



Joint Committee on Ways and Means
Co-Chairs' 2009-11 Recommended Budget

Moving Forward Together

Senator Margaret Carter
Representative Peter Buckley

May 18, 2009

Co-Chairs' Principles:

- Focus on jobs and the economy.
- Protect children, seniors, and Oregonians with disabilities.
- Oregonians depend on opportunities in education, access to affordable health care, a level playing field for business, and safe communities. We are committed to addressing these needs and to building for our future even in the midst of the harshest economic downturn of our lifetimes.
- With dedicated teachers, innovative businesspeople, passionate community leaders, top flight public safety personnel, inspiring front line health care providers and caregivers, and productive working men and women in every region—along with a state government that listens, understands, and responds--Oregon will move forward once again, together.

Budget Overview:

We are proposing a balanced approach to addressing the fiscal crisis our state faces.

After public hearings throughout the state, and after consultation with our colleagues, educators, students, parents, seniors, health care providers, law enforcement personnel, judges, farmers, commercial fishermen, small business owners, and Oregonians from all walks of life, it is clear that we can neither simply cut services to solve this problem or raise enough revenue to do so. We must do both.

We are proposing strategic cuts in every area of the state budget, following the principles we have put forth, with the intention of making sure that the core mission of every agency can continue to be addressed. These strategic cuts, along with the greatly appreciated resources provided by the federal stimulus dollars and prudent use of our state reserves, are the main tools we are using to address Oregon's fiscal crisis.

We are also proposing, with Senate and House leadership, to bring in a targeted amount of additional revenue from individuals and businesses in our state that have prospered through and depend on state services and can afford to contribute towards a fair and balanced budget.

Along with most every Oregon family right now, we are tightening our belts and doing everything we can to protect our kids and our vulnerable citizens, addressing short-term needs but keeping our eyes on the future as well.

We have no doubt that with the dedication and shared commitment of all Oregonians, we will weather this storm and emerge even stronger when it is over.

Budget Detail:

The following tables describe the Co-Chairs' 2009-11 Recommended Budget

- 2009-11 Revenues and Essential Budget Level
- 2009-11 Ways and Means Co-Chair Recommended Budget
- Program Area Spending Changes

2009-11 Co-Chair Budget

2009-11 Co-Chair Budget					
	General Fund	Lottery Funds- Discret.	Lottery Funds- Meas. 66	Combined GF + LF	\$ millions
2009-11 Revenues					
Current Projected 2007-09 Ending Balance	(\$351.3)	\$0.4	\$21.0	(\$329.9)	May 2009 forecast
1% of Projected GF Expenditures (\$139.5 million)	0.0			0.0	Rainy Day Fund projected deposit
Half of LF Ending Balance to K-12 Capital Acct.		(0.2)		(0.2)	HB 3344 (2007)
Carryforward		19.8		19.8	
Projected Available 2009-11 Beginning Balance	(351.3)	20.0	21.0	(310.3)	
Current Projected 2009-11 Revenues	12,517.5	990.0	170.6	13,678.0	LF includes ESF interest
Current Projected LF Dedications (non-M-66)		(230.4)		(230.4)	County Video, ESF, Capital Matching Sub
Current Projected Available 2009-11 Resources	\$12,166.2	\$779.5	\$191.6	\$13,137.3	
Other Resources in the EBL					
Projected TANS interest costs	(43.7)			(43.7)	
Total Revenues/Resources	12,122.5	779.5	191.6	13,093.6	
2009-11 EBL Program Area Expenditures					
K-12	\$6,005.8	\$539.1	\$0.0	6,544.8	
Education (Other)	2,025.5	97.7	-	2,123.2	
Human Services	4,583.8	13.7	-	4,597.5	
Public Safety	2,195.1	-	7.6	2,202.7	
Judicial Branch	584.0	-	-	584.0	
Economic and Community Development	27.9	120.5	-	148.5	
Natural Resources	167.8	0.0	189.5	357.3	\$45 million of M66 is OWEB capital
Transportation	4.6	92.8	-	97.4	
Consumer and Business Services	13.8	-	-	13.8	
Administration	198.5	7.7	-	206.2	
Legislative Branch	86.6	-	-	86.6	
Emergency Fund	40.2	-	-	40.2	General Purpose and Emergency Fire
Program Area Subtotal	\$15,933.8	\$871.5	\$197.1	\$17,002.4	
2009-11 Miscellaneous EBL					
Salary Adjustment	30.0	2.0	0.0	32.0	
M57 Property Crimes	75.0			75.0	
Ending Balance	160.0	10.0		170.0	
Total Expenditures	\$16,198.8	\$883.5	\$197.1	\$17,279.4	
Net Fiscal Position	(\$4,076.3)	(\$104.0)	(\$5.5)	(\$4,185.8)	

2009-11 Ways and Means Co-Chair Recommended Budget

General & Lottery Funds

2009-11 Projected Resources

Total Revenues/Resources May 2009 Forecast \$13,093.6

Available Federal Stimulus Resources

Federal Stimulus Funds from ARRA

Federal Medicaid Match (FMAP) - used as part of DHS budget	0.0 *
State Stabilization - Education	295.0
State Stabilization - Flexible	104.0

Additional Resources

State Reserve Funds (cover 07-09 deficit)	361.3
DOR Compliance Investment	14.8
OLCC Additional Warehouse Work Shift	9.0
General Fund Reductions from HB 5052	2.8

Total Resources Used in Co-Chair Budget Plan \$13,880.5

Co-Chair K-12 School Funding Plan

Total Potential 2009-11 State School Fund	\$6,000.3
Initial State School Fund Appropriation	\$5,600.3
Triggered State Reserves for State School Fund	\$400.0

Proposed 2009-11 Budgets

	09-11 EBL	09-11 C-CB	Difference
K-12 (State School Fund)	6,544.8	5,600.3 **	(944.6) **
Education (Other)	2,123.2	1,825.8	(297.4)
Human Services	4,597.5	4,209.9 *	(387.6) *
Federal Stimulus Funds - Enhanced Medicaid Match (FMAP)	(541.9)	(541.9)	0.0
	4,055.6	3,668.0	(387.6)
Public Safety	2,202.7	1,949.4	(253.3)
Judicial Branch	584.0	508.2	(75.8)
Economic and Community Development	148.5	135.0	(13.4)
Natural Resources	357.3	323.7	(33.6)
Transportation	97.4	92.8	(4.6)
Consumer and Business Services	13.8	12.5	(1.4)
Administration	206.2	194.6	(11.6)
Legislative Branch	86.6	75.4	(11.3)
Emergency Board	40.2	35.7	(4.5)
Program Area Subtotal	<u>\$16,460.5</u>	<u>\$14,421.5</u>	<u>(\$2,039.1)</u>
Projected New 09-11 Debt Service (including SB 338 COPs)	\$0.0	\$70.0	\$70.0
Supplemental Appropriation for Health Benefits	\$0.0	\$32.0	\$32.0
Measure 57 Implementation Costs	\$0.0	\$75.0	\$75.0
2007-09 Ending Balance Reserve (GF)	\$0.0	\$10.0	\$10.0
2009-11 Ending Balance (GF and LF)	\$0.0	\$170.0	\$170.0

Net Fiscal Position with Proposed Budget (\$898.0)

Additional Statewide Solutions to Balance \$100.0

New State Revenues \$800.0

Net Fiscal Position \$2.0

Remaining Resources:

State Reserve Fund (Rainy Day after partial use)	\$370.6
2009-11 Deposits into Education Stability Fund	\$175.0
2009-11 Rainy Day Fund Interest Earnings	\$11.0
2009-11 Budgeted Ending Balance	<u>\$170.0</u>
	\$726.6

Triggered Reserves for SSF \$400.0

Net Final Reserves with SSF Trigger \$326.6

* DHS budget includes \$542 million from enhanced FMAP as Federal Funds

** Co-Chair plan includes a conditional economic trigger to provide an additional \$400 million to the SSF from reserves; if trigger met, SSF would be at \$6.0 billion for the 2009-11 biennium; 2009-10 appropriation will be \$2.9 billion

Education Program Area Notes

At \$5.6 billion with a \$400 million dollar reserve fund to be triggered in 2010, we intend to offer a total of \$6 billion to our K-12 school system over the next two years. We believe we must hold back the \$400 million in a reserve fund at present to balance against another “freefall” such as our state has experienced in the past year.

If our state economist is correct, we will have prepared our budget in such a way as to be able to release the full \$400 million to our K-12 system next year, and use our ending balance to address any other needs which might arise in human services or public safety.

If we do experience another freefall, we will work with Senate and House leadership and all of our colleagues in a planned for supplemental session in early 2010 to rebalance our budget as needed, using all resources to address education and other vital needs.

With record enrollment in our community colleges and our university system, we have chosen to follow a path that attempts to balance reductions to programs, limit tuition increases, and continue commitment to financial aid to provide the greatest access we can to quality higher education for the greatest number of Oregonians. We seek to protect programs that help lead to student retention and success, and will continue to work with our community college and university leaders to mitigate the impact of cuts wherever possible.

**Education Program Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Department of Education State School Fund	Total EBL	6,005,773,807	539,063,144	340,252		
	Remove annual 2.3% salary increase and salary roll-up from EBL calculation	(233,000,000)				
	Assume salary cost savings	(640,000,000)				
	Remove inflation from SSF calculation	(58,570,000)				
	Additional reduction to \$5.6 billion	(13,000,000)				
	Subtotal	(944,570,000)	0	0	0	0.00
Department of Education Operations	Total EBL	353,578,057	55,834,298			
	<i>Operations (taking reductions 2 through 49 from Agency's list w/some exceptions)</i>					
	Reduce Superintendent's Office	(2,155,065)			(8)	(8.00)
	Reduce Assmt & Info Svcs	(1,930,000)				
	Reduce Office of Education Improvement & Innovation	(2,178,660)			(3)	(7.88)
	Office of Finance and Administration	(449,500)			(3)	(3.00)
	Office of Student Learning & Partnerships	(250,000)				
	<i>Special Schools</i>					
	School for the Blind (HB2834A to be amended)	(1,021,677)			(69)	(52.30)
	School for the Deaf -- eliminate vacancies including dean of students, teacher, counselor, grounds keeping; reduce psychologist and Board advisor positions to half-time, reduce services and supplies	(1,342,500)			(8)	(9.50)
	<i>Grant-In-Aid</i>					
	Reduce to 2007-09 MOE level:					
	Early Intervention/Early Childhood Special Education	(13,513,509)				
	Regional Programs	(811,444)				
	Long-term Care & Treatment	(509,967)				
	Hospital	(44,084)				
	Suspend carve out programs (Chess/SMART/Student Leadership)	(1,256,859)				
	Review mentoring program (50%)	(2,570,000)				
Reduce Oregon Pre-Kindergarten -- approx. 670 slots or 66% served	(11,269,276)					
	Subtotal	(39,302,541)	0	0	(91)	(80.68)
Community Colleges and Workforce Development	Total EBL	516,563,006				
	Community College Support Fund Reduction	(76,900,000)				
	Reduce Operations (eliminate IS6, fund shift other positions to FF)	(337,627)		157,087	(1)	(1.00)
	Reduce Skill Centers by 4.3%	(26,276)				
	Reduce Health Care Workforce Initiative by 10%	(226,775)				
	SB 338 Debt Service	1,210,203	7,911,323			
	Subtotal	(76,280,475)	7,911,323	157,087	(1)	(1.00)
Higher Education	Total EBL	924,840,969	32,885,315			
	Education and General (E&G)- Roll-up of 2007-09 reductions (excluding CO)	(37,662,621)			(139)	(109.33)
	E&G - Reduce Chancellor's Office operations by 25% roll-up of 2007-09 reductions	(4,220,667)			(15)	(12.17)
	E&G - Reduce regional university support 15%	(6,551,924)				
	E&G - Reduce engineering targeted programs 15%	(7,318,675)				
E&G - Reduce research targeted programs 15%	(2,143,010)					

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
	E&G - Reduce institutes and targeted programs 15% (includes campus public service programs such as LERC and Veterinary Diagnostic Lab)	(5,620,978)				
	Increase undergraduate tuition and fees 7% and all others 9% per year	(56,700,000)				
	Reduce Agriculture Experiment Stations 15% (includes roll-up of 2007-09)	(9,605,106)			(35)	(49.50)
	Reduce Extension Services 15% (includes roll-up of 2007-09)	(7,020,979)			(29)	(23.10)
	Reduce Forest Research Lab 15% (includes roll-up of 2007-09)	(1,051,966)			(6)	(5.33)
	Reduce Sports Action Lottery transfer by 15%		(1,705,603)			
	SB 338 Debt Service	10,506,000				
	Subtotal	(127,389,926)	(1,705,603)	0	(224)	(199.43)
OHSU	Total EBL	88,201,785				
	10% reduction to Education and General, Hospital, and various Schools	(8,820,179)				
	Subtotal	(8,820,179)	0	0	0	0.00
Student Assistance Commission	Total EBL	142,354,225	8,960,475			
	Recalculate EBL due to Federal economic stimulus Pell Grant availability (no program re	(34,800,000)				
	Reduce SRM EBL by 15%	(16,133,134)				
	Reduce State Rural Health awards (18 new awards per year)	(471,248)				
	Reduce State Nursing Services to meet existing obligation only (no new awards)	(117,424)				
	Eliminate Program Analyst (research on KPMs -- use interns)	(184,378)			(1)	(1.00)
	Miscellaneous S&S (Travel, Office Expenses, AG)	(82,000)				
	Subtotal	(51,788,184)	0	0	(1)	(1.00)
	Program Area Total EBL	8,031,311,849	636,743,232	340,252		
	Co-Chair Changes	(1,248,151,305)	6,205,720	157,087	(317)	(282.11)
	Program Area Totals - Co-Chair Budget	6,783,160,544	642,948,952	497,339		

Human Services Program Area Notes

We have worked within the Human Services budget areas with the following priorities:

- Maintain county level services for mental health and drug/alcohol rehabilitation programs to the greatest extent possible, since these are the front line services that provide effective, proactive assistance to Oregonians in a way that saves lives in the most cost efficient manner available.
- Maintain the low cost, effective in-home services for seniors and Oregonians with disabilities to the greatest extent possible for the very same reasons. We are continuing to work with Senator Morrisette, Representative Cowan, and other colleagues on proposals to enhance in-home care as well as senior and disabled transportation, and we look forward to positive steps in this area over the remaining weeks of the legislative session.
- Support programs that support families to the greatest extent possible as we weather this recession.
- Support health care reform with the goal of holding down costs for all and providing access to health care for 80,000 more kids in our state and tens of thousands of low income Oregonians. We look forward to including a cost containment package and expansion plan that meets these goals in our final budget next month.

Human Services Program Area Spending Changes
(\$ GF/LF/Selected OF)

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair TTx	Co-Chair Provider Tax	Positions	FTE
Dept. of Human Services Children, Adults & Families	Total EBL (May 2009)	705,181,508					
	Adjustment for non-EBL TANF and child safety	131,737,671					
	Adjusted Total EBL	836,919,179					
	8 - Admin - Personal services cost management; excludes institutional & direct srv staff	(1,293,096)					
	14 - Admin - Reduce services and supplies Admin budget by 2%	(672,768)					
	20 - Self Sufficiency - Reduce TANF program costs with job quit penalty	(2,601,603)				(4)	(5.96)
	25 - Self Sufficiency - Eliminate Employment Related Day Care for self-employed	(1,977,924)					(0.87)
	29 - Self Sufficiency - Eliminate reduced co-pay in first month of ERDC eligibility	(4,166,581)					(0.46)
	34 - Admin - Reduce State Family Pre-SSI staffing	(200,503)				(3)	(3.00)
	49 - All Prgs - Eliminate COLA increases within CAF control	(7,555,870)					
	51 - Self Sufficiency - Reduce Pre-TANF payments for basic living expenses	(393,946)					
	55 - Self Sufficiency - Reduce Post-TANF payment to \$50 per month Oct 2010	(5,183,038)					
	57 - Self Sufficiency - Household income standard for TANF non-parent caretaker	(14,265,698)				(29)	(31.03)
	59 - Self Sufficiency - Eliminate TANF UN program Oct 2010	(12,286,468)				(4)	(6.22)
	87 - Self Sufficiency - Limit ERDC to families leaving TANF	(41,016,972)				(4)	(6.90)
	116 - Self Sufficiency - Increase co-pay by 6% for ERDC families	(1,343,219)					
	118 - Substitute Care - End IV-E Waiver Flexible Funding	(1,614,739)					
	119 - Self Sufficiency - Reduce ERDC maximum payment to 65th percentile	(3,936,676)					
	123 - Substitute Care - Reduce Other Medical Program by 50%	(3,004,199)					
	124 - Self Sufficiency - Include SSI payments in determining TANF eligibility Oct 2010						
127 - Self Sufficiency - Eliminate Cooperative Incentive Payment for TANF (FF only)							
128 - Adoptions - Reduce Post Adoption Services program by 30%	(82,345)						
129 - Adoptions - Curtail special rates for subsidized guardianship	(169,728)						
131 - Self Sufficiency - Eliminate enhanced grant for Pre-SSI/SSDI clients	(2,068,116)						
132 - Self Sufficiency - Reduce JOBS services	(10,000,000)						
152 - Self Sufficiency - Eliminate Family Support and Connections	(1,015,825)						
155 - Substitute Care - Reduce Foster Care One Time payments by 50%	(3,353,818)						
156 - Child Safety - Eliminate Family Support Teams program	(1,881,099)						
157 - Substitute Care - Reduce Behavioral Rehabilitation Services	(1,826,154)						
159 - Self Sufficiency - Further reduce JOBS services	(10,000,000)						
	Subtotal CAF	(131,910,385)	0	0	0	(44)	(54.44)
Dept. of Human Services Administrative Services Division	Total EBL (May 2009)	245,988,408					
	7 - Reduce State Data Center charges by 8%	(1,000,000)					
	13 - Reduce services and supplies for EBL roll-up	(607,825)					
	19 - Reduce budgeted fuel costs	(250,000)					
	24 - Eliminate additional mandated caseload funding in EBL	(1,445,304)					
	28 - Reduce Attorney General use by 10%	(205,641)					
	33 - Reduce IT expendable property by 10%	(515,647)					
	36 - Reduce staffing and services and supplies for OHPR/OHFB by 10%	(424,188)				(2)	(1.25)
	38 - Reduce staffing and services and supplies for BPA by 10%	(1,012,431)					(2.25)
	41 - Reduce staffing and services and supplies for OFS by 10%	(1,076,849)					
	82 - Reduce staffing and services and supplies for Office of Director and Policy by 10%	(1,032,264)				(1)	0.75
	84 - Reduce staffing and services and supplies for OHPR/OHFB by additional 10%	(424,188)				(2)	(1.25)
	86 - Reduce staffing and services and supplies for BPA by additional 10%	(699,659)					(1.25)
	88 - Reduce staffing and services and supplies for OFS by additional 10%	(1,076,849)					(6.00)
	89 - Reduce staffing, services and supplies for Office of Director and Policy by additional 10%	(1,032,263)				(3)	(2.25)
	113 - Reduce staffing and services and supplies for AS offices by 5%	(6,737,193)				(30)	(26.25)
	142 - Reduce staffing and services and supplies for AS offices by additional 5%	(6,737,193)				(30)	(26.25)
	Oregon Health Authority/ Oregon Health Authority Board	3,000,000					
	IT systems for OSH, Or Kids, other core needs	15,060,065					
		Subtotal ASD	(6,217,429)	0	0	0	(68)

Human Services Program Area Spending Changes
(\$ GF/LF/Selected OF)

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair TTx	Co-Chair Provider Tax	Positions	FTE	
Dept. of Human Services Seniors and People with Disabilities	Total EBL (May 2009)	1,014,676,282						
	5 - Personal services cost management; excludes institutional & direct srv staff	(2,460,786)						
	11 - Reduce services and supplies Admin budget by 2%	(315,882)						
	17 - Institution State Operated Community Program group home hiring freeze	(61,396)						
	22 - Reflect lower Juvenile Psychiatric Services Review Board costs	(1,781,801)						
	27 - Transfer AAA Aged and Physically Disabled field structure hiring freeze	(312,500)						
	32 - Diversion/transition of Nursing Facility clients	(2,230,049)						
	35 - Eliminate COLA for Aged and Physically Disabled and Developmentally Disabled	(29,383,844)						
	37 - Eliminate Homecare Union Benefits Board reserve excess monthly payment	(1,108,500)						
	39 - Reduce Home Care Worker training budget by 50%	(1,350,000)						
	40 - Eliminate Retired Senior Volunteer Program General Fund	(275,000)						
	42 - Eliminate Home Care Worker Health Insurance coverage for <80 hours/month	(16,706,086)						
	43 - Eliminate Homecare Union Benefits Board reserve	(2,800,000)						
	61 - Reduce In-Home Care Program	(18,781,391)						
	63 - Nursing Facility Allowable Cost Limitation proposal	(25,316,520)						
	65 - Reduce Children In-Home Intensive Services Medically Fragile 3rd party insurance	(1,524,597)						
	66 - Eliminate Senior Health Insurance Benefits Assistance program pass-through	(825,346)						
	69 - Reduce DD Employment and Community Inclusion Program	(2,065,522)						
	70 - Reduce DD housing General Fund	(2,500,000)						
	74 - Reduce DD special projects (training)	(1,227,200)						
96 - Reduce and restructure DD Family Support program	(6,000,000)							
99 - Oregon Supplemental Income Program (OSIP) underexpenditures	(2,500,000)							
105 - Close Eastern Oregon Training Center sooner (within 4 months of July 2009)	(3,757,675)					(65)	(30.50)	
106 - Reduce boards and commissions GF support	(274,249)							
Oregon Project Independence -- supplemental funding to be determined								
	Subtotal SPD	(123,558,344)	0	0	0	(65)	(30.50)	
Dept. of Human Services Health Services	Total EBL (May 2009)	1,850,465,563	13,712,288					
	1 - AMH - Personal services cost management; excludes institutional & direct srv staff	(613,130)						
	3 - DMAP - Additional drug rebate Other Funds	0						
	4 - PHD - Personal services cost management; excludes institutional & direct srv staff	(504,604)						
	6 - AMH - Reduce services and supplies administrative budgets by 2%	(1,270,408)						
	9 - DMAP - Hospital component within cap rate to 80% from 100%	(48,648,522)						
	10 - PHD - Reduce services and supplies administrative budgets by 2%	(147,556)						
	12 - AMH - Eliminate COLA increases within DHS control	(10,403,625)						
	16 - PHD - Eliminate COLA increases within DHS control	(1,099,505)						
	21 - PHD - Consolidate health systems planning	(300,469)					(3)	(3.00)
	23 - AMH - Reduce supported employment services	(1,000,000)						
	26 - PHD - Cut GF support for health systems planning	(500,000)						
	30 - PHD - Eliminate funding for Juvenile Diabetes Database	(216,000)					(2)	(1.00)
	31 - PHD - Further reduce administration across all PHD offices	(300,000)						
	44 - DMAP - Personal services cost management; excludes institutional & direct srv	(371,282)						
	46 - DMAP - Reduce services and supplies administrative budgets by 2%	(306,424)						
	48 - PHD - Eliminate database coordinator position	(197,662)					(1)	(1.00)
	52 - DMAP - Allow preferred drug list to be enforceable (1/2)	(1,510,828)						
	53 - DMAP - Create Durable Medical Equipment point of sale sole source contract	(104,484)						
	56 - DMAP - Add mental health drugs to enforceable preferred drug list (1/2)	(4,352,315)						
	58 - DMAP - Reduce OHP Plus adult dental to Standard plan levels	(4,500,000)						
	60 - DMAP - Limit OHP Plus adult vision services	(4,624,503)						
	62 - DMAP - Limit payment to FQHCs and RHCs to lesser dual-eligible rate	(1,102,834)						
	68 - PHD - Reduce support for WIC Seniors and Regular Farmer's Market	(209,000)						
	71 - AMH - Reduce alcohol and drug prevention	(2,982,634)						
	76 - DMAP - Expanded electronic communication with providers (Transformation)	(40,000)						
	78 - DMAP - Third party liability and recovery (Transformation)	(11,178,000)						

Human Services Program Area Spending Changes
(\$ GF/LF/Selected OF)

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair TTx	Co-Chair Provider Tax	Positions	FTE
	79 - AMH - Close Blue Mountain Recovery Center on Jan. 1, 2010	(4,868,119)					(109.36)
	90 - DMAP - Eliminate discretionary fee-for-service COLA	(1,877,753)					
	93 - DMAP - Reduce capitation rates paid to MCOs by 5%	(36,531,280)					
	111 - AMH - Reduce Problem Gambling Treatment and Prevention by 15%		(1,623,716)				
	112 - AMH - Reduce Problem Gambling program support by 15%		(421,820)				
	114 - PHD - Reduce Communicable Disease Testing	(400,000)					
	115 - PHD - Reduce Babies First!	(500,000)					
	146 - PHD - Reduce operational support	(200,000)					
	Oregon State Hospital needs	35,226,621					
	Subtotal HS	(105,634,316)	(2,045,536)	0	0	(6)	(114.36)
Dept. of Human Services Capital Improvements	Total EBL (May 2009)	1,163,318					
	Reduce capital improvement GF	(500,000)					
	Subtotal	(500,000)	0	0	0	0	0.00
Office of Private Health Partnerships	Total EBL	26,326,825					
	Reduce services and supplies for publicity and publications	(52,173)					
	Reduce Family Health Insurance Assistance Prog (FHIAP) administration by 10%	(367,301)					
	Reduce FHIAP subsidies by 10%	(2,223,556)					
	Reduce FHIAP subsidies by additional 5%	(1,136,117)					
	Reduce FHIAP subsidies by additional 5%	(1,060,741)					
	Subtotal	(4,839,888)	0	0	0	0	0.00
State Commission on Children & Families	Total EBL	62,078,040					
	Counties/tribes flexible program funds and basic capacity (avg. 18.34% reduction)	(4,853,185)					
	Court Appointed Special Advocates						
	Relief nurseries						
	Reduce Healthy Start 20%	(4,270,000)					
	Runaway Homeless Youth at \$100,000 GF (w/\$600,000 Youth Investment OF backfill)	(833,328)					
	Community Schools grants at \$100,000 GF	(413,751)					
	Use additional Youth Investment OF to offset GF	(700,000)					
	Reduce program staff, technical assistance, policy and support	(1,714,619)				(3)	(2.50)
	Subtotal	(12,784,883)	0	0	0	(3)	(2.50)
Commission for the Blind	Total EBL	1,710,148					
	Fund Shift Rehabilitative Instructor - Roseburg	(20,550)					
	Fund Shift Rehabilitative Instructor - Medford	(25,031)					
	Fund Shift Vocational Rehabilitation Counselor - Portland	(2,153)					
	Roseburg office and motor pool	(2,328)					
	Special payments	(123,210)					
	Subtotal	(173,272)	0	0	0	0	0.00
Long-Term Care Ombudsman	Total EBL	1,184,701					
	Subtotal	0	0	0	0	0	0.00
Psychiatric Security Review Board	Total EBL	1,413,015					
	Subtotal	0	0	0	0	0	0.00
	Program Area Total EBL (May 2009)	4,041,925,479	13,712,288	0	0		
	Co-Chair Changes	(385,618,517)	(2,045,536)	0	0	(186)	(267.80)
	Program Area Totals - Co-Chair Budget	3,656,306,963	11,666,752	0	0		

Public Safety and Judicial Program Area Notes

We have worked within the Public Safety/Judicial budget areas with the following priorities:

- Maintain services in county community corrections and the Oregon Youth Authority to the greatest extent possible.
- Keep our commitment to bringing on 39 additional Oregon State Police troopers during 2009/11 to finally return to 24 hours per day/7 days per week coverage for our state.
- Maintain our criminal justice system through strategic cuts and investments at different points of entry, incarceration, and post-incarceration to realize short term and long term savings. Our legislative work group, led by Senators Verger and Prozanski and Representatives Shields and Barker, is working with district attorneys, public defenders, judicial, and law enforcement personnel on a proposal to save between \$75 to \$100 million in our 2009-11 budget. It is our hope to be able to use a portion of these savings to mitigate cuts that are currently listed for the Oregon Youth Authority and the Oregon State Police.
- Maintain a court system available to all Oregonians, including our innovative drug courts and our Public Defense services, by mitigating cuts to the courts with small increases in fees. We are working in partnership with the Chief Justice on this effort. Senator Walker and Representative Nathanson are leading a work group this week to review specific fee proposals to ensure access to justice and effective operation of the court system.

**Public Safety / Judicial Program Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair CFAA	Positions	FTE
Dept. of Corrections	Total EBL	1,455,542,591				
	Utilize available fund balances in capital construction accts to backfill GF	(2,910,092)				
	Delay opening Deer Ridge Correctional Institution medium facility	(22,828,284)			(232)	(150.63)
	Delay opening expansion of Shutter Creek Correctional Institution	(2,241,526)			(30)	(14.76)
	Reductions to Central Administration & Operations including use of AG services	(335,823)				
	Reductions in personnel related activities	(632,893)			(3)	(3.50)
	Reductions in Hearings, Investigations, Research & Public Affairs	(1,089,589)			(5)	(5.00)
	Reductions to accounting, info systems, central stores	(1,164,570)			(7)	(7.00)
	Reconfigure operations staffing including elimination of admin & support staff	(5,573,156)			(25)	(25.00)
	Transfer responsibility for training security staff from DPSST to DOC	(6,900,000)			7	7.00
	Unidentified vacancy savings	(12,000,000)				
	Reduce resources for capital improvements and deferred maintenance by 40%	(1,018,846)				
	Reductions in Transitional Services Div including cognitive and education programs	(1,886,767)				
	Changes to sentencing and other changes to reduce need for prison beds	(77,800,000)				
	Subtotal	(136,381,546)	0	0	(295)	(198.89)
Oregon Youth Authority	Total EBL	346,165,025				
	Reductions in Facilities and Community Programs for mandated EBL caseload	(33,944,791)			(301)	(182.97)
	Reductions to beds and placements scheduled to come on line in 09-11	(15,555,337)			(47)	(52.00)
	Roll-up of reductions to Juvenile Crime Prevention and Diversion	(2,428,770)				
	Roll-up of reduction to statewide gang programs	(1,593,400)				
	Roll-up of elimination of 58 community placements	(2,699,338)				
	Roll-up of elimination of 25 close custody beds	(3,200,000)			(23)	(23.00)
	Roll-up of P&P associated with reductions in workload/caseload	(817,022)			(6)	(5.50)
	Roll-up for federal stimulus package enhanced match for 09-11	(2,713,425)				
	Reduction for program support related to placement and bed reductions (7 pos.)	(1,057,015)			(7)	(5.38)
	Reduction for central office reorganization - effective 9/1/09 (8 pos)	(1,380,774)			0	(6.58)
Subtotal	(65,389,872)	0	0	(384)	(275.43)	
Oregon State Police	Total EBL	266,694,456	7,596,103			
	Savings in debt service need for Oregon Wireless Interoperability Network (OWIN)	(2,815,731)				
	Eliminate Patrol Div. airplane program	(110,000)				
	Eliminate funding for training & overtime for Mobile Response Team (MRT)	(205,000)				
	Reduce funding for Law Enforcement Information Systems (LEDS)	(678,008)				
	Shift Fish & Wildlife's share of admin costs from GF to ODFW revenues	(2,300,000)				
	Phase in the hiring of the 39 additional Patrol troopers to 2nd half of the biennium	(5,590,277)				(24.25)
	Shift funding of bomb program to Fire Insurance Premium Tax (FIPT) resources	(932,686)				
	Shift funding of ID Services (criminal background checks) to all fee revenues	(2,421,329)				
	Shift funding of Firearms ID Services to all fee revenues	(2,800,000)				
	Reduce Forensics Lab funding including eliminating property crime analysis & Ontario	(4,512,728)			(11)	(11.00)
	Eliminate Criminal Division detectives for Meth and ID related investigations	(2,867,617)			(12)	(12.00)
	Reduce admin staff and dispatch staff	(2,859,675)			(14)	(14.00)
	Reduce the GF for the Fish & Wildlife Div by 60%	(3,503,693)			(16)	(16.00)
	Eliminate the remaining detectives in Criminal Division for drug enforcement investigations	(6,331,837)			(22)	(22.00)
Reduce detectives in the Criminal Div assigned to major crimes investigations	(3,004,105)			(10)	(10.00)	

**Public Safety / Judicial Program Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair CFAA	Positions	FTE
	Reduce Lottery Funds for the enforcement of the Oregon Plan by 15%		(1,139,415)		(6)	(6.00)
	Oregon Wireless Operability Network (OWIN)	3,700,000			6	6.00
	Subtotal	(37,232,686)	(1,139,415)	0	(85)	(109.25)
Dept. of Public Safety Standards & Training	Total EBL	11,360,288		35,100,000		
	Reduce resources for upkeep of facility including janitorial, grounds & Security			(1,414,696)	(4)	(4.00)
	Reduce resources for information systems and management			(354,496)	(2)	(2.00)
	Reduce personnel & other administration			(842,196)	(4)	(4.00)
	Eliminate Instructor Development & Leadership programs			(640,877)	(3)	(3.00)
	Reduce Regional Training program			(547,709)	(3)	(3.00)
	Reduce Standards and Certification program			(236,057)	(1)	(1.00)
	Reduce resources for training at DPSST facility			(1,192,038)	(7)	(7.00)
	Transfer responsibility for training security staff from DPSST to DOC			(1,200,000)	(5)	(5.00)
	Subtotal	0	0	(6,428,069)	(29)	(29.00)
Department of Justice	Total EBL	64,884,333				
	Reduce funding for DA Assist, white collar crime & criminal intelligence resources		(947,771)		(3)	(2.42)
	Reduce CFAA resources for Crime Victims programs including CAMI, Medical Assessments, Victim Assistance Program, and Crime Victims Cop Program			(1,023,868)		
	Reduce funding for Defense of Criminal Convictions by 14%		(3,848,474)		(9)	(9.84)
	Funding for State's defense of the Master Settlement Agreement (MSA)	1,000,000				
	Replace GF in Child Support Div with funds available through federal Stimulus Package	(3,626,936)				
	Medical assessments for children suspected of child abuse	1,000,000				
	Subtotal	(6,423,181)	0	(1,023,868)	(12)	(12.26)
Judicial Department	Total EBL	348,048,319				
	Debt Service Adjustment/Eliminate Budget Error		(4,881,550)			
	Biennialize 2007-09 Reductions (eight long-term vacant positions)		(61,983)		(8)	(4.39)
	Eliminate Inflation/Personal Services Merit/Mandated Case Adjustments		(9,048,566)			
	Administrative Savings/Efficiencies/Reductions [Citizen Review Board restructuring; reduce State Court Administrator analysis/legal/IT/State Law Library/Court Interpreter Services]*		(11,294,391)		(69)	(69.00)
	Reduce Court Support Services [reduce publications/Law Library/Appellate and Tax courts/stenographic court reporters/Treatment (Drug) Court coordination support]*		(6,156,866)		(48)	(49.38)
	Internal/External Cost Shifts [pre-trial release; court referees; eliminate remainder of CRB; pro sae facilitation; mediation]*		(9,712,478)		(83)	(78.99)
	Fund Shift of Application Contribution Verification Positions		(948,291)		(8)	(11.84)
	Reduce Circuit Court Operations across the board by 3%*		(8,613,498)		(72)	(72.00)
	Reduce Mandated Payments*		(1,489,654)			
	*Reductions may be partially mitigated by revenue generated from a proposed court fee surcharge.					
	Subtotal	(52,207,277)	0	0	(288)	(285.60)

**Public Safety / Judicial Program Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair CFAA	Positions	FTE
Public Defense Services Commission	Total EBL	235,774,872				
	Reduce Public Defense Services Account due to forecasted caseload reductions/savings	(9,179,835)				
	Reduce Appellate Division (four vacant positions)	(691,248)			(4)	(4.00)
	Reduce Contract and Business Services - services and supplies	(65,047)				
	Reduce trial-level representation expenditures by one week*	(1,852,613)				
	Further reduce Appellate Division (three vacant positions)	(492,131)			(3)	(3.00)
	Reduce Trial-level representation expenditures by six weeks*	(11,296,613)				
	*Reductions may be partially mitigated by revenue generated from a proposed court fee surcharge.					
	Subtotal	(23,577,487)	0	0	(7)	(7.00)
Criminal Justice Commission	Total EBL	7,203,683				
	Eliminate a Research Analyst position	(139,522)			(1)	(1.00)
	Reduce Services & Supplies funding	(33,761)				
	Shift funding for position to 50% asset forfeiture funds	(38,919)				
	Reduce funding for Drug Court grants by 17%	(853,207)				
	Subtotal	(1,065,409)	0	0	(1)	(1.00)
Parole & Post-Prison Supervision	Total EBL	4,138,063				
	Eliminate Attorney General inflation	(193,446)				
	Reduce Attorney General usage	(182,685)				
	Reduce number of Board ordered psychological evaluations by 26%	(19,580)				
	Subtotal	(395,711)	0	0	0	0.00
Judicial Fitness	Total EBL	190,577				
	Reduce administration and prosecution function	(9,529)				
	Subtotal	(9,529)	0	0	0	0.00
District Attorneys & Their Deputies	Total EBL	10,818,348				
	Eliminate funding for Prosecutorial Assistance payments to counties	(456,835)				
	Eliminate all available Services & Supplies funding	(38,235)				
	Subtotal	(495,070)	0	0	0	0.00

**Public Safety / Judicial Program Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair CFAA	Positions	FTE
Military Department	Total EBL	28,323,692				
	Reduce services and supplies in Administration, Operations, OEM	(216,784)				
	Eliminate capital improvement budget	(1,452,513)				
	Reduce seismic rehabilitation grant program staffing (position vacant)	(213,029)			(1)	(1.00)
	Operations and maintenance reductions at armories (3 positions)	(776,458)			(3)	(3.00)
	Eliminate Deputy Director Assistant position and fund shift human resource position	(189,341)			(1)	(1.00)
	Eliminate Office of Emergency Management positions (3) and services and supplies	(267,366)			(3)	(2.60)
	Mothball 4 armories and eliminate 14 maintenance positions	(1,416,185)			(14)	(14.00)
	Eliminate Director of Personnel position	(224,182)			(1)	(1.00)
	Subtotal	(4,755,858)	0	0	(23)	(22.60)
	Program Area Total EBL	2,779,144,247	7,596,103	35,100,000	0	0.00
	Co-Chair Changes	(327,933,626)	(1,139,415)	(7,451,937)	(1,124)	(941.03)
	Program Area Totals - Co-Chair Budget	2,451,210,621	6,456,688	27,648,063	(1,124)	(941.03)

Judicial	(75,794,293)				
Public Safety	(252,139,333)	(1,139,415)	(7,451,937)	total =	(260,730,685)

Natural Resources Program Area Notes

We have worked within the Natural Resource budget areas with the following priorities:

- Maintain vital services provided by the Department of Agriculture and the Department of Fish & Wildlife to the greatest extent possible.
- Hold down any additional costs associated with Oregonian's use of our state parks to the greatest extent possible while still maintaining and building a first rate park system.
- Address long standing water issues and provide sustainable funding for the Oregon Water Resources Department through proposals still in development by Representative Jenson, Senator Walker and Representative Jefferson Smith.
- Ensure the completion of the processing of Measure 49 claims by the end of June 2010.
- Fund the priorities of the bipartisan legislative Coastal Caucus for marine reserves and ocean floor mapping.

**Natural Resources Program Area Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair LF M66	Positions	FTE
Agriculture	Total EBL	17,393,910	35,972	10,763,998		
	Administration - suspend PURS, fund shift Farm Mediation to OF, cut HR position	(413,289)			(3)	(1.14)
	Food Safety - fund shifts in Weights & Measures, Feeds, Animal Health; cut predator control \$335,009	(791,213)			0	0.00
	Natural Resources - Suspend PURS, eliminate pesticides outreach, eliminate one CAFO position, eliminate two Ag Water Quality positions due to reduction in M66 Lottery (includes continuation of 07-09 position elimination)	(538,231)		(338,231)	(7)	(4.40)
	Ag Marketing and Development - reduce plant health lab, eliminate one marketing position and one-time shift some other activities, eliminate renewable energy projects	(921,276)			(3)	(2.50)
	Subtotal	(2,664,009)	0	(338,231)	(13)	(8.04)
Environmental Quality	Total EBL	40,371,909		5,555,984		
	Air Quality - reduce payments to LRAPA, eliminate GF clean diesel grants and outreach, reduce technical assistance, eliminate background monitoring site in Medford, eliminate support for Regional Air Quality Modeling Center, reduce enforcement	(2,357,020)			(4)	(4.50)
	Water Quality - Eliminate Biomonitoring program (includes continuation of 07-09 position elimination), reduce outreach and admin support, cut stormwater permitting \$500,000	(1,733,186)			(9)	(8.25)
	Land Quality - reduce hazardous waste inspections, policy development, technical assistance, and enforcement. Shift some other costs to fees and eliminate a manager	(1,317,650)			(3)	(3.00)
	Cross Program - Shift portion of Economic Revitalization Team position to fees	(168,995)				
	Debt Service - On-time use of hazardous substance fees and proceeds from previous bond sales to pay debt service on existing Orphan Site Bonds.	(957,000)				
Subtotal	(6,533,851)	0	0	(16)	(15.75)	
Fish & Wildlife	Total EBL	16,909,505		11,281,640		
	Fish Propagation - keep Butte Falls hatchery closed which is out of operation due to disease problems, reduce fish marking, eliminate technician and biologist assistant positions	(508,863)			(5)	(2.52)
	Fish Natural Production - reduce S&S for native fish investigations, eliminate ESA coordinator position, reduce salmon and steelhead monitoring, reduce cost-share in the fish screens program, reduce Oregon Plan activities	(663,252)			(3)	(3.00)
	Fish Marine - cut groundfish stock assessments, and a developmental fisheries position	(662,997)			(6)	(3.28)
	Wildlife Habitat - reduce landowner incentive payments	(55,498)				
	Wildlife Game - Reduce Predator Control payments to USDA Wildlife Services	(100,000)				
	Wildlife Diversity - Shift threatened & endangered species position to OF	(202,742)				
	Administration - Eliminate two manager positions	(423,051)			(2)	(2.00)
	Capital Improvement - reduce capability to do emergency repairs at facilities	(39,388)				
	Shift Fish Screens program support and some fish division field activities from M66 Lottery to angling license revenue due to reduction in M66 Lottery revenues			(1,900,000)		

**Natural Resources Program Area Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair LF M66	Positions	FTE
	<i>Subtotal</i>	(2,655,791)	0	(1,900,000)	(16)	(10.80)
Forestry	Total EBL	44,963,795				
	Various reductions to Private Forest program (includes fund shifts)	(6,744,570)			(10)	(49.70)
	Protection from Fire program funded at 45% GF/55% OF plus administrative costs	(4,359,778)				
	<i>Subtotal</i>	(11,104,348)	0	0	(10)	(49.70)
Land Conservation & Development	Total EBL	16,179,286				
	Measure 49 processing	5,348,754			28	15.38
	Measure 49 Attorney General reductions	(3,144,015)				
	Reimbursement to local jurisdictions for Measure 56 notification costs	(91,842)				
	General Fund Grant Program (eliminates 2007-09 enhancement)	(500,000)				
<i>Subtotal</i>	1,612,897	0	0	28	15.38	
Department of Energy	Total EBL	0				
	<i>Subtotal</i>	0	0	0	0	0.00
Land Use Board of Appeals	Total EBL	1,599,580				
	Reduce services and supplies	(20,000)				
	<i>Subtotal</i>	(20,000)	0	0	0	0.00
Oregon Watershed Enhancement Board	Total EBL			66,863,785		
	Continuation of 07-09 reduction - IMST - suspend operations			(651,395)		
	Continuation of 07-09 reduction - LCREP - reduce support by 15%			(48,457)		
	Move admin position to Federal Funds			(110,410)		
	Reduce grant expenditures due to reduction in M66 Lottery revenues			(4,571,100)		
<i>Subtotal</i>	0	0	(5,381,362)	0	0.00	
Parks & Recreation	Total EBL			95,043,951		
	Review as part of Measure 66 Lottery Fund distribution					
	Review ATV funds for sweep and troopers					
	<i>Subtotal</i>	0	0	0	0	0.00
Water Resources	Total EBL	25,451,601	0			
	Attorney General savings	(50,000)				
	Water Measurement Technician --- Salem Based	(126,821)			(1)	(1.00)
	Water Use Reporting	(146,237)			(1)	(1.00)
	Water Measurement Technician --- Field Based	(156,962)			(1)	(1.00)
	Information Technician Application Development	(231,042)			(1)	(1.00)
	Oregon Plan -- 2 positions	(312,323)			(2)	(2.00)
	Fee increases to backfill additional GF	(2,768,900)				
	<i>Subtotal</i>	(3,792,285)	0	0	(6)	(6.00)

**Natural Resources Program Area Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair LF M66	Positions	FTE
Columbia River Gorge Commission	Total EBL	1,179,356				
	Reduction to match State of Washington budget under bi-state compact	(300,133)				
	Subtotal	(300,133)	0	0	0	0.00
State Lands	Total EBL	244,741				
	Eliminate CSF funded position related to economic revitalization	(120,000)				
	Reduce Natural Heritage program by 15%	(3,952)				
	Subtotal	(123,952)	0	0	0	0.00
Geology & Mineral Industries	Total EBL	3,476,189				
	Fund shift positions	(229,114)			(2)	(1.00)
	Reduce Baker City and close Grants Pass offices; relocate information center	(188,661)				
	Subtotal	(417,775)	0	0	(2)	(1.00)
	Program Area Total EBL	167,769,872	35,972	189,509,358		
	Co-Chair Changes	(25,999,247)	0	(7,619,593)	(35)	(75.91)
	Program Area Totals - Co-Chair Budget	141,770,625	35,972	181,889,765		

Transportation and Economic Development Program Area Notes

We have worked within the Transportation and Economic Development budget areas with the following priorities:

- The Co-Chairs support the proposals by Senator Metzger, Representative Beyer, and the other parties involved in the transportation work group and look forward to including a robust transportation and jobs package in the final legislative budget.
- We will continue to seek ways to further limit reductions to Oregon InC and to programs in the arts in order to do everything we can to fuel our state's economic recovery.

**Transportation Program Area Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Transportation	Total EBL	4,630,845	92,782,785			
	Assume additional OF revenue from vanity plates and use of fund ending balance	(4,630,845)				
	Subtotal	(4,630,845)	0	0	0	0.00
	Program Area Total EBL	4,630,845	92,782,785	0		
	Co-Chair Changes	(4,630,845)	0	0	0	0.00
	Program Area Totals - Co-Chair Budget	0	92,782,785	0		

**Economic Development Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Economic and Community Development	Total EBL	4,431,047	113,014,071			
	Agency Operations - 12% reduction		(2,281,981)		(8)	(8.50)
	Strategic Reserve Fund - 23% reduction		(3,594,813)			
	Industry Sector Outreach - 25% reduction		(751,456)			
	Small Business Development Centers - 53% reduction		(1,264,400)			
	Regional Investment - eliminated		(2,056,000)			
	Film and Video Office - 5% reduction		(65,879)			
	Arts Commission - 5% reduction	(221,552)				
	Debt Service - 2% reduction (paid with reserves in lieu of Lottery Funds allocation)		(1,221,000)			
	Government Contract Assistance Program targeted service provider funding		208,750			
	Oregon InC funding		7,000,000			
	Fund Shift to Community Development Other Funds		(10,000,000)	10,000,000		
	Subtotal	(221,552)	(14,026,779)	10,000,000	(8)	(8.50)
Housing and Community Services	Total EBL	12,760,057	7,516,467			
	Reduce Homeownership Assistance (restore with OF)		(842,468)			
	Reduce Emergency Housing Assistance (restore with OF)		(1,600,000)			
	Reduce State Homeless Assistance		(171,358)			
	Subtotal	(2,613,826)	0	0	0	0.00
Veterans' Affairs	Total EBL	6,584,883				
	Conservatorship Program - 7% reduction		(45,446)		(1)	(1.00)
	Small Business Repair Program - eliminated		(308,400)			
	Aid to Counties - 5.8% reduction		(210,118)			
	Aid to Organizations - eliminated		(166,408)			
	Subtotal	(730,372)	0	0	(1)	(1.00)
Employment	Total EBL	4,170,698				
	Reduction to licensing responsibilities (backfilled with FF)		(750,000)			
	Subtotal	(750,000)	0	0	0	0.00
County Fairs	Total EBL		3,554,474			
	Reduce payment to county fairs by 15%		(533,171)			
	Subtotal	0	(533,171)	0	0	0.00
Historical Society (through DAS)	Total EBL	0				
	Subtotal	0	0	0	0	0.00

**Economic Development Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Oregon Public Broadcasting (through DAS)	Total EBL	0	1,882,673			
	<i>Subtotal</i>	0	0	0	0	0.00
	<i>Program Area Total EBL</i>	27,946,685	125,967,685	0		
	<i>Co-Chair Changes</i>	(4,315,750)	(14,559,950)	10,000,000	(9)	(9.50)
	<i>Program Area Totals - Co-Chair Budget</i>	23,630,935	111,407,735	10,000,000		

Administration and All Other Program Area Notes

We have worked within the Administration and remaining budget areas with the following priorities:

- Representative David Edwards is continuing his work to stabilize funding for the Oregon Liquor Control Commission and increase general fund revenue at the same time. We plan to add his final proposal to the targeted cuts and additions to the OLCC contained in our budget.
- Final budgets for agencies within the Administration program area, including the Legislative Branch and the Emergency Board will be presented by Senate and House leadership later this session.

**Administration Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Dept. of Administrative Services	Total EBL	7,925,382	0			
	Oregon Progress Board	(512,619)			(2)	(1.75)
	DAS Operating Reduction - 15% decrease from EBL (Excludes debt service, nonlimited, pass-throughs)			(53,441,146)	(105)	(100.84)
	<i>Note: Reduction will translate into assessment/service charge reductions for other state agencies</i>					
	Subtotal	(512,619)	0	(53,441,146)	(107)	(102.59)
Revenue	Total EBL	160,041,827				
	Savings from Elderly Rental Assistance Program	(1,000,000)				
	Roll-up of process center and IT 07-09 staff reductions	(318,515)			(3)	(3.00)
	Eliminate county pass through for property tax system administration	(5,000,000)				
	Revenue Compliance Package (add staff); estimated total additional revenue generation of \$19.3 million; net revenue increase of \$14.8 million	4,485,359			35	35.00
Subtotal	(1,833,156)	0	0	32	32.00	
Secretary of State	Total EBL	11,688,558				
	Reduction of 13% from EBL - details to be determined	(1,519,513)			(5)	(6.05)
	Subtotal	(1,519,513)	0	0	(5)	(6.05)
Employment Relations Board	Total EBL	1,858,241				
	Reduce Administrative Law Judge by .25 FTE	(52,627)				(0.25)
	Reduce mediator position by .25 FTE	(41,068)				(0.25)
Subtotal	(93,695)	0	0	0	(0.50)	
Government Ethics Commission	Total EBL	403,618		864,101		
	Reduce EBL GF beginning balance from 6 months to 3 months	(201,809)		201,809		
	POPs to maintain clerical support, AG expenses, and assessment (081/101/104)	30,138		210,969		
Subtotal	(171,671)	0	412,778	0	0.00	
Office of Governor	Total EBL	12,612,969	2,289,279			
	Reduction of 13% from EBL - details to be determined	(1,670,000)	(268,000)		(1)	(1.00)
	Subtotal	(1,670,000)	(268,000)	0	(1)	(1.00)

**Administration Area Spending Changes
(\$ GF/LF/Selected OF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Oregon Liquor Control Commission	Total EBL			131,416,805		
	Supply Center and Motor Pool			(210,000)		
	Administrative Services			(123,000)	(1)	(1.00)
	Communication Services			(173,000)	(1)	(1.00)
	Administrative Policy and Process			(253,000)	(1)	(1.00)
	Public Safety Services			(1,356,000)	(8)	(8.00)
	Administrative Policy and Process			(100,000)		
	Capital Improvement			(66,000)		
	Store Operating Expenses by 7.5%			(5,850,000)		
	Add warehouse workers (6 pos); generates \$9 million for GF			1,600,000	6	6.00
	Subtotal	0	0	(6,531,000)	(5)	(5.00)
Racing Commission	Total EBL			6,114,165		
	Subtotal	0	0	0	0	0.00
State Library	Total EBL	3,493,861				
	Fund shift position	(83,890)				
	Reduce Ready to Read Grant Program by 6%	(83,889)				
	Eliminate Talking Book and Braille Services vacant position	(82,765)			(1)	(1.00)
	Fund shift director position	(75,605)				
	POP 101 adds GF backfill for admin expenses improperly charged to LSTA - FF grant	279,527				
	Subtotal	(46,622)	0	0	(1)	(1.00)
Oregon Advocacy Commissions Office	Total EBL	461,655				
	Reduce services and supplies	(12,892)				
	Reduce professional services for interagency agreement with BOLI for support	(22,971)				
	POP 100 increases personal services due to director hiring at top step (adjusted)	22,640				
	Subtotal	(13,223)	0	0	0	0.00
	Program Area Total EBL	198,486,111	2,289,279	173,090,780		
	Co-Chair Changes	(5,860,499)	(268,000)	(59,559,368)	(87)	(84.14)
	Program Area Totals - Co-Chair Budget	192,625,612	2,021,279	113,531,412		

GF Revenue addition from DOR compliance investment	19,304,956
Agency GF Reductions from DAS assessment recalculation	
OLCC Warehouse Shift; GF share	9,000,000
OLCC Administrative and Store Reductions; GF share	979,650

**Consumer & Business Services Program Area Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Bureau of Labor and Industries	Total EBL	13,832,851				
	Commissioner's Office and Program Support (2 pos.)	(432,950)			(2)	(2.00)
	Civil Rights Division (2 pos.)	(266,160)			(2)	(2.00)
	Wage and Hour Division (4 pos.)	(436,254)			(4)	(4.00)
	Apprenticeship and Training Division (2 pos.)	(247,921)			(2)	(2.00)
	Subtotal	(1,383,285)	0	0	(10)	(10.00)
	Program Area Total EBL	13,832,851	0	0		
	Co-Chair Changes	(1,383,285)	0	0	(10)	(10.00)
	Program Area Totals - Co-Chair Budget	12,449,566	0	0		

**Legislative Branch Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Legislative Administration	Total EBL	31,952,708				
	Reduction of 13% from EBL - details to be determined	(4,153,852)				
	Subtotal	(4,153,852)	0	0	0	0.00
Legislative Assembly	Total EBL	36,298,773				
	Reduction of 13% from EBL - details to be determined	(4,718,840)				
	Subtotal	(4,718,840)	0	0	0	0.00
Legislative Counsel	Total EBL	9,561,610				
	Reduction of 13% from EBL - details to be determined	(1,243,009)				
	Subtotal	(1,243,009)	0	0	0	0.00
Legislative Fiscal	Total EBL	6,197,674				
	Reduction of 13% from EBL - details to be determined	(805,698)				
	Subtotal	(805,698)	0	0	0	0.00
Legislative Revenue	Total EBL	2,211,308				
	Reduction of 13% from EBL - details to be determined	(287,470)				
	Subtotal	(287,470)	0	0	0	0.00
Commission on Indian Services	Total EBL	426,916				
	Reduction of 13% from EBL - details to be determined	(55,499)				
	Subtotal	(55,499)	0	0	0	0.00
	Program Area Total EBL	86,648,989	0	0		
	Co-Chair Changes	(11,264,368)	0	0	0	0.00
	Program Area Totals - Co-Chair Budget	75,384,621	0	0		

**Emergency Board Spending Changes
(\$ GF/LF)**

Agency	Description	Co-Chair GF	Co-Chair LF	Co-Chair Selected OF	Positions	FTE
Emergency Board General Purpose	Total EBL	30,000,000				
	Reduce by 15%	(4,500,000)				
	<i>Subtotal</i>	(4,500,000)	0	0	0	0.00
Special Purpose	Total EBL	10,219,084				
	<i>Subtotal</i>	0	0	0	0	0.00
	<i>Program Area Total EBL</i>	40,219,084	0	0		
	<i>Co-Chair Changes</i>	(4,500,000)	0	0	0	0.00
	<i>Program Area Totals - Co-Chair Budget</i>	35,719,084	0	0		

Final Note

A capital construction package, including selected projects recommended by the Governor's budget and by the Legislature, is currently in development and will be included in the final Legislatively Adopted Budget this year.

We would like to express our sincere appreciation for the work of our subcommittee Co-Chairs, the members of the Joint Committee on Ways & Means, the members of each of our subcommittees, and the staff of the Legislative Fiscal Office in the preparation of this budget.

Our budget is now the working document for the remainder of the 2009 legislative session, and we look forward to the hearings, discussions, negotiations, and completion of the budget process over the next few weeks.