the agency's 2023-25 legislatively adopted budget for the American Rescue Plan Act Home and Community Based Services spending plan.

#### Aging and People with Disabilities - Acuity-Based Staffing Positions

To address increased workload associated with licensing complaints and acuity-based staffing reviews, the Subcommittee approved an increase of \$783,944 General Fund (\$1.6 million total funds) and nine full-time permanent positions (6.75 FTE) in the Aging and People with Disabilities' Safety, Oversight and Quality Unit. The increased workload is largely the result of consumer protections in SB 266 (2021) related to licensing complaints and SB 714 (2021) related to acuity-based staffing.

#### Child Welfare - Temporary Lodging Prevention

During the 2024 legislative session, the Joint Committee on Ways and Means Subcommittee on Human Services held an informational meeting on temporary lodging to discuss concerns about the amounts paid to certain contractors, unlicensed status of contractors serving vulnerable children and young adults, and accountability for contract deliverables. To allow DHS to comply with the terms of a related settlement agreement, the Subcommittee approved establishment of a special purpose appropriation in the amount of \$10 million to be allocated to the Department of Human Services for temporary lodging prevention services to complex children and young adults, with the understanding that \$15 million of Title IV-E Adoption Assistance program savings is also available to the Department for these costs during the interim. The Subcommittee also adopted the following budget note:

#### **BUDGET NOTE**

The Department of Human Services is directed to report to the Emergency Board and interim committees of the Legislative Assembly related to human services in September and December 2024, on the status of temporary lodging and temporary lodging prevention services. The report shall include, but not be limited to: (1) a description of the temporary lodging and temporary lodging prevention services used during the 2023-25 biennium; (2) the actual and projected numbers of children and young adults who have received or will receive temporary lodging and temporary lodging prevention services during the 2023-25 biennium; (3) actual and projected expenditures for the 2023-25 biennium; (4) a list of contract providers used to deliver services during the 2023-25 biennium, and, for each contract provider, their licensure status, not to exceed contract amount(s), and number of children and young adults served; (5) information on the 2023-25 cost per child or young adult, including explanation for

any variance in costs per child paid to providers; and (6) reports required under the settlement agreement that describe the system's effort to end temporary lodging.

#### Temporary Assistance for Domestic Violence Survivors

The Subcommittee approved \$96,236 General Fund (\$10.6 million total funds) to increase the Temporary Assistance for Domestic Survivors (TA-DVS) maximum 90-day benefit from \$1,200 to \$3,200 and support one limited-duration position (0.38 FTE). TA-DVS funds are used by the agency to support an individualized safety plan for program participants, which could range from buying replacement locks to paying the deposit and first month's rent to secure a new apartment on behalf of the survivor. Data provided by DHS shows more than 5,000 domestic violence survivors access this benefit each year. This increase in the domestic violence survivor benefit is mostly funded using a one-time accumulated balance of Temporary Assistance to Needy Families (TANF) block grant funds that the Department estimates could be fully expended in the 2027-29 biennium, at which point a larger share of costs would potentially need to be covered by the General Fund. The timeframe could vary depending on several variables, including TANF caseload and TA-DVS benefit utilization.

#### Background Check Unit Staff

An increase of \$707,064 General Fund (\$3 million total funds) was approved to support 11 full-time permanent positions (8.05 FTE) in the Background Check Unit (BCU). The BCU staff levels have not kept pace with growth in background check requests, which has led to longer processing times and delays in hiring by employers that require background screening and fitness determination services, including the extensive provider network that serves seniors and people with disabilities. With this increase, the Department estimates service delays will be reduced from 44 days to 10 business days.

#### Office of Developmental Disabilities Services - Systems Projects

The Subcommittee approved an increase of \$579,732 General Fund (\$21.9 million total funds) and 33 positions (27.21 FTE) for administrative staffing support and information technology system implementation for Intellectual/Developmental Disabilities programs. The funds will be used to plan, procure, and implement the Centralized Case Management System and Provider Enrollment and Maintenance Systems. This properly budgets for 19 positions that had been administratively established by DHS prior to budgetary approval and have been supported with savings in other areas of the agency's budget.

#### Summer Electronic Benefit Transfer

As part of a national effort to reduce food insecurity among school-aged children, the Subcommittee approved an increase of \$12 million General Fund (\$94.6 million total funds) and 55 positions (15.85 FTE) for DHS to implement a new federal nutrition program, known as the Summer Electronic Benefit Transfer (Summer EBT). The program will provide low-income families a \$120 grocery benefit for each eligible child. An estimated 294,000 students in Oregon could be eligible for the benefit. This package includes:

- \$5.8 million General Fund (\$11.7 million total funds) to contract with a vendor for IT system development.
- \$3 million General Fund (\$6.1 million total funds) for DHS positions, including six permanent full-time positions in the Self Sufficiency Program to support program design and delivery; 34 limited duration positions and 13 permanent positions in the Oregon Eligibility Partnership program to support application processing; and two permanent full-time positions in Central Services to handle accounting and contract management-related activities.
- \$2 million General Fund (\$4 million total funds) for EBT vendor costs.

- \$1 million General Fund (\$2.2 million total funds) for notice mailings.
- \$70.6 million Federal Funds expenditure limitation to cover benefit costs in 2024 and 2025.

Additional funds and positions were approved for the Oregon Health Authority and Department of Education to implement Summer EBT as the new information technology system will need to interface with existing systems managed by OHA's Office of Information Services and will require some information sharing with school districts and ODE.

In response to uncertainties about the implementation of Summer EBT, particularly the relatively short timeline for the information technology systems development required to implement the benefit by summer 2024, the Subcommittee adopted the following budget note:

**BUDGET NOTE**

The Department of Human Services, in consultation with the Oregon Health Authority and Department of Education, is directed to report to the Emergency Board in May and September 2024 on the status of Summer EBT implementation. The May report shall include, but not be limited to, the following information: (1) a description of the program's eligibility rules and application process; (2) a discussion of the ways in which the agency communicated with potentially eligible children and families about the availability of the new nutrition benefit; and (3) the program's information system stage gate endorsement(s), requirements, implementation costs, and implementation timeline. The September report shall include, but not be limited to, the following: (1) a discussion of the number of children and families who received the benefit in summer 2024; (2) the number of children and families enrolled via automated determinations (or categorically eligible) versus requiring a more involved application and enrollment process; (3) the plan to transition from a vendor system to an ongoing state-based information technology system; and (4) any other lessons learned that may help to improve the program for summer 2025.

Employment-Related Day Care Expenditure Limitation

An Other Funds expenditure limitation increase of \$99 million was approved for DHS to make payments to Employment Related Day Care providers.

Treatment Foster Care

To increase access to services designed to improve foster care placement stability for complex children and young adults, the Subcommittee approved an increase of \$1.8 million General Fund to support 10-12 additional youth placements with Treatment Foster Care Oregon.

Newcomer Support Services Pilot

The Subcommittee approved a General Fund appropriation of \$2 million for a pilot grant program designed to provide supportive services to newly arrived individuals and families in need. An eligible newcomer is an individual who is not a U.S. citizen and is not receiving support services under an eligible immigration status designated by the federal Office of Refugee Resettlement and has been in Oregon for 18 months or less, and the individual's minor child who resides in Oregon. Grants will be awarded to Afghan Support Network, Catholic Charities of Oregon, Portland Refugee Support Group, and Salem for Refugees to cover short-term needs of eligible newcomers, such as shelter, food, housing, and case management services.

Humanitarian Mission Savings

SB 5701 reduces the General Fund appropriation to DHS' Self Sufficiency Programs by \$2.5 million to reflect lower than budgeted costs for closure of the temporary state-operated Welcome Center. SB 5506 (2023) provided DHS \$20.9 million General Fund on a one-time basis to transition asylum seekers out of the Welcome Center in Portland and into longer-term community-based housing with supportive services, which included \$10.8 million to fund operations of the Welcome Center through March 31, 2024; \$9.75 million for a contract with Multnomah County to coordinate and secure the long-term housing and support services for the roughly 300 individuals then residing at the Welcome Center; and \$377,564 to support five limited duration positions in the Self Sufficiency Program. As of December 31, 2023, the Welcome Center was no longer in operation. General Fund savings resulted from DHS ending the lease three months earlier than expected.

Employment-Related Day Care - ONE Eligibility System Changes

Eligibility for the Employment-Related Day Care (ERDC) program is determined through the ONE Eligibility system. Implementation of a waitlist for the ERDC program requires changes to be made to the system. In order for DHS to spend funds transferred from the Department of Early Learning and Care for the cost of the required system changes, the Subcommittee approved a one-time Other Funds expenditure limitation increase of \$250,000 for DHS.

Long Term Care Ombudsman

To cover cost of living adjustments negotiated during collective bargaining, the Subcommittee approved an increase of \$80,456 General Fund for the Long Term Care Ombudsman. In addition, to assist individuals with complex needs discharging from hospitals to post-acute care settings, the Subcommittee approved a one-time General Fund increase of \$904,102 for five limited-duration positions (2.50 FTE), including four Deputy Public Guardians and one manager. The agency estimates this will serve 80 additional individuals, increasing the total caseload to approximately 250 individuals. The agency will need to submit a policy option package for consideration during the 2025 legislative session to reauthorize the positions in the 2025-27 budget.

Oregon Health Authority

<b>Oregon Health Authority 2023-25 Budgetary Adjustments Approved in SB 5701</b>	<b>General Fund</b>	<b>Lottery Funds</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total</b>	<b>Positions</b>	<b>FTE</b>
Items recommended by Joint Interim Committee on Ways and Means							
<i>Emerging Contaminants Grant Limitation</i>	-	-	-	9,940,000	9,940,000	-	-
<i>ODHS Shared Services Staffing Support</i>	181,398	-	25,574	43,846	250,818	-	-
<i>Non-State Employee Compensation Changes</i>	678,999	-	-	968,137	1,647,136	-	-
Rebalance Actions	(32,577,759)	-	113,692,756	(262,724,682)	(181,609,685)	45	25.26
Disproportionate Share Hospitals Payments	-	-	38,200,000	54,600,000	92,800,000	-	-
Vaccine Access Program Position Authority	-	-	-	-	-	3	1.89
Summer Electronic Benefit Transfer Program	-	-	1,644,492	-	1,644,492	8	5.04
Unexpended Funds Disappropriation	(2,000,000)	-	-	-	(2,000,000)	-	-
Newborn Screening Fee Waivers	250,000	-	-	-	250,000	-	-
<b>Total OHA SB 5701 Adjustments</b>	<b>(33,467,362)</b>	<b>-</b>	<b>153,562,822</b>	<b>(197,172,699)</b>	<b>(77,077,239)</b>	<b>56</b>	<b>32.19</b>

Table does not include statewide adjustments.

Items Recommended by the Joint Interim Committee on Ways and Means in January 2024

An increase of \$9.94 million Federal Funds expenditure limitation was approved for federal grant funds anticipated to be received by the Oregon Health Authority from the U.S. Environmental Protection Agency for the first of five annual fundings to support water infrastructure projects addressing public health risks related to emerging contaminants. The additional grant funding was included in the federal Bipartisan Infrastructure Law of 2021, providing supplemental funding to state drinking water and clean water revolving fund programs.

The Legislature approved increased pass-through funding from the Oregon Health Authority (OHA), Statewide Assessments and Enterprise-wide Costs program to support the establishment of six positions (3.00 FTE) in the Department of Human Services (DHS), Office of Financial Services which provides financial reporting and accounting support for DHS and OHA operating programs. The additional staffing need results from legislation adopted in the 2023 session and ongoing agency initiatives, particularly the expansion of Medicaid funded services under the current demonstration waiver that have increased the volume and complexity of work undertaken by the Office of Financial Services. This action increased OHA General Fund by \$181,398, Other Funds expenditure limitation by \$25,574, and Federal Funds expenditure limitation by \$43,846.

Also consistent with the recommendation of the Joint Interim Committee on Ways and Means, the measure includes increases of \$678,999 General Fund and \$968,137 Federal Funds expenditure limitation to support OHA’s share of provider rate increases for non-state employee providers as negotiated through collective bargaining. As part of this adjustment, a corresponding General Fund decrease is made to a special purpose appropriation made to the Emergency Board in SB 5506 (2023) for the same purpose.

OHA Rebalance

*Revenue and Caseload Forecasts:* The rebalance includes adjustments for both projected revenues and caseloads that were included in the agency’s fall 2023 rebalance report and updated to the March 2024 revenue forecast. The summary table below describes the impact of these adjustments by fund type, followed by discussion of individual items. These adjustments are within the Health Services Division budget.

<b>Revenue and Caseload Forecast Summary</b>				
	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Total Funds</b>
FMAP Base Adjustment	(2,372,427)	(839,476)	3,211,903	-
Medicaid Caseload Update	(40,636,633)	-	(232,885,882)	(273,522,515)
Tobacco Master Settlement Agreement Forecast Adjustment	(31,573,666)	31,573,666	-	-
Tobacco Tax March 2024 Forecast Adjustment	43,342,807	(43,342,807)	-	-
DTRSF MJ Tax March 2024 Forecast Adjustment	-	(5,785,529)	-	(5,785,529)
<b>Total</b>	<b>(31,239,919)</b>	<b>(18,394,146)</b>	<b>(229,673,979)</b>	<b>(279,308,044)</b>

*Federal Medicaid Assistance Program (FMAP) Base Adjustments:* Net appropriation reductions of \$2.4 million General Fund and \$839,467 Other Funds and an offsetting increase of \$3.2 million Federal Funds were approved for Medicaid federal assistance rate adjustments. The adjusted rates are generally higher than estimated during budget development. The only exception to this is a slight reduction in the rate for the standard Child Health Insurance Program (CHIP) which declined by 0.082 percent. The blended FMAP rate that includes the enhanced CHIP-M and Breast and Cervical Cancer Program (BCCP) rates increased by 0.027 percent produced the largest incremental savings of \$2.4 million General Fund.



*Medicaid Caseload Forecasts:* Substantial decreases in forecasted Medicaid caseloads result in reductions of \$40.6 million General Fund and \$273.5 million Federal Funds. In terms of gross numbers, the change in the forecast is led by a reduction of 11,760 individuals in the Affordable Care Act (ACA) Adult category and 8,493 individuals from CHIP. These reductions are generally attributed to the public health emergency unwinding and the end of continuous enrollment. The CHIP reduction is partially offset by an increase of 3,376 enrollees in the Children’s Medicaid program.

*Tobacco Master Settlement Forecast Adjustments:* The Subcommittee included adjustments in the rebalance to provide expenditure limitation for allocated revenues from the Tobacco Master Settlement Agreement (TMSA) that support Medicaid programs through the Oregon Health Plan and Community Mental Health programs. The legislatively adopted budget included \$104.3 million Other Funds revenue from the TMSA. Actual forecasted revenues allocated in HB 5029 (2023) provided an additional \$29.3 million for the Oregon Health Plan and \$2.3 million for Community Mental Health Programs. The Subcommittee approved adjustments that increase Other Funds expenditure limitation for these allocated revenues and reduce General Fund expenditures by a total of \$31.6 million.

*Tobacco Tax Forecast Adjustments:* A General Fund increase of \$43.3 million and a corresponding reduction of \$43.3 million Other Funds expenditure limitation was approved to adjust the OHA budget to forecasted Tobacco Tax revenue as of the March 2024 revenue forecast. The legislatively adopted budget assumed tobacco tax revenues of \$622.2 million for Medicaid services and \$29.6 million for non-Medicaid services within the Health Services Division. The March revenue forecast assumes tobacco tax revenues for Medicaid services of \$581.2 million, a reduction of \$41 million. For non-Medicaid services the December forecast assumes \$27.2 million, a reduction of \$2.4 million. These reductions result in the need to backfill program budgets for this lost revenue using General Fund.

*Drug Treatment and Recovery Services Fund Adjustment:* A decrease in expenditure limitation of \$5.8 million Other Funds was approved to account for a decrease in available marijuana tax revenues for the Drug Treatment and Recovery Services Fund (DTRSF) from the revenues assumed in the legislatively adopted budget based on the March 2024 revenue forecast.

*Grant Funding in the Public Health Division:* The rebalance establishes 49 new positions (31.38 FTE) in the Public Health Division, increases Federal Funds expenditure limitation by \$31.2 million, and reduces Other Funds expenditure limitation by \$85,972 as summarized in the following table and detailed below.

Grant Topic	General Fund	Other Funds	Federal Funds	Total Funds	Positions	FTE
CDC Integrated HIV Surveillance and Prevention Federal Grant	-	-	-	-	4	2.52
CDC Public Health Infrastructure, Workforce Data Federal Grant	-	-	-	-	7	4.41
CDC Medical Monitoring Project Grant Program	-	-	-	-	4	2.52
Epidemiology and Laboratory Capacity Federal Grant	-	-	7,280,261	7,280,261	17	10.71
Federal Grant Limitation for Health Promotion Chronic Disease Prevention	-	(85,972)	3,750,000	3,664,028	0	0.01
Federal Grant Limitation for Injury and Violence Protection Program	-	-	9,045,987	9,045,987	1	1.13
Medical Reserve Corps, State, Territory and Tribal Nations Federal Grant	-	-	2,500,000	2,500,000	0	0.00
Newborn Screening Propel Federal Grant	-	-	690,000	690,000	0	0.00
Oregon Emerging Infections Program Federal Grant	-	-	7,965,457	7,965,457	16	10.08
<b>Total</b>	-	<b>(85,972)</b>	<b>31,231,705</b>	<b>31,145,733</b>	<b>49</b>	<b>31.38</b>

A total of 14 positions (9.45 FTE) were approved to address workload and capacity requirements for three grant programs funded through the Centers for Disease Control and Prevention (CDC). No additional expenditure limitation is required for these positions as the agency either has sufficient existing limitation or will shift expenditures between expenditure categories with no change to overall program expenditure limitation. The following summarizes the position adjustments:

- Four limited duration positions (2.52 FTE) are included to support new grant requirements and activities under the Centers for Disease Control, Integrated HIV Surveillance and Prevention Grant Program.
- Seven full-time permanent positions (4.41 FTE) are included to meet federal requirements under the Centers for Disease Control, Public Health Infrastructure, Workforce Data grant program. The positions are to address the modernization of data systems to improve interoperability between federal, state, and local data sources and users. Additionally, the increased staffing will be used to address occupational safety and health policies and facilitate additional collaboration with federally recognized tribes and underserved communities on compliance with requirements for funding under the federal grant program.
- Four full-time permanent positions (2.52 FTE) were approved to address the agencies current inability to meet data collection requirements and other activities required under the Centers for Disease Control, Medical Monitoring Project grant program.

An increase of \$7.3 million Federal Funds expenditure limitation and the establishment of 17 limited duration positions (10.71 FTE) was approved to implement work required under a cooperative agreement award of \$15.1 million under the Centers for Disease Control and Prevention, Epidemiology and Laboratory Capacity. This funding runs through July 2027. The additional expenditure limitation is for the 2023-25 biennium.

Increased Federal Funds expenditure limitation of \$3.75 million, decreased Other Funds expenditure limitation of \$85,972, and increased position authority (0.01 FTE) were approved for the Health Promotion Chronic Disease Prevention (HPCDP) Section in the Center for Prevention and Health Promotion in Public Health Division for work under four federal grant awards. The net increased position authority and the reduced Other Funds expenditure limitation is resultant from the establishment of new five positions to address grant funded work offset by the abolishment of five currently vacant positions in the program. The grant funded work includes:

- Addressing Alzheimer’s Disease and Related Dementias.
- Building Capacity to Reduce the Burden of Menthol and Other Flavored Commercial Tobacco Products in Communities that Experience Health Disparities.
- Strengthening statewide substance use prevention efforts for individuals, families and communities.
- Implementation of state partnerships for improving nutrition and equity.

An increase of \$9 million Federal Funds expenditure limitation, the establishment of a permanent full-time position, and the conversion of two existing part-time positions to full-time (1.13 FTE) were approved to address additional workload and expanded or newly awarded federal grant funding under four grant programs in the Injury and Violence Prevention Program.

Increased Federal Funds expenditure limitation totaling \$3.2 million was approved on a one-time basis to support increased available funding under two grant programs. Of this, \$690,000 is for approved awards from the Health Resources and Services Administration to support the State Newborn Screening System Priorities program. The remaining \$2.5 million is for an award from the U.S. Department of Health and Human Services, Medical Reserve Corps Small Grant Program to enhance and expand the Oregon Medical Reserve Corps units.

An increase of \$8 million Federal Funds expenditure limitation and the establishment of 16 positions (10.08 FTE) were approved to allow the agency to expand the Oregon Emerging Infections Program. This Centers for Disease Control and Prevention (CDC) funded program monitors and assists in the control and prevention of infectious diseases via collection of population-based surveillance data, identification of risk factors, and evaluation of the effectiveness of control efforts.

*Technical Adjustments:* As a part of OHA’s first budget rebalance, the Subcommittee approved 97 individual technical budget adjustments covering 27 topics that, when taken together, make no net change to total expenditures or position authority. The majority of these actions are to move appropriation and position authority between and within divisions and programs to adjust authorities provided in the legislatively adopted budget with how these resources will actually be used within the agency. These actions result in net zero changes to individual fund types with the exception of adjustments in association with activities required by HB 4035 (2022), in which General Fund is reduced by \$41,235 and Other Funds expenditure limitation is increased by an offsetting \$41,235, resulting in no change in overall expenditures. The following table presents a summary of these changes by division and fund type.

Summary of Technical Adjustments by Division							
Division	General Fund	Lottery Funds	Other Funds	Federal Funds	Total Funds	Positions	FTE
Central Services	(1,170,357)	204,376	133,819	767,981	(64,181)	10	8.25
Health Policy and Analytics	(16,605,779)	-	(7,690,467)	(367,722)	(24,663,968)	-25	-23.99
Health Services Division	15,352,377	-	(6,113,372)	(2,687,164)	6,551,841	-5	-4.23
OEBB	-	-	-	-	-	0	0.00
PEBB	-	-	-	-	-	0	0.00
Oregon State Hospital	(745,559)	-	-	-	(745,559)	0	0.00
Public Health	779,042	-	13,017,927	1,238,089	15,035,058	18	18.22
Statewide Assessments and Enterprise Costs	2,348,991	(204,376)	188,190	1,048,816	3,381,621	0	0.00
Shared Services	-	-	505,188	-	505,188	2	1.75
<b>Total</b>	<b>(41,285)</b>	<b>-</b>	<b>41,285</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>0.00</b>

*Increased Position Authority for Adopted Legislation:* The following adjustments were made regarding positions related to existing programs and adopted legislation:

- An increase in expenditure limitation of \$215,515 Other Funds and authorization for the establishment of one information technology position (0.75 FTE) was approved as part of the rebalance. This shared services position is funded via a pass-through from the Department of Human Services (DHS). The funding was provided to DHS as General Fund appropriated in HB 2468 (2023) to support information technology changes to the Provider Pay system that would be required by the measure.

- The rebalance included authorization to establish six positions (4.50 FTE) related to the behavioral health crisis system and 9-8-8 suicide and crisis hotline program with a net zero budget impact in the current biennium by offsetting the cost of the new positions against existing budgetary authority for temporary staffing that would be replaced by these budgeted, ongoing positions.
- As part of the rebalance, funding for an Information Specialist and Accounting Technician that was provided as a part of policy option package 406 supporting public health system modernization in the Public Health Division is transferred to the State Assessments and Enterprise-wide Costs (SAEC) program. The funding is then passed through to the shared services programs of the Health Authority and the Department of Human Services (DHS). Two positions (1.50 FTE) in the Public Health Division associated with this funding were eliminated. The rebalance includes expenditure limitation of \$279,887 Other Funds for the OHA portion of these transferred funds and the authorization to establish the Information Specialist position (0.75 FTE) at the Office of Information Services within the OHA Shared Services program. The remaining funding and position authority are included in the DHS rebalance.
- Funding and position authority were provided for a Procurement and Contract Specialist position (1.00 FTE) in OHA's Shared Services program as part of policy package 416 in the agency's adopted budget. The rebalance includes a transfer of the expenditure limitation and position authority to the Department of Human Services, Office of Contracts and Procurement. This action results in a decrease of expenditure limitation of \$237,751 Other Funds and the elimination of one position (1.00 FTE).
- Increases of \$157,314 General Fund, \$14,715 Other Funds, and \$66,225 Federal Funds are included in the rebalance for expenditures through the OHA Shared Services funding model to support the conversion of a variety of permanent part-time positions to permanent full-time at the Department of Human Services, and for the allocated cost of positions established in the Background Check Unit at DHS.

*Adjustments to Medicaid Waiver Implementation:* The rebalance includes an increase in Other Funds expenditure limitation of \$130 million and a net reduction in Federal Funds expenditure limitation of \$209.9 million for the implementation of the current 1115 waiver associated with Designated State Health Programs (DHSP). Continued refinement of eligible program activities and funding necessitated the adjustment of expenditure amounts and fund types between budgetary units within the agency. These adjustments are based on both DSHP matching funding claims and new spending on approved initiatives under the current waiver including Health Related Social Needs.

*Basic Health Plan Adjustments:* The rebalance includes adjustments in multiple divisions to correct budget errors in the legislatively adopted budget and redistribute funding and position authority to the correct divisions. Twelve positions (9.00 FTE) are transferred from the Health Systems Administration program and one position (1.00 FTE) is transferred from the Health Policy and Analytics program to the Central Services program with a net zero budget impact or change to overall position authority. Due to the timing of the budget development the legislatively adopted budget erroneously duplicated positions. To correct this issue, eight positions (8.00 FTE) are removed in the Health Systems Administration program, and three positions (2.38 FTE) are removed in the Central Services program for a total reduction of eleven positions (10.38 FTE), \$1.5 million General Fund, and \$2.8 million total funds. Additionally, revised Basic Health Plan cost estimates result in an increase of \$136.5 million Federal Funds expenditure limitation.

*Health Services Division Federal Match for training programs:* Additional expenditure limitation of \$7.2 million Federal Funds is provided for the expenditures of federal matching funds supporting job training programs. HB 3396 (2023) provided a \$5 million General Fund appropriation to OHA to

provide grants to employers participating in a labor-management training trust to provide on the job training, apprenticeships, and other programs to develop health care professionals. The agency now believes that these expenditures are eligible for federal matching funds.

*REALD and SOGI implementation:* Federal Funds expenditure limitation of \$3.15 million is provided in the rebalance for Medicaid matching funds related to standardization of race, ethnicity language, and disability (REALD) data collection and standardization of sexual orientation and gender identity (SOGI) data collection.

*HB 4098 (2022) Implementation:* The rebalance includes a one-time increase in Other Funds expenditure limitation of \$283,000 in the Public Health Division for unexpended funding from the prior biennium that was originally authorized in HB 4098 (2022) related to support and facilitation of the Opioid Settlement Prevention, Treatment, and Recovery (OSPTR) Board. These funds are intended to be used for contracted services supporting the Board and technical implementation of the measure that were originally thought to be completed using authorized position authority in the prior biennium.

*Traffic Safety Information System Grant funding:* An increase in Other Funds expenditure limitation of \$198,818 and the authorization to establish two limited duration positions (0.76 FTE) in the Public Health Division to develop datasets, link existing datasets, and develop associated information and methodologies to improve the timeliness, accuracy, completeness, uniformity, accessibility, and integration of the data in traffic records information systems were approved as part of the rebalance. The positions and associated work are funded via a grant contract with the Oregon Department of Transportation.

*State Hospital Capital Improvement Limitation Increase:* OHA is carrying a cash balance of just under \$1.4 million for capital improvement projects. The rebalance increases Other Funds expenditure limitation by \$1.4 million for the State Hospital for the expenditure of these funds within the current biennium.

*Drug Treatment and Recovery Services Fund Administrative Costs:* The rebalance included a net zero move of \$5.8 million Other Funds expenditure limitation from the Health Services – Non-Medicaid program to the Health Services – Administration program to provide increased expenditure authority from the Drug Treatment and Recovery Services Fund for administrative activities. With this change, total budgeted expenditures from the Fund for administrative work by OHA increase to \$15 million.

#### Vaccine Access Program Position Authority

The Subcommittee approved the establishment of three positions (1.89 FTE) for the Vaccine Access Program within the Public Health Division. The agency is to use existing legislatively approved funding within the division to support the positions.

#### Support for Fee Waivers for Newborn Screening

A one-time \$250,000 General Fund appropriation was approved for OHA to support program costs when fees for newborn screening for metabolic diseases are waived due to parent's inability to pay the fee as allowed by statute.

#### Summer Electronic Benefits Transfer Program

The subcommittee approved an expenditure limitation increase of \$1.6 million Other Funds, the establishment of seven Information System Specialist positions (4.41 FTE), and one Operations and Policy Analyst position (0.63 FTE) for OHA to support the technical development and implementation of a

Summer Electronic Benefits Transfer (Summer EBT) program at the Department of Human Services. The positions are housed in the Office of Information Services (OIS), as shared services program of OHA. The U.S. Department of Agriculture, Food and Nutrition Service Program, authorized states to extend monetary benefits to students that are currently eligible for the National School Lunch Program and School Breakfast Program (NSLP/SBP) to ensure nutritional sufficiency during the summer months for this population.

#### Disproportionate Share Hospital Payments

Increases in expenditure limitation of \$38.2 million Other Funds and \$54.6 million Federal Funds for the Oregon Health Authority were approved to process payments to hospitals under the Disproportionate Share Hospital program. These increases are additive to existing budgetary resources that, when combined, will provide sufficient budgetary authority for the agency to process the estimated current biennium payments. The Disproportionate Share Hospital (DSH) program is a mechanism for offsetting a portion of the losses that hospitals incur as a result of providing uncompensated care to uninsured individuals and Medicaid patients. The Other Funds are derived from hospital tax revenues and the Federal Funds are from Federal Medical Assistance payments for Medicaid.

#### Dis-appropriation of Unexpended Funds

The Subcommittee recommended a \$2 million reduction in the General Fund appropriation made to OHA in section 275, chapter 605, Oregon Laws 2023 for a health care interpreter program that has remained unexpended to date.

## **JUDICIAL BRANCH**

### **Commission on Judicial Fitness and Disability**

SB 5701 supports a one-time rebalance action to move \$16,646 General Fund from Administration to Extraordinary Expense in the budget for the Commission on Judicial Fitness and Disability. The Extraordinary Expense budget will increase from \$21,839 to \$38,485 General Fund. The source of the General Fund is from unexpended General Fund from the 2021-23 biennium and will therefore have no impact on the administrative function of the Commission.

### **Judicial Department**

For the Oregon Judicial Department (OJD), the Subcommittee approved, on a one-time basis, an increase of \$3.1 million Federal Funds and authorized the establishment of eight limited duration positions (3.59 FTE) for four federal grants previously approved by the Legislature. The grants include the following: Family Treatment Courts to facilitate statewide standards and expand the program for \$850,000 and two positions (0.23 FTE); Department of Justice's Office of Juvenile Justice Delinquency Prevention to improve the fairness, effectiveness, and efficiency of the state court's juvenile justice system for \$800,000 and two positions (0.94 FTE); Department of Justice's Bureau of Justice Assistance to enhance adult drug courts for \$2 million and three positions (1.87 FTE); and Department of Human Services to implement best practices in Indian Child Welfare for \$2.5 million and one position (0.55 FTE). Approved limitation reflects the amount needed above the agency's existing Federal Funds budget for expenditure of grant funds in the 2023-25 biennium.

The measure also includes, on a time-time basis, the Other Funds expenditure limitations identified in the table below as a technical adjustment for the Oregon Courthouse Capital Construction and Improvement Fund. The revenue source for the state match is from Article XI-Q bond issuances previously

authorized by the Legislature in 2021 and 2023. While expenditure limitation was approved for the three projects in the 2021-23 biennium, the actual expenditure of funds will occur during the 2023-25 biennium.

<b>Circuit Courthouse Replacement Project</b>	<b>XI-Q bond Authorization</b>	<b>State Match Other Funds</b>	<b>Local Match Other Funds</b>	<b>Total Other Funds</b>
Clackamas County	2021	95,399,999	-	95,399,999
Benton County	2021/2022	20,730,000	20,383,129	41,113,129
Crook County	2022	16,330,000	16,116,705	32,446,705
<b>Total</b>		<b>132,459,999</b>	<b>36,499,834</b>	<b>168,959,833</b>

The state match for the Clackamas County Courthouse replacement project is for a portion of a “milestone” to a design-build-finance-operate-maintain public-private partnership firm. The milestone payment is estimated not to exceed \$124.5 million based upon a yet-to-be finalized master funding agreement. Local matching funds, as required by statute at the 50% level, are to be paid by Clackamas County over a 30-year period (2025-2055). Such county payments are referred to as “availability payments” and include both the county’s share of debt for capital costs as well as building maintenance and a capital reserve to repair, replace, and refurbish building components over the 30-year term of the agreement. Under current law, the availability payments (i.e., local matching funds) must be deposited into, and expended from, the Oregon Courthouse Capital Construction and Improvement Fund, which does not require Other Funds expenditure limitation at this time given that the timing of the availability payments falls outside of the 2023-25 biennium. Availability payments are ultimately made to the public-private partnership firm.

The measure also includes several General Fund appropriations for ongoing and one-time purposes. These are summarized as follows:

- \$3.2 million General Fund for a portion of position compensation adjustments that were not fully funded by the distribution of the special purpose appropriation(s) for state employee compensation plan changes. The underfunding was due to a department-wide personnel plan change on April 1, 2023, which updated the Department’s classification and compensation plan.
- \$1.4 million General Fund, on a one-time basis, and authorization to establish nine limited duration full-time positions (5.63 FTE), for setting aside and sealing eviction records. The positions include: one Analyst 4 (0.63 FTE); one Information Technology Developer (0.63 FTE); and seven Court Operation Specialists (4.37 FTE). The associated services and supplies total \$152,085 General Fund.
- \$1.1 million General Fund for health benefit plans under ORS 238.538 for judges electing to retire under the Public Employees Retirement System serving as pro tem judges. This investment is partially funded by unexpended General Fund from the 2021-23 biennium (\$652,875), which brings the total cost to \$1.7 million General Fund. The 2025-27 biennium cost is estimated to be \$3.5 million General Fund.
- \$1 million General Fund and authorization to establish eight permanent full-time Court Operation Specialists positions (4.38 FTE) for setting aside and sealing criminal records. The associated services and supplies total \$124,440 General Fund. The 2025-27 biennium cost is estimated to be \$1.6 million General Fund and eight position (7.00 FTE).

- \$7,500 General Fund, on a one-time basis, for the Council on Court Procedures to increase the executive director’s monthly stipend by \$500 from \$1,000 to \$1,500 per month. The increase is for the final 15 months of the biennium. The source of the General Fund is from unexpended General Fund carryforward from the 2021-23 biennium.

The Subcommittee authorized the establishment of two permanent full-time Interpreter 1 positions (1.25 FTE) for the Mandated Payment program and to address the need for additional Spanish interpreters. The associated services and supplies total \$82,679 General Fund. This investment is funded from unexpended General Fund carried forward from the 2021-23 biennium (\$376,889 for the Mandated Payment program). The 2025-27 biennium cost is estimated to be \$597,129 General Fund and two position (2.00 FTE).

The Subcommittee approved, on a time-time basis, the following Other Funds expenditure limitations for the Oregon Courthouse Capital Construction and Improvement Fund for both state and local matching funds. Article XI-Q general obligation bond proceeds support state matching funds.

<b>Circuit Courthouse</b>	<b>State Match Other Funds</b>	<b>Local Match Other Funds</b>	<b>Total Other Funds</b>
Benton County	6,902,999	6,902,999	13,805,998
Clackamas County	15,000,000	15,000,000	30,000,000
<b>Total</b>	<b>21,902,999</b>	<b>21,902,999</b>	<b>43,805,998</b>

The Subcommittee also approved, on a one-time basis, an increase in Other Funds expenditure limitation of \$242,001 associated with bond costs of issuance for the Benton County Courthouse (\$72,001) and the Clackamas County Courthouse (\$170,000).

The 2023 Legislature provided funding to the Public Defense Commission (PDC) for an inter-agency information technology services contract with OJD (\$929,270 General Fund). This contract allows OJD to provide the Commission with servers, network infrastructure, and related technical information technology services. With the transition of PDC from the judicial to the executive branch of government on January 1, 2025, concern arose around the continuation of these services for the period January 1 to June 30, 2025. While the statutory requirement is for PDC to fully transition to the executive branch of government on January 1, 2025, OJD has agreed to continue, if necessary, contractual information technology support to PDC until June 30, 2025.

**Public Defense Commission**

The measure includes a one-time General Fund appropriation of \$7.9 million for the Temporary Hourly Increase Program to address the unrepresented defendant persons crises. Of this amount, \$5.7 million will be used to pay enhanced hourly rates to attorneys and \$2.1 million will be used to fund related costs such as expert witness and investigation expenses (“Preauthorized Expenses”) and attorney and investigator travel and other allowable expenses. The program is funded through June 30, 2024; however, funding was made available to retroactively fund the program from October 1 to November 30, 2023, and cover deficit spending that occurred from July 1 to September 30, 2023. Of the total General Fund increase, \$3.6 million is available from a portion of



the appropriation made to the Emergency Board in SB 5506 (2023) for the unrepresented defendant/persons crisis, which the measure disappropriates. These adjustments are consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

SB 5701 includes a General Fund appropriation of \$1.2 million and the establishment of six permanent full-time positions (3.78 FTE) for the transfer of the Public Defense Commission (PDC) from the judicial to the executive branch of government on January 1, 2025. The positions include one permanent full-time Information Technology Specialist 3 (0.46 FTE) to serve as the Chief Data Officer; one permanent full-time Information Technology Specialist 3 (0.46 FTE) to serve as a Web Service Developer; one permanent full-time Information Technology Specialist 2 (0.46 FTE) for desktop support; and one permanent full-time Information Technology Specialist 1 (0.46 FTE) for triage support. The associated services and supplies totals \$182,328 General Fund. The General Fund is available from an appropriation made to the Emergency Board in SB 5506 (2023) for the same purpose, which the measure disappropriates. These adjustments are consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024. The estimated 2025-27 biennium cost is \$1.9 million General Fund and six positions (6.00 FTE).

The Subcommittee approved a rebalance of existing General Fund appropriations for the Commission to: (a) fund supervision and investigation in contracts with public defense providers for the second year of the biennium; (b) fund an 8.8% inflationary increase for contract investigators; and (c) align the budgets of the Juvenile Trial Division and Parent Child Representation Program with projected costs. The rebalance moves savings from the Juvenile Trial Division (\$3.5 million) and Parent Child Representation Program (\$4.1 million) into the Adult Trial Division, as well as shifts \$583,281 General Fund to Other Funds in the Special Programs, Contracts, and Distributions Division and moves the General Fund into the Adult Trial Division. The Adult Trial Division's appropriation increases by \$8.1 million. The Subcommittee approved an Other Funds expenditure increase of \$583,281 for the Special Programs, Contracts, and Distributions Division.

The measure also appropriates \$3 million General Fund for ten additional contract attorneys for the remaining 15 months of the biennium. This translates to ten Attorney 2 positions (minor felony qualified) at an annual rate of \$470,753 per attorney for 6.25 additional Maximum Attorney Capacity. At present, PDC reports that 14 contract providers that have identified the ability to hire or recruit for this additional level of capacity. This additional capacity will help address the unrepresented defendant/persons crisis. The 2025-27 biennium cost is estimated to be \$4.7 million General Fund.

The Subcommittee approved, on a one-time basis, a General Fund appropriation of \$500,000 for Special Programs, Contracts, and Distributions Division for a contractor to assist the Commission with the transition of PDC from the judicial to the executive branch of government on January 1, 2025. The Subcommittee also adopted the following budget note:

**BUDGET NOTE**

The Public Defense Commission is to report to the May 2024 and September 2024 meetings of the Emergency Board on the status of the agency's transition from the judicial to the executive branch of government. The reports are to include up-to-date scope, schedule, and cost information.

The Subcommittee approved a General Fund appropriation of \$157,253 and authorized the establishment of one permanent full-time Administrative Specialist 2 (0.63 FTE) to support the attorney training and certification program in the Compliance, Audit, and Performance Division. The associated services and supplies total \$19,144 General Fund. The 2025-27 biennium cost is estimated to be \$221,444 million General Fund.

Also included in the measure is a one-time General Fund appropriation of \$130,460 to support the establishment of one limited duration Operations and Policy Analyst 2 (0.63 FTE) in the Adult Trial Division. This position will support the Temporary Hourly Increase Program, which was developed in response to the unrepresented defendant/persons crisis. The associated services and supplies total \$19,144 General Fund.

The Subcommittee approved a General Fund appropriation of \$3.1 million and authorized the establishment of ten permanent full-time positions (6.30 FTE) for state public defense offices budgeted under the Adult Trial Division to address the unrepresented defendant/persons crisis. PDC recently established regional pilot program office locations for state employed-trial-level public defenders and staff in the Northwest Region (Portland) and Southwest Region (Medford) and anticipates a third Central Region (Salem) regional office being established, pending 2024 legislative session funding approval. These offices and staff are currently dedicated to addressing the unrepresented defendant/persons crisis except for staffing approved to address the changes in criminal statute under HB 4002 (2024) and as funded in HB 5204 (2024). Funding is also provided for the Northwest and Southern regional offices for higher than anticipated facilities and other related office costs.

The positions include: one permanent full-time Administrative Specialist 2 (0.63 FTE) to support the Northwest Region (Portland); one permanent full-time Administrative Specialist 2 (0.63 FTE) to support the Southwest Region (Medford); and three Senior Deputy Defenders (1.89 FTE), one Legal Secretary (0.63 FTE), one Paralegal (0.63 FTE); two Program Analyst/Investigator (1.26 FTE) and one permanent full-time Administrative Specialist 2 (0.63 FTE) to standup and operationalize the Central Regional Office (Salem). The following table proves a summary of pilot program resourcing by region:

Region Pilot Program	2023-25 Legislatively Adopted	SB 5701 (2024)*	2023-25 Legislatively Approved	Positions	FTE
Program Administrator (Salem)	386,236	-	386,236	1	0.92
Northwest Region (Portland)	2,550,743	875,147	3,425,890	10	8.58
Southwest Region (Medford)	1,651,223	441,757	2,092,980	8	6.16
Central Region (Salem)**	-	1,830,385	1,830,385	8	5.04
<b>Total</b>	<b>4,588,202</b>	<b>3,147,289</b>	<b>7,735,491</b>	<b>27</b>	<b>20.70</b>
Positions	17	10	27		
FTE	14.40	6.30	20.70		

*\*Excludes employee compensation plan changes*

*\*\*Partially funded in an Emergency Board special purpose appropriation.*

The Subcommittee approved, on a one-time basis, General Fund disappropriations totaling \$12 million. The source of the General Fund is from unexpended 2021-23 appropriations and therefore will have no impact on the funding or provisioning of public defense in the state. The disappropriation will be used to offset the cost of the 2024 Legislature’s investments in public defense.

**LEGISLATIVE BRANCH**

**Commission on Indian Services**

To rebalance the Commission on Indian Services' budget, the Subcommittee approved an increase of \$55,000 General Fund. This increase supports other payroll expenses that are higher than originally estimated for two of the Commission's three staff who were hired in the 2021-23 biennium, as well as travel costs for the State Physical Anthropologist. The travel requirements for this position are higher than initially expected when the position was established in 2021-23.

### **Legislative Administration**

The measure establishes Other Funds expenditure limitation of \$1.3 million to use interest earnings and excess bond proceeds that are available for debt service costs paid from the Legislative Administration Committee budget. The available Other Funds revenue helps offset General Fund debt service costs, which is separately recognized in the measure as part of statewide adjustments to existing debt service budget structures. Also included is a reduction of \$55,000 General Fund, which is available from the carryforward of unexpended 2021-23 appropriations, to offset an increase of the same amount for the Commission on Indian Services.

Across all legislative branch agencies, a total of \$27.4 million General Fund is appropriated, which represents unexpended General Fund from the 2021-23 biennium. Unlike executive branch agencies, unexpended General Fund at the end of a biennium is statutorily required to be appropriated in the next biennium for judicial and legislative branch agencies. The table in section 514 of SB 5701 includes the appropriation of the carryforward amounts for each legislative branch agency. The appropriations include \$2 million for Legislative Counsel (LC), \$14.8 million for the Legislative Administration Committee (LAC), which includes \$4,812 for debt service, \$8.6 million for the Legislative Assembly, \$1.6 million for the Legislative Fiscal Office, \$145,912 for the Legislative Revenue Office (LRO), \$362,994 for the Legislative Policy and Research Office, and \$8,000 for the Commission on Indian Services. The General Fund carryforward for LC includes \$509,764 required to support ongoing costs for position adjustments approved for LC in the 2023 session. For LAC, the General Fund carryforward includes \$3.9 million required to support other increases approved in the 2023 session and the \$55,000 mentioned above for the Commission on Indian Services.

To help fund other adjustments included in the measure, SB 5701 separately disappropriates each legislative branch agency's General Fund carryforward, amounting to a total General Fund decrease of \$15 million, except for \$7.9 million in LAC and the smaller carryforward amounts for LRO and the Commission on Indian Services. The retainment of a portion of the overall carryforward amount is necessary to fund anticipated costs related to security improvements to the State Street side of the Capitol building. The remaining carryforward is also available for other potential one-time costs identified in 2023-25, including costs related to the Capitol Accessibility, Maintenance and Safety (CAMS) project, building maintenance and security costs as CAMS nears completion, or information technology costs for planned projects. The need for supporting any of these potential one-time costs will be identified in the 2025 session.

## **NATURAL RESOURCES**

### **Columbia River Gorge Commission**

The measure increases General Fund by \$188,000 for the Columbia River Gorge Commission (CRGC) consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024. Of this, \$138,000 supports a Climate Science Program Manager position responsible for working with stakeholders to carry out the strategies in the the agency's Climate Action Plan. The remaining \$50,000 supports staff and board member training, community outreach, and translation services to foster a more inclusive and equitable workplace and agency service model. In addition, an increase of

\$21,000 General Fund is included for the cost of changes in Washington’s 2023-25 state government service charges and other statewide expenses. This includes costs for auditing, financial management and other central services, and public employee benefit changes. Consistent with CRGC’s bi-state agreement, the impact on Oregon’s budget represents half the cost of these adjustments, with the State of Washington paying for the remaining half.

**Department of Agriculture**

The measure includes a one-time increase of \$978,928 Other Funds for projects approved by the Oregon Climate Action Commission to be funded by the Natural Climate Solutions Fund. In addition, the Subcommittee approved combined increase of \$4.5 million Federal Funds and two limited duration positions based on the recommendation of the Joint Interim Committee on Ways and Means in January 2024. Of this, a one-time increase of \$3.7 million Federal Funds and an Operations and Policy Analyst 3 (0.63 FTE) and Administrative Specialist 2 (0.63 FTE) will support the administration of the Resilient Foods System Infrastructure program and sub- awards to suppliers in the middle of the supply chain for farm and food businesses. An additional one-time increase of \$800,000 Federal Funds will support the expenditure of increased grant funding received in 2022 for the Specialty Crop Block Grant Program.

To continue grasshopper suppression efforts, SB 5701 includes a one-time increase of \$1.25 million General Fund. The measure also appropriates \$750,000 General Fund on a one-time basis to the Invasive Species Council for deposit into the Invasive Species Control Account to further mitigate the negative effects of invasive species. An additional one-time appropriation of \$250,000 General Fund is made to the Council for deposit into the Invasive Species Council Account for invasive species outreach and education. The correlating Other Funds expenditure limitation to expend the deposited funds is also provided in the measure.

**Department of Energy**

HB 5006 (2021) included \$10.8 million General Fund to establish a new grant program in the Oregon Department of Energy (ODOE) to incentivize energy efficiency for 2020 wildfire survivors who are rebuilding and repairing structures destroyed or damaged in the 2020 wildfires. HB 5016 (2023) carried forward the unspent General Fund to continue the delivery of this program in the 2023-25 biennium. The Subcommittee approved an additional one-time increase of \$1.3 million General Fund to reflect the final remaining balance at the close of the prior fiscal year.

HB 5016 (2023) included Other Funds expenditure limitation for the estimated remaining balance of incentive funding. The Subcommittee approved an additional increase of \$32 million Other Funds in the following programs to accurately reflect the final remaining cash balance at fiscal year close: \$26 million for Community Renewable Energy; \$3.3 million for Residential Heat Pumps; \$2.2 million for Heat Pump Deployment; and \$500,000 for Public Purpose Charge (Schools).

The measure includes increases in expenditure limitation related to new federal grants. To administer the \$50 million Grid Resilience State and Tribal Formula grant, the measure provides a one-time increase of \$4.7 million Federal Funds and establishes two limited duration positions. ODOE received the first two of five allocations to begin sub-awarding grants to eligible entities, such as electric utility providers, to strengthen the electric grid. The two positions include a Compliance Specialist 2 (0.50 FTE) and Program Analyst 2 (0.50 FTE). The funding increase was recommended by the Joint Interim Committee on Ways and Means in January 2024.

To administer the Energy Efficiency and Conservation Block Grant program, the measure includes a one-time increase of \$1.9 million Federal Funds and establishes a limited duration Compliance Specialist 2 position (0.63 FTE). The Department will use the grant to improve energy efficiency by implementing strategies to reduce fossil fuel emissions.

A one-time increase of \$500,000 Other Funds is also included for development of Oregon’s Comprehensive Action Plan. The Department of Environmental Quality is partnering with ODOE on the work and will pass through a portion of its \$3 million U.S. Environmental Protection Agency Climate Pollution Reduction grant. This funding increase was recommended by the Joint Interim Committee on Ways and Means in January 2024.

The measure includes an increase of \$580,752 Other Funds for the establishment of four permanent positions within the Department’s finance and procurement operations. The positions will allow for more financial oversight and increased capacity to support the administration of \$250 million in new energy and climate incentive programs. The four new positions include an Accounting Manager 1 (0.63 FTE), Procurement Manager 1 (0.63 FTE), Accountant 2 (0.50 FTE), and Procurement and Contracts Specialist 2 (0.50 FTE). In addition, the measure converts five existing limited duration positions in administration to permanent status.

Net-zero technical adjustments are also included to align funding appropriated in 2023 through the adoption of HB 3630 and HB 3409 with the budget area in which the work will take place. The adjustments related to HB 3630 include the transfer of one position (0.88 FTE) and \$2.1 million General Fund from Energy Development Services to Nuclear Safety and Emergency Response, as well as the transfer of two positions (1.76 FTE) from Energy Development Services to Energy Planning and Innovation. The adjustments related to the resources funded in HB 3409 include the transfer of 12 positions (9.55 FTE), \$9.8 million General Fund, and \$2 million Other Funds from Energy Development Services to Energy Planning and Innovation. Lastly, General Fund increased by \$43,516 to reclassify one of the HB 3409 positions to reflect the accurate level for the required work.

#### **Department of Environmental Quality**

The Subcommittee approved an increase of \$1 million Other Funds for the Agency Management Division in the Department of Environmental Quality (DEQ) to complete implementation of the online data management and customer interface system and support the continued migration to the State Data Center. This total includes a one-time increase of \$259,000 Other Funds to expend the remaining bond proceeds and complete implementation of the “Your DEQ Online” project, and an ongoing increase of \$750,000 Other Funds to cover the costs associated with transitioning the management and hosting of agency servers and storage to the State Data Center. This adjustment is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

To better align DEQ’s budget and position authority to agency operations, the Subcommittee approved the shift of \$838,577 Other Funds and three permanent information technology positions (3.00 FTE) from program areas into the Agency Management Division. The technical adjustment shifts \$684,675 Other Funds and 2.50 FTE from the Air Quality Division and \$153,902 Other Funds and 0.50 FTE from the Water Quality Division. Additionally, a technical adjustment corrects the section referenced in the agency’s budget bill for constitutionally dedicated lottery funds.

The Clean Water State Revolving Loan Fund (CWSRF) makes low interest loans to communities for the construction or upgrade of sewage treatment facilities. The Onsite Septic System Financial Assistance Program (OSFAP), supported by American Rescue Plan Act funding, is a financial aid program for the repair, replacement, and evaluation of septic systems, with a priority for systems damaged by wildfire. HB 5018 (2023) provided \$10.8 million Other Funds expenditure limitation for the OSFAP program; however, a portion of the total was intended for the CWSRF. SB 5701 includes a technical adjustment shifting \$1.4 million Other Funds from the OSFAP to the CWSRF for technical assistance contracts.

To continue implementation of the Department's Fuel Tank Seismic Stability program regulating the risk of contamination from large fuel tanks during a seismic event, the measure increases Other Funds by \$1.7 million, commensurate with anticipated fee revenue for the 2023-25 biennium. The program's fees were authorized for establishment through SB 1567 (2022) and ratified during the 2024 legislative session. These fees are applicable to 17 regulated entities and became effective on October 4, 2023. The measure also appropriates \$1.5 million General Fund on a one-time basis to cover incurred and projected legal costs associated with the Alkali Lake Disposal Site.

During the 2023 legislative session, four policy bills resulted in cumulative personal services increase of \$1.1 million for the Water Quality program. Based on the federally approved indirect rate of 24.76%, the Water Quality program will be internally assessed an additional \$275,625 of indirect costs to support centralized services. This measure increases the General Fund appropriation for Water Quality by \$275,625 to cover indirect rate expenditures.

HB 4077 (2022) created a new Environmental Justice Council within the Office of the Governor. The bill allows for an agreement between the Office of the Governor and DEQ, where the Department would provide certain administrative support functions to the Council. However, there was no appropriation to cover costs associated with travel and per diem for Council members or for contracts associated with hosting six listening sessions across the state to inform the development of an Environmental Justice Mapping tool. The Subcommittee approved an appropriation of \$50,000 General Fund to cover such costs.

#### **Department of Fish and Wildlife**

The Private Forest Accord was adopted by the Legislature in 2022 to implement a negotiated agreement between the timber industry and conservation groups concerning private forestland practices and the protection of natural resources. SB 5701 includes a one-time increase of \$10 million Other Funds in the Oregon Department of Fish and Wildlife (ODFW) budget supported by existing and projected revenues in the Private Forest Accord Mitigation subaccount for program grants to mitigate the impacts of forest practices. Also, General Fund is increased by \$102,000 for position-related services and supplies for Private Forest Accord positions provided to the agency in SB 1501 (2022).

SB 5701 increases Other Funds expenditure limitation by \$800,000 and Federal Funds expenditure limitation by \$2.8 million, on a one-time basis, for the acquisition of Disaster Peak Ranch. The Department received a grant from the U.S. Fish and Wildlife Service for the acquisition and will use the remaining Ruby Pipeline Funds to meet the required 10% match. Additionally, Other Funds expenditure limitation is increased by \$2.4 million, on a one-time basis, and two limited duration positions (1.26 FTE) are added for projects approved by the Oregon Climate Action Commission to be funded by the Natural Climate Solutions Fund.

The measure also provides a one-time increase of \$362,700 General Fund and \$168,498 Other Funds for ODFW to establish three limited duration positions (1.89 FTE). The positions will increase grant writing resources to actively pursue Infrastructure Investment and Jobs Act and the Inflation Reduction Act federal funds across Natural Resource agencies. Additionally, the measure appropriates \$282,735 General Fund to establish one permanent Natural Resource Specialist 1 (0.50 FTE) and two seasonal Biological Science Assistants (0.67 FTE) to undertake monitoring and reintroduction of native fish in the Klamath River. This year, four dams will be removed from the river, opening the waterway to salmon for the first time in over a century.

ODFW's budget is also increased by \$795,000 General Fund on a one-time basis for the establishment of seven limited duration Natural Resource Specialist 1 positions (3.63 FTE) to boost carcass collection, sampling, and surveillance for detection of chronic wasting disease and other zoonotic diseases.

### **Department of Forestry**

The Subcommittee approved a one-time General Fund appropriation of \$32.6 million to the Oregon Department of Forestry (ODF) for the payment of large-fire costs related to the 2023 fire season. This amount includes \$6.5 million from the special purpose appropriation to the Emergency Board for fire protection expenses to cover costs related to severity resources, including contracted air support. Additionally, a one-time increase of \$49.4 million Other Funds was approved for processing payments related to 2023 fire season expenses, supported by revenue from federal agency reimbursements, federal emergency fire grant assistance, other agency reimbursements, and private landowner assessments.

In addition, the measure includes a one-time increase of \$31 million Federal Funds for the implementation of grants awarded by the U.S. Department of Agriculture, Forest Service. The total includes roughly \$11 million for the Urban and Community Forestry program to invest in green space and tree cover for Oregon's disadvantaged communities, and roughly \$20 million for the Forest Legacy Program to acquire the Tualatin Mountain Forest Project and a corridor along the Minam River for conservation. The Department was granted a total of nearly \$23 million for Urban and Community Forestry projects and intends to request the remaining expenditure limitation as part of the 2025-27 biennial budget development process. Lastly, the Subcommittee authorized the establishment of 38 permanent positions (19.00 FTE) funded with \$4.5 million Federal Funds to support the body of work associated with long-standing and continuous federal partnerships in the Forest Resources Division. These adjustments are consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

The Natural and Working Lands Fund (NWLFF) was established in HB 3409 (2023) to help landowners, Indian tribes, land managers, and environmental justice communities adopt practices supporting natural climate solutions. In December 2023, the Department submitted a proposal to the Oregon Climate Action Commission for a distribution of funding from the NWLFF for projects focused on climate-smart forestry, increased carbon sequestration, and building capacity for climate ready seeds and seedlings. The Subcommittee approved an increase of approximately \$3.3 million Other Funds to deliver the approved projects.

HB 5506 (2023) provided the Department with funding for the purchase of a multi-mission capable aircraft. The associated budget report described the aircraft parameters in detail. The Subcommittee has approved updated language to allow the Department more flexibility in procurement. The budget report for HB 5506 specified, "Agency defined requirements for the new aircraft include twin turbine engines, high fixed wing, type certified at purchase, infrared and night vision equipped (or compatible platform), short take-off and landing performance, minimum 10-passenger capacity, 8,000 foot single-engine service ceiling, cargo rail system, and opening in flight rear cargo door." The updated description reads: Agency defined requirements for the new aircraft include twin or single turbine engine, high fixed wing, type certificated at purchase, infrared and night vision equipped (or compatible platform), short take-off and landing performance, minimum 6 passenger capacity, and ability to deliver airborne cargo.

The measure provides for several technical adjustments for the Department to correct or realign the budget. These include:

- A shift of \$64,229 Other Funds from Agency Administration to Debt Service to correct a current service level reduction of expenditure limitation for the cost of bond issuance erroneously carried forward from the 2021-23 biennium.

- An increase of \$750,000 Other Funds for the Equipment Pool to purchase vehicles using a transfer of General Fund from Forest Resources, which was appropriated in HB 5020 (2023) without a commensurate amount of Other Funds.
- A shift of \$90,000 Other Funds, budgeted incorrectly in HB 3409 (2023) as personal services in Forest Resources, to services and supplies for the Equipment Pool for the purchase of vehicles.
- An increase of \$10 million Other Funds for Forest Resources to implement a program to reduce wildfire risk through the restoration of landscape resiliency and reduction of hazardous fuels, funded by the Landscape Resiliency Fund, which is continuously appropriated to the Department.
- Net-zero technical adjustments to allow for the deposit of the \$10 million General Fund appropriated to Forest Resources for landscape resiliency activities in HB 5020 (2023) into the Landscape Resiliency Fund, established by SB 80 (2023).

The Subcommittee approved the following budget note for ODF:

**BUDGET NOTE**

The Oregon Department of Forestry (ODF) and the Department of the State Fire Marshal (DSFM) are directed to work in partnership to convene a workgroup to identify options for sustainably funding wildfire mitigation, suppression and mobilizations, land classification, and managing the intersection between forest land protection districts and structural fire protection districts. ODF must procure a third-party contractor to continue facilitated conversations to explore wildfire funding strategies within the context of Oregon’s overall public finance strategy, as recommended in the November 2019 Governor’s Council on Wildfire Response Report and Recommendations. At minimum, the workgroup shall include a wide range of stakeholders representing landowners, local fire agencies, Oregon Tribes, conservation groups, agency partners, and impacted industries. Additionally, the workgroup shall regularly engage with the Wildfire Programs Advisory Council.

ODF and DSFM shall jointly present a report on the workgroup’s progress to the December 2024 meeting of the Emergency Board and to the Joint Committee on Ways and Means during the 2025 legislative session. At minimum, the progress report shall include a list of alternative funding strategies along with the following information for each strategy:

1. A description of the strategy.
2. Identification of the barriers to implementation.
3. Identification of the sustainability risks.
4. Estimate of the fiscal and revenue impact.

**Department of Land Conservation and Development**

The measure appropriates \$607,000 General Fund for the Department of Land Conservation and Development (DLCD) consistent with an adjustment recommended by the Joint Interim Committee on Ways and Means in January 2024. The agency was reclassified from Level 6 to Level 5 by the Department of Administrative Services under a new system that is used to classify executive branch agencies based on certain characteristics, such as size, budget, and responsibilities. This change permits DLCD to hire one new permanent full-time Business Operations Administrator 1 (0.63 FTE) to serve as a Deputy Director. Nine other positions within the agency are reclassified because of the agency level change, effective July 1, 2023.



The measure also includes a General Fund appropriation to DLCD of \$1.3 million for costs of positions hired at higher steps than budgeted and an error in vacancy savings reductions, as well as for unanticipated legal costs.

### **Department of State Lands**

SB 5701 includes three technical adjustments for the Department of State Lands (DSL). First, a one-time increase of \$572,019 Other Funds is included for the continued expenditure of Oregon Ocean Science Trust Research grant payments. Second, a decrease of \$500,000 Federal Funds and one-time increase of \$500,000 Other Funds are made to accommodate a change in the recipient of a U.S. Department of Housing and Urban Development (HUD) grant from DSL to the Department of Administrative Services (DAS). SB 5506 (2023) included Federal Funds expenditure limitation in DSL's budget for the planning and initial project costs for the redevelopment of Shuttles Landing (Shutter Creek site) assuming DSL would be the direct recipient of the grant. Instead, DAS received the grant and will transfer the funding as Other Funds to DSL. Third, a net-zero shift of \$54,032 Other Funds is made from services and supplies to personal services to support the reclassification of two permanent positions. A Human Resource Analyst 1 is reclassified as a Human Resource Analyst 2 and an Operations and Policy Analyst 4 position is reclassified as a Government Relations Manager 2. The position reclassifications have been evaluated and approved by the DAS Chief Human Resources Office.

The measure also provides a one-time increase of \$4.4 million Other Funds for DSL to expend Common School Funds on the increased implementation costs of developing the Land Administration System Replacement Project. The system is nearly 50% of the way through development and expected to launch in October 2025. This adjustment is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

To support the operations of the Elliott State Research Forest, the measure includes a one-time appropriation of \$4 million General Fund to DSL. This funding is available from the disappropriation of a commensurate amount to the Elliott State Research Forest Authority, which did not become operational as an independent state agency as intended in SB 1546 (2022).

### **Elliott State Research Forest Authority**

The Elliott State Research Forest Authority, as envisioned in SB 1546 (2022), did not become operational on January 1, 2024. This measure abolishes the three positions (1.73 FTE) established and disappropriates the \$4 million General Fund appropriated in HB 5048 (2023) for the Authority's biennial expenses.

### **Land Use Board of Appeals**

The measure includes a one-time increase of \$5,830 General Fund for the Land Use Board of Appeals to pay for contractual expenses to develop a strategic plan, which is consistent with the Governor's requirement that all executive branch agencies develop such a plan. This adjustment was recommended for approval by the Joint Interim Committee on Ways and Means in January 2024.

### **Parks and Recreation Department**

The measure establishes Other Funds expenditure limitation of \$143,306 to use interest earnings and excess bond proceeds that are available for debt service costs paid from the Department's budget. The available Other Funds revenue helps offset Lottery Fund debt service costs, which is separately recognized in the measure as part of statewide adjustments to existing debt service budget structures.

### **Oregon Watershed Enhancement Board**

SB 5701 includes a shift of \$203,516 Other Funds and 0.88 FTE from the Oregon Watershed Enhancement Board's (OWEB's) Grants program to the Operations program. HB 3409 (2023) provided the Grants program with a limited duration full-time Fiscal Analyst 3 to support the body of work generated by the newly established Natural and Working Lands Fund grant program; however, the position should've been established in the Operations program to align with the agency's program structure.

Additionally, the measure shifts the revenue source for two permanent positions from Federal Funds to Lottery Funds, equal to \$576,000. OWEB is the state's designated applicant for the National Oceanic and Atmospheric Administration's Pacific Coastal Salmon Recovery Fund (PCSRF) grant, and has applied annually since 2001. The two positions identified deliver critical work to OWEB programs, but much of the work is no longer grant eligible. The positions include a Partnership Coordinator which will be partially shifted from Federal Funds (0.60 FTE) and a Conservation Outcomes Coordinator which will be fully shifted (1.00 FTE). This funding adjustment will enable the positions to continue to work with flexibility across programs. The agency's unobligated operations Lottery Funds ending balance is sufficient to cover the shift for the remainder of the 2023-25 biennium, and the position funding will be reexamined for sustainability during the 2025-27 budget development.

The Oregon Agricultural Heritage Fund provides resources to help farmers and ranchers voluntarily keep their land in the agriculture industry, while maintaining or improving habitat for fish, wildlife and other natural resources. Grant funding is offered for succession planning; working lands conservation easements and covenants; developing conservation management plans; technical assistance for organizations holding conservation plans; and to assist organizations supporting agricultural owners and operators. The Fund also covers the administrative costs of the Oregon Agricultural Heritage Commission, as well as the Department's administrative costs related to working lands conservation programs. The measure includes a one-time appropriation of \$5.2 million General Fund for deposit in the Oregon Agricultural Heritage Fund along with a corresponding increase of \$5.2 million in Other Funds expenditure limitation to expend moneys deposited into the Fund.

### **Water Resources Department**

The measure includes adjustments to the Water Resources Department (WRD) budget recommended by the Joint Interim Committee on Ways and Means in January 2024. First, a one-time increase of \$1.4 million Federal Funds is included for implementation of two dam safety grants awarded by the Federal Emergency Management Agency. This includes \$1.3 million for the Rehabilitation of High Hazard Potential Dams grant which will be distributed through a subrecipient agreement to rehabilitate the Big Creek Dam #2, owned by the City of Newport, and the Wallowa Lake Dam, owned by the Wallowa Lake Irrigation District. Additionally, \$152,244 was granted to implement the National Dam Safety Program grant which provides funding to states for dam safety activities, including personnel training, increased dam inspections, emergency action plans, and public outreach.

In addition, the measure includes \$300,000 Other Funds and supports the establishment of one full-time limited duration position (0.75 FTE) to execute an agreement with the Washington Department of Ecology (WDE), partnering on the Walla Walla Groundwater Study, started in 2020. WRD is entering into a working partnership with WDE and plans to hire a Groundwater Field Technician to assist with collecting and analyzing the data needed to define and characterize the aquifers spanning the Oregon and Washington border. WDE will reimburse WRD for allowable expenditures including staffing costs and aquifer pump tests.

The measure also shifts funding between the Department's appropriations to align budget with operations and provides an additional 1.33 FTE as a corrective measure. During the development of the 2023-25 legislatively adopted budget, the Department identified positions for reorganization and

reclassification, and these adjustments were included in the agency’s appropriation bill, HB 5043. The Department later realized the associated services and supplies budget was not shifted to align to the position reorganization. This measure includes the technical adjustments necessary to rebalance the services and supplies budget with the associated positions. Additionally, 1.33 FTE is provided to Water Rights Services where 0.67 FTE was inadvertently reduced instead of increased in HB 5043.

The City of Sodaville received a direct appropriation of \$370,000 in SB 5506 (2023) to convert a private well to municipal use. Subsequently, the Department was notified that the well was not approved for public use as a water supply due to its condition. The City assessed whether to rehabilitate the existing well, or to drill a new well for public use and deemed a new well would be the most viable option. SB 5701 updates the language included in SB 5506, section 232 (9) from “City of Sodaville, Jackson Well Conversion to Municipal Use: \$370,000” to “City of Sodaville, water system expansion: \$370,000.” The measure also includes a one-time \$60,000 General Fund appropriation for distribution to the City of Sodaville for water hauling.

The measure establishes Other Funds expenditure limitation of \$1.8 million to use interest earnings and excess bond proceeds that are available for debt service costs paid from the Department’s budget. The available Other Funds revenue helps offset Lottery Fund debt service costs, which is separately recognized in the measure as part of statewide adjustments to existing debt service budget structures.

The Water Well Abandonment, Repair and Replacement Fund was authorized via HB 2145 (2021). Through the Department, it provides financial assistance to permanently abandon, repair, or replace a water well used for household purposes when deficiencies in well construction might result in water waste, contamination, or provide a detriment to public health or safety. The measure provides a one-time appropriation of \$1 million General Fund for deposit into the fund, and a corresponding \$1 million increase in Other Funds for the expenditure of moneys deposited.

## **PUBLIC SAFETY**

### **Criminal Justice Commission**

The Subcommittee approved the following budget note for the Criminal Justice Commission:

#### **BUDGET NOTE**

The Oregon Criminal Justice Commission, based on prior criminal justice system patterns, predicted that racial disparities are likely to exist for convictions for possession of controlled substances, and prison sentences for delivery of controlled substances following the passage of HB 4002. Given that it is a goal of the Legislature to ensure that HB 4002 is implemented equitably, the Commission is required to work collaboratively with counties to develop strategies to address racial disparities that were predicted in the Racial and Ethnic Impact Statement on HB 4002 (2024) and ensure that guidelines for impact grants are adhered to. The Commission is directed to report to the Joint Committee on Addiction and Community Safety Response during the legislative session in 2025 regarding its efforts to collaborate with counties regarding the minimization of racial disparities as well as to the racial and ethnic impact of HB 4002 and the extent to which county and tribal deflection programs are mitigating the negative impacts of criminal justice system involvement across racial/ethnic groups.

### **Department of Corrections**

The measure increases Federal Funds expenditure limitation by \$1.7 million, on a one-time basis, for the expenditure of awards from three federal grants previously approved by the Legislature, including a Braille Transcription program, the second phase of the Parenting Inside Out program, and a heavy equipment operator training program. This adjustment was recommended by the Joint Interim Committee on Ways and Means in November 2023.

The Subcommittee approved a one-time General Fund appropriation of \$620,000 for the reimbursement to counties for the costs related to felony driving under the influence of intoxicants (DUII) sentences under SB 395 (2011). Under that measure, offenders sentenced to the maximum 90 days for a felony DUII remain in custody at the county jail rather than a Department of Corrections facility and related costs to the county are then reimbursed by the Department. The amount provided represents only the outstanding invoices that remain from the 2021-23 biennium, and a further budget adjustment is anticipated to be required for 2023-25 during the 2025 legislative session.

Several technical adjustments were approved by the Subcommittee. The first is related to the establishment of two K-9 units to operate at the Oregon State Penitentiary and Oregon State Corrections Institution approved in SB 5504 (2023). Funding for this program was included in the Health Services Division and Administrative Services Division; however, the Department determined that the program should reside within the Inspector General's Office under the Central Administration Division. As a result, reductions of \$581,400 General Fund and two positions (2.00 FTE) in Administrative Services and \$213,056 General Fund in Health Services were approved, with a corresponding increase of \$794,456 General Fund and two positions (2.00 FTE) in Central Administration, for an overall net zero change. Another technical adjustment results in shifting \$300,000 in Federal Funds expenditure limitation from Health Services to Correctional Services, where it will be used for the expenditure of federal grant awards.

The measure includes a budget neutral reduction of \$90,177 General Fund and an increase in Other Funds expenditure limitation in the same amount to utilize remaining American Rescue Plan Act State Fiscal Recovery Funds received by the Department of Administrative Services and transferred to the Department of Corrections for maintaining public safety services.

The Subcommittee also approved an increase in Other Funds limitation of \$961,454 for the expenditure of grant funds received from the Oregon Employment Department, which will be used to expand the current WorkSource Oregon Reentry Program operating as a pilot at Deer Ridge Correctional Institution and Warner Creek Correctional Facility. This program provides adults-in-custody with opportunities to develop career plans, prepare a resume, and apply for positions prior to release. With this additional funding, the Department will be able to expand WorkSource centers into each institution.

#### **Department of Emergency Management**

Included in the measure is approximately \$3 million Federal Funds for successful awarding of the State and Local Cybersecurity Grant Program grant from the Federal Emergency Management Agency. This is the first of four anticipated annual grant opportunities for this program, and while the grant normally requires a state match, the Department was granted a waiver of the match for this round of funding. This one-time increase was recommended by the Joint Interim Committee on Ways and Means in January 2024.

As part of the Infrastructure, Investment and Jobs Act, the Federal Emergency Management Agency and Cybersecurity and Infrastructure Security Agency have provided grant funding to support states, local governments, rural areas, and territories in addressing cybersecurity risks and threats to information systems. As the State Administrative Agency, the Department of Emergency Management receives these grant funds, while the Department of Administrative Services Enterprise Information Services and the newly established Oregon Cybersecurity Center of Excellence through the Higher Education

Coordinating Commission, are developing a process for grant proposal reviews and funding approvals. Given the multiple state agencies involved in this effort, the Subcommittee approved the following budget note:

**BUDGET NOTE**

The Department of Emergency Management, in collaboration with the Department of Administrative Services, Higher Education Coordinating Commission, and Department of Justice, are directed to return to the Public Safety Subcommittee of the Joint Committee on Ways and Means during the 2025 session to report on the primary and supportive roles, responsibilities, and accountabilities of each entity related to the State's overall cybersecurity, and provide a detailed plan on how the agencies will coordinate to ensure grant funding is provided to maximize mitigation and preparedness, response, and recovery from potential cyberattacks.

The Subcommittee approved a General Fund reduction of \$475,808 and elimination of four positions (2.00 FTE) from funds previously appropriated in HB 5019 (2023) for the implementation of the Governor's Executive Order 23-02 - Homelessness Emergency. The Department had received one-time funding of \$722,631 to support six limited duration positions (3.00 FTE) for the first year of the 2023-25 biennium; however, the Department has only needed to utilize two positions for this work. With the extension of the Executive Order to January 2025, the one-time amount and position authority has been reduced to better reflect the actual resource needs of the Department in its overall coordination efforts around the Executive Order implementation.

In addition, the Subcommittee approved three technical adjustments. The first is a net zero adjustment to move \$50,000 Other Funds expenditure limitation from Administration to Preparedness and Response to align budget and expenditures. The second modifies a reduction taken in HB 5017 (2023) and reduces personal services by \$69,780 Other Funds and increases special payments by the same amount. Finally, HB 3059 (2023) established the Oregon Disaster Response Assistance Matching Fund to provide state match for federal grants or other federal aid to provide disaster assistance to local governments or to directly provide disaster response assistance to local communities. Also included was a permanent full-time position to increase local community support functions. The position costs, totaling \$242,714 General Fund, and the Disaster Response Assistance funding, totaling \$1 million General Fund and \$1 million Other Funds, were incorrectly included within the Administration program and need to be moved to the Mitigation and Recovery program.

The Subcommittee approved a one-time General Fund appropriation of \$250,000 for the Department to secure a project management contract to examine options to replace the Department's incident management software system, referred to as OpsCenter, with a new software system that will improve the Department's ability to manage resources and respond to emergencies. A funding request for replacement options is anticipated to be developed as part of the agency's 2025-27 requested budget. The Subcommittee also approved \$558,381 General Fund and three permanent full-time positions (1.89 FTE) to establish an internal human resources unit. Currently, ODEM utilizes the Department of Administrative Services Shared Client Services for its human resources needs, but with significant increased workload since becoming an independent agency, the Department needs to bring human resources services in-house. The established positions include a Human Resources Manager and two Human Resources Analysts.

In addition to the adjustments directly to ODEM's budget, SB 5701 establishes a \$5 million General Fund special purpose appropriation to the Emergency Board to be allocated to ODEM for the purchase of disaster preparedness stockpile components. The allocation of the special purpose appropriation is contingent upon the Department submitting a report to the Emergency Board pursuant to the following budget note:

**BUDGET NOTE**

The Department of Emergency Management must report to the Emergency Board no later than December 2024 on details of a stockpile plan, which should include a needs assessment conducted with local, state, tribal, and federal partner entities; a materials procurement plan, including raw material needs for personal protective equipment manufacturing; and a management plan for quality control and rotation standards of stockpile materials. The plan must also identify logistical needs for locating, tracking, coordinating, and allocating materials and equipment; recommendations on strategic locations for stockpile caches; and any long-term proposals for funding and maintaining a stockpile.

The Subcommittee approved \$5.1 million of Other Funds expenditure limitation related to the planned sale of Article XI-Q bonds. The bond proceeds will be used to purchase emergency preparedness equipment, which will be owned by the Oregon Department of Emergency Management and distributed to local governments and other federal tax-exempt qualified recipients through the State Preparedness and Incident Response Equipment Grant (SPIRE) program. Of the total, \$5 million will finance equipment purchases and \$95,000 is for the cost of issuing the bonds. A maximum of \$1 million may be spent on urban search and rescue preparedness equipment.

### **Department of Justice**

The measure includes \$2.7 million General Fund and supports the establishment of 14 permanent full-time positions (6.50 FTE) to expand the Internet Crimes Against Children Program, which is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024. The positions include one Senior Assistant Attorney General (0.46 FTE) starting in August 2024; one Law Enforcement Manager 3 (0.58 FTE) starting in May 2024; two Criminal Investigators (1.17 FTE) starting in May 2024; three Criminal Investigators (1.38 FTE) starting in August 2024; three Criminal Investigators (1.13 FTE) starting in October 2024; one Research Analyst 1 (0.58 FTE) starting in May 2024; one Research Analyst 1 (0.38 FTE) starting in October 2024; one Legal Secretary (0.46 FTE) starting in August 2024; and one Legal Secretary (0.38 FTE) starting in October 2024. The associated services and supplies totals \$560,097 General Fund. The estimated 2025-27 biennium cost is \$4.8 million General Fund and 14 positions (14.00 FTE).

The Subcommittee adopted the following budget note related to the Internet Crimes Against Children Program:

#### **BUDGET NOTE**

The Department of Justice is to report to the 2025 Legislature on the 2024 Legislature's investment in the Internet Crimes Against Children Program. The report is to include, but not be limited to, performance reporting on historic comparisons of data on the number of cybertips received by category of activities, number of resulting investigations by the Department, number of referrals to affiliates and number of referrals to affiliates that are investigated, and number of related arrests.

In addition, the Subcommittee approved a General Fund appropriation of approximately \$2 million and authorized the establishment of six permanent full-time positions (3.25 FTE) for the Criminal Justice Division to: (a) address an increase in requests from district attorney offices for officer-involved use of force cases, cases remanded for re-prosecution under the Watkins/Ramos decisions, and cases involving local public officials; and (b) to proactively target and maintain multiple, long-term organized crime investigations under the Racketeer Influenced and Corrupt Organizations Act. The positions include: two Assistant Attorney Generals (1.08 FTE) and four Criminal Investigators (2.17 FTE) with a June 1, 2024 start date. The associated services and supplies total \$905,615 General Fund. The 2025-27 biennium cost is estimated to be \$2.9 million General Fund and six positions (6.00 FTE).

SB 5701 also includes the following one-time General Fund appropriations for the Crime Victims and Survivor Services Division:

- \$2 million for Survivor Housing Funds Grant Program
- \$2 million for the Oregon Domestic and Sexual Violence Services Fund, with an associated expenditure limitation increase of \$2 million Other Funds
- \$750,000 for the Oregon Crime Victims Law Center
- \$400,000 for the Sexual Assault Task Force for Oregon Sexual Assault Examiners and Sexual Assault Nurse Examiners Certification Commission

The Subcommittee approved, on a one-time basis, an increase of \$396,936 Other Funds and the establishment of one limited duration position (0.67 FTE) in the Criminal Justice Division for a Traffic Safety Resource Prosecutor in the Driving Under the Influence of Intoxicants program. The associated services and supplies totals \$59,387 Other Fund. The revenue to support the program is from a subgrant from the Department of Transportation with revenue available from the U.S. Department of Transportation, National Traffic Safety Administration. DOJ will meet the 20% state match requirement primarily through in-kind support activities (e.g., trainings) and non-program related General Fund budgeted for the Criminal Justice Division. This adjustment corresponds to a request recommended for approval by the Joint Interim Committee on Ways and Means in January 2024.

The measure includes a one-time increase of \$324,094 Other Funds for the Survivor Housing grant program. The program assists survivors of domestic violence, sexual assault, stalking, dating violence, and human trafficking to maintain and access safe permanent housing. Grantees use funds to provide staff, housing, and other financial support survivors' housing stability. The funding will provide support for the program through December 31, 2024. The revenue source is from an unexpended balance of American Rescue Plan Act funds from the 2021-23 biennium. The program was originally authorized \$1.25 million in ARPA funding of which \$925,906 was expended last biennium. In addition, the Subcommittee approved a net-zero technical adjustment to rebalance General Fund for the Attorney General line time between six divisions.

**Department of Public Safety Standards and Training**

The Subcommittee approved an increase of \$1.8 million Other Funds for personal services costs that are not covered by the statewide compensation and benefit adjustments, including collectively bargained salary increases for Public Safety Training Specialists and one-time cost of living adjustments for non-budgeted positions. The Department currently anticipates a sufficient cash balance and no additional Criminal Fine Account allocation is required to cover these costs.

**Department of the State Fire Marshal**

The measure makes technical adjustments to the Department of the State Fire Marshal (DSFM) budget resulting in an increase of \$52,945 Other Funds to support the establishment of the new agency and align position authority with the appropriate program budget. The adjustments include reclassifying the Oregon State Fire Marshal position to an agency head classification; and moving eight positions (8.00 FTE) across agency budget structures to align the supporting resources with the appropriate budget area. Additionally, the measure provides a one-time expenditure limitation increase of \$1.6 million Other Funds for the estimated remaining balance of the Community Risk Reduction Fund.

**BUDGET NOTE**

The Department of the State Fire Marshal is directed to work collaboratively with the Department of Administrative Services Chief Financial Office and Legislative Fiscal Office to develop a more detailed agency appropriation structure for its biennial budget bill. At a minimum, this structure shall

detail the expenditures derived from fee-based revenue versus expenditures derived from General Fund deposited in a fund. This new budget structure shall be recommended and prepared prior to the 2025 legislative session.

SB 5701 includes a one-time increase of \$8.5 million General Fund to reimburse the remaining conflagration expenses incurred during the 2023 fire season. This adjustment is consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

For the 2024 fire season, the measure includes a one-time \$4 million General Fund appropriation for deposit into the State Fire Marshal Mobilization Fund for immediate response mobilizations and pre-positioning of equipment. The measure also includes the corresponding Other Funds expenditure limitation to support expenditures from the fund.

Additionally, the measure includes a one-time \$4 million General Fund appropriation as a contingency to alleviate cash flow concerns regarding the 2024 fire season. Analysis of cash flow data for the past four fire seasons indicates DSFM should have sufficient capacity until the Department can request reimbursement of fire season expenses from the Emergency Board in fall 2024. However, as a newly independent agency, concerns remain that a severe fire season could lead to unanticipated cash flow issues. The funding is approved with the understanding the Department of Administrative Services will unschedule the funds pending DSFM demonstrating a cash flow need. Any unspent funding will revert to the General Fund at the end of the biennium.

#### **BUDGET NOTE**

The Department of the State Fire Marshal is directed to report on the estimated expenses incurred for the 2024 fire season and request reimbursement for the conflagration expenses at the September 2024 meeting of the Emergency Board. At a minimum, the report shall include: 1) a list of conflagrations with estimated expenses; 2) a list of prepositioning and readiness response mobilizations with estimated expenses; 3) a comparison of 2024 fire season expenses to the 10-year average; 4) a monthly analysis of cash flows; and 5) the remaining balance of unscheduled General Fund.

#### **District Attorneys**

The Subcommittee approved, on a one-time basis, a \$1 million General Fund appropriation for the Department of Justice (DOJ) to distribute to District Attorneys for expenses related to nonunanimous jury convictions, including victim assistance, investigation, temporary staffing, and other one-time, non-routine prosecution expenses related to nonunanimous jury convictions. DOJ will disperse funding based on sufficient documentation provided by individual District Attorney offices/counties related to nonunanimous jury conviction expenditures. The General Fund is available from a \$1 million appropriation to the Emergency Board established in SB 5506 (2023) for the same purpose, which the measure disappropriates. These adjustments are consistent with the recommendation of the Joint Interim Committee on Ways and Means in January 2024.

#### **Oregon Military Department**

The Subcommittee approved \$214,204 General Fund and the establishment of a permanent full-time Accounting Manager position (0.63 FTE). Currently, the Department's Chief Financial Officer oversees the entire financial administration, including budget, accounting, and procurement sections with a 1:16 supervisor ratio. Providing the Department with a dedicated Accounting Manager will improve the span of control and provide better oversight and compliance with the many cooperative agreements the Department manages with the National Guard Bureau.

#### **Oregon Youth Authority**



The Subcommittee approved \$166,883 General Fund and \$28,325 Federal Funds for the establishment of a permanent full-time Program Analyst position (0.63 FTE) to provide support for youth in custody around determining eligibility and navigation of Medicaid processes. Previously, this service was provided by a position within the Department of Human Services (DHS) through an inter-agency agreement; however, the agreement has expired and DHS has elected to repurpose the position.

Also approved is a technical adjustment to shift funds between budget categories in the Facility Services Program. The agency's budget bill, SB 5541 (2023), included a mandated caseload adjustment reduction based on the October 2022 youth population forecast, which should have been reflected in both personal services and services and supplies, but was taken entirely out of services and supplies. This technical adjustment provides a correction by reducing personal services by approximately \$5 million and increasing services and supplies by \$5 million for a net-zero change.

The Subcommittee approved an increase in Other Funds expenditure limitation of \$180,000 for the cost of issuance on \$11.9 million in Article XI-Q bonds for the increased costs of previously approved projects at Camp Riverbend, for dorm renovation, and Tillamook Youth Correctional Facility, for dorm renovation and medical and dental facility renovations, and for the design of a new school and vocational facility at Oak Creek Youth Correctional Facility.

## **TRANSPORTATION**

### **Department of Transportation**

The measure includes a one-time General Fund appropriation of \$19 million to continue essential operation and maintenance services for Oregon's highway system. This includes \$8 million for the 2023-24 winter season, allocated to restore crucial winter maintenance components and lift overtime restrictions with regional distribution based on percentage of winter operations in each region. Also included is \$7 million for retracing of edge lines (\$2.5 million) and pavement repair (\$4.5 million) starting in spring 2024, distributed to regions based on total pavement amounts. The remaining \$4 million will fund the purchase of 10 snowplows with an expected delivery towards the end of the biennium.

The measure also includes a one-time General Fund appropriation of \$20 million to address health and safety issues along state highways in the Portland Metro region. In collaboration with the City of Portland, \$4 million will be prioritized for camp clean-up and another \$4 million for litter removal, prioritizing high-volume highway sections. An additional \$4 million is designated for graffiti removal on walls, bridges, signs, poles, and signals, as well as replacing vandalized highway signs, prioritizing high-volume highway sections. The remaining \$8 million will support the installation of barriers to deter camping and recreational vehicle parking near high-speed facilities, bridges, retaining walls, and multiuse paths. Hard scaping with rock boulders is not included in this effort.

A shift of \$4.6 million Other Funds limitation from the Local Government Program to the Policy, Data, and Analysis Division was approved to conduct the 10-year Oregon Household Survey which captures information from Oregon residents about their travel choices, infrastructure needs, and policy preferences. This aligns the budgeted expenditure limitation with the division performing the work. An additional one-time increase of \$4.2 million Other Funds expenditure limitation and 26 limited duration Transportation Service Representative 1 positions (15.17 FTE) is provided for Driver and Motor Vehicle Services to conduct a Real ID marketing campaign and process an expected surge in transactions in anticipation of the May 7, 2025, Real ID compliance date.

The Subcommittee also approved adjustments to expenditure limitations in ODOT's budget consistent with recommendation by the Joint Interim Committee on Ways and Means in January 2024. These adjustments include an increase of \$60 million Other Funds for the disbursement of Statewide Transportation Fund revenues to public transit providers. An increase of \$2 million Federal Funds was approved for the Motor Carrier Safety Assistance Program, High Priority Innovative Technology Deployment grant, awarded September 2022. The grant will be used to implement the Over-Dimension Permitting System project.

In addition, the Subcommittee approved two net-zero technical adjustments for the Oregon Department of Transportation (ODOT). The first adjustment shifts \$8,815 Other Funds and \$18,735 Federal Funds from services and supplies to personal services to balance the cost of a position reclassification in the Driver and Motor Vehicle Service Division. The second technical adjustment shifts \$1.9 million Other Funds from the Finance and Budget Division to Administrative Services to align Department of Administrative Services statewide charges to the proper ODOT budget structure.

The measure includes a one-time General Fund appropriation of \$500,000 to ODOT for the purpose of funding a study conducted by Metro. The study will explore using existing heavy freight rail assets in the Portland Metro Area for passenger rail alternatives to existing transportation modes.

A one-time General Fund appropriation of \$6 million is also included for distribution to the Port of Cascade Locks to fund engineering analysis, site investigations, project cost estimating, external outreach, and impact analysis for a seismic retrofit and other preservation actions for the Bridge of the Gods. The studies will also examine the feasibility of the addition of a pedestrian and bike pathway to enhance safety on the Pacific Crest Trail crossing of the Columbia River.

A recipient change was approved for expenditure limitation related to \$20 million in net lottery bond proceeds authorized in the 2023 session for the Hood River-White Salmon Interstate Bridge. The project recipient is updated from the Port of Hood River to the Hood River – White Salmon Bridge Authority.