

**Legislative
Fiscal Office**

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**Joint Committee on
Ways and Means**

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Rep. Greg Smith, House Co-Vice Chair

To: Public Safety Subcommittee

From: Steve Bender, Legislative Fiscal Office

Date: June 21, 2017

Subject: HB 5033 – Public Defense Services Commission
Work Session Recommendations

Public Defense Services Commission (PDSC) – Agency Totals

	2013-15 Actual	2015-17 Legislatively Approved	2017-19 Current Service Level	2017-19 LFO Recommended
General Fund	250,508,919	279,528,938	301,366,459	298,923,219
Other Funds	3,564,624	3,846,904	4,109,950	4,954,313
Total Funds	\$254,073,543	\$283,375,842	\$305,476,409	\$303,877,532
Positions	76	77	77	77
FTE	75.11	76.11	76.23	76.23

Attached are the recommendations from the Legislative Fiscal Office (LFO) for the Public Defense Services Commission budget. The recommendations include supplemental General Fund support for payments to public defense contractors to more correctly project the cost of maintaining current contractor rates, and General Fund reductions to balance the statewide General Fund budget with the level of available resources. Total General Fund support is approximately \$19.4 million (or 6.9%) above the 2015-17 biennium legislatively approved budget through December 2016, and \$2.4 million (or 0.8%) below current service level. Funding in the bill will enable the agency to maintain the Parent Child Representation Program in the counties where this program currently operates, however, the program will not be expanded.

Recommended Policy Option Packages include:

- POP 105 - Adds \$4.7 million General Fund, to address an ongoing shortfall in the current service level for contracted public defense services, that has resulted from the timing of previous General Fund appropriations to the agency.

- POP 801 - Reduces General Fund by approximately \$7.1 million to help balance the statewide General Fund budget with the level of available resources. Expenditures of Other Funds received from the Application Contribution Program are increased by \$844,363 to reduce the net impact of the General Fund reductions to approximately \$6.3 million.

Adjustments to Current Service Level

See attached “Work Session Presentation Report.”

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

Accept LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5033. (VOTE)

OR

Change LFO Recommendation:

MOTION: I move the LFO recommendation to HB 5033, with modifications. (VOTE)

Performance Measures

See attached “Legislatively Proposed 2017-19 Key Performance Measures.”

Accept LFO Recommendation:

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

OR

Change LFO Recommendation:

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

Recommended Changes

LFO recommends a budget of \$298,923,219 General Fund, \$4,954,313 Other Funds, and 77 positions (76.23 FTE), which is reflected in the -2 amendment.

MOTION: I move adoption of the -2 amendment to HB 5033. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5033, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 5033, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	272,353,866	-	3,833,764	-	-	-	276,187,630	77	76.11
2015-17 Ebds, SS & Admin Act	7,175,072	-	13,140	-	-	-	7,188,212	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	279,528,938	-	3,846,904	-	-	-	283,375,842	77	76.11
2015-17 Leg Approved Budget (Base)	275,454,477	-	3,846,904	-	-	-	279,301,381	77	76.11
Summary of Base Adjustments	1,917,727	-	9,808	-	-	-	1,927,535	-	0.12
2017-19 Base Budget	277,372,204	-	3,856,712	-	-	-	281,228,916	77	76.23
010: Non-PICS Pers Svc/Vacancy Factor	80,804	-	117	-	-	-	80,921	-	-
030: Inflation & Price List Adjustments	18,900,392	-	253,121	-	-	-	19,153,513	-	-
040: Mandated Caseload	5,013,059	-	-	-	-	-	5,013,059	-	-
2017-19 Current Service Level	301,366,459	-	4,109,950	-	-	-	305,476,409	77	76.23
Adjusted 2017-19 Current Service Level	301,366,459	-	4,109,950	-	-	-	305,476,409	77	76.23
Total LFO Recommended Packages	(2,443,240)	-	844,363	-	-	-	(1,598,877)	-	-
2017-19 Legislative Actions	298,923,219	-	4,954,313	-	-	-	303,877,532	77	76.23
Net change from 2015-17 Leg Approved Budget	19,394,281	-	1,107,409	-	-	-	20,501,690	-	0.12
Percent change from 2015-17 Leg Approved Budget	6.9%	0.0%	28.8%	0.0%	0.0%	0.0%	7.2%	0.0%	0.2%
Net change from 2017-19 Adj Current Service Level	(2,443,240)	-	844,363	-	-	-	(1,598,877)	-	-
Percent change from 2017-19 Adj Current Service Level	(0.8%)	0.0%	20.5%	0.0%	0.0%	0.0%	(0.5%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	15,166,287	-	-	-	-	-	15,166,287	58	57.11
2015-17 Ebds, SS & Admin Act	1,232,818	-	-	-	-	-	1,232,818	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	16,399,105	-	-	-	-	-	16,399,105	58	57.11
2015-17 Leg Approved Budget (Base)	16,386,710	-	-	-	-	-	16,386,710	58	57.11
Summary of Base Adjustments	1,697,701	-	-	-	-	-	1,697,701	-	0.12
2017-19 Base Budget	18,084,411	-	-	-	-	-	18,084,411	58	57.23
010: Non-PICS Pers Svc/Vacancy Factor	71,025	-	-	-	-	-	71,025	-	-
030: Inflation & Price List Adjustments	389,454	-	-	-	-	-	389,454	-	-
2017-19 Current Service Level	18,544,890	-	-	-	-	-	18,544,890	58	57.23
Adjusted 2017-19 Current Service Level	18,544,890	-	-	-	-	-	18,544,890	58	57.23
Total LFO Recommended Packages	(350,000)	-	-	-	-	-	(350,000)	-	-
2017-19 Legislative Actions	18,194,890	-	-	-	-	-	18,194,890	58	57.23
Net change from 2015-17 Leg Approved Budget	1,795,785	-	-	-	-	-	1,795,785	-	0.12
Percent change from 2015-17 Leg Approved Budget	11.0%	0.0%	0.0%	0.0%	0.0%	0.0%	11.0%	0.0%	0.2%
Net change from 2017-19 Adj Current Service Level	(350,000)	-	-	-	-	-	(350,000)	-	-
Percent change from 2017-19 Adj Current Service Level	(1.9%)	0.0%	0.0%	0.0%	0.0%	0.0%	(1.9%)	0.0%	0.0%

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

Package Description Package 801 includes General Fund reductions to balance the statewide General Fund budget within the level of available resources.

The package reduces General Fund by \$350,000, as a part of a total \$484,600 reduction in resources that the agency is holding to address agency space needs. Although PDSC's current office space is limited and results in crowding, the agency has adopted measures to enable it to continue operating in the space through the 2017-19 biennium.

LFO Recommendation Reduce the General Fund appropriation to the Appellate Division by \$350,000.

Budget Instructions General Fund Appropriation [0050/8000] - (\$350,000)

Professional Services [4300/8000] - (\$350,000)

LFO Recommended

Revenues	(350,000)	-	-	-	-	-	(350,000)		
Expenditures	(350,000)	-	-	-	-	-	(350,000)	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	253,151,744	-	3,291,980	-	-	-	256,443,724	-	-
2015-17 Ebds, SS & Admin Act	5,579,963	-	-	-	-	-	5,579,963	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	258,731,707	-	3,291,980	-	-	-	262,023,687	-	-
2015-17 Leg Approved Budget (Base)	254,675,745	-	3,291,980	-	-	-	257,967,725	-	-
Summary of Base Adjustments	-	-	-	-	-	-	-	-	-
2017-19 Base Budget	254,675,745	-	3,291,980	-	-	-	257,967,725	-	-
030: Inflation & Price List Adjustments	18,429,994	-	252,865	-	-	-	18,682,859	-	-
040: Mandated Caseload	5,013,059	-	-	-	-	-	5,013,059	-	-
2017-19 Current Service Level	278,118,798	-	3,544,845	-	-	-	281,663,643	-	-
Adjusted 2017-19 Current Service Level	278,118,798	-	3,544,845	-	-	-	281,663,643	-	-
Total LFO Recommended Packages	(1,814,277)	-	700,000	-	-	-	(1,114,277)	-	-
2017-19 Legislative Actions	276,304,521	-	4,244,845	-	-	-	280,549,366	-	-
Net change from 2015-17 Leg Approved Budget	17,572,814	-	952,865	-	-	-	18,525,679	-	-
Percent change from 2015-17 Leg Approved Budget	6.8%	0.0%	29.0%	0.0%	0.0%	0.0%	7.1%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	(1,814,277)	-	700,000	-	-	-	(1,114,277)	-	-
Percent change from 2017-19 Adj Current Service Level	(0.7%)	0.0%	19.8%	0.0%	0.0%	0.0%	(0.4%)	0.0%	0.0%

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
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Package 105 PSA Budget Shortfall

Package Description Package 105 provides \$4.7 million of General Fund for the Professional Services Account, to address an ongoing shortfall in the funding level included in the current service level calculation for costs of contracted public defense services. In recent biennia, the Legislature has supplemented funding for the Professional Services Account with additional appropriations later in the biennium. Under state budget rules, these later appropriations are not included in the current service level calculation, even though the appropriations are made to pay ongoing costs.

The additional appropriation in Package 105 is intended to fully fund projected biennium costs and eliminate the need for a supplemental appropriation later in the biennium. The full funding cost will then be included in future current service level calculations to provide the Legislature with more accurate information on public defense system costs.

LFO Recommendation Increase General Fund by \$4,700,000. PDSC requested \$3,500,000 for this package, based on early caseload level information. Caseloads have exceeded the levels anticipated when the \$3.5 million request was calculated, however, and LFO recommends increasing support to \$4.7 million to fund currently-observed caseload levels.

Budget Instructions General Fund appropriation [8000/4300] - +\$4,700,000
Professional Services [4300/8000] - +\$4,700,000

LFO Recommended

Revenues	4,700,000	-	-	-	-	-	4,700,000		
Expenditures	4,700,000	-	-	-	-	-	4,700,000	-	-

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

Package Description Package 801 includes General Fund reductions to balance the statewide General Fund budget within the level of available resources.

LFO Recommendation The package reduces net funding for the Professional Services Account by \$5,814,277, and includes a \$6,514,277 reduction in General Fund support partially offset by a \$700,000 increase in Other Funds expenditures.

These reductions eliminate the amount included in the current service level for inflation in the costs of services and supplies, and the supplemental amount included to increase support for contractors' personal services costs above the standard rate increase for state contractors.

Other Funds expenditures supported from Application Contribution Program (ACP) revenues are increased by \$700,000, to offset the impact of the General Fund reduction. These funds were not budgeted for another use. The agency is expected to have a \$200,000 balance of ACP revenues at the end of the 2017-19 biennium. There are not, however, expected to be sufficient ACP revenues to continue this level of Other Funds expenditures in the 2019-21 biennium. The availability of Other Funds will need to be reevaluated at that time.

Budget Instructions The agency is directed to maintain operation of the Parent Child Representation Program in the three counties where the program currently operates.

General Fund Appropriation [0050/8000] - (\$6,514,277)

Professional Services (General Fund) [4300/8000] - (\$6,514,277)

Professional Services (Other Funds) [4300/3400] - +\$700,000

LFO Recommended

Revenues	(6,514,277)	-	-	-	-	-	(6,514,277)		
Expenditures	(6,514,277)	-	700,000	-	-	-	(5,814,277)	-	-

	General Fund	Lottery Funds	Other Funds	Federal Funds	Nonlimited Other Funds	Nonlimited Federal Funds	Total Funds	Positions	Full-Time Equivalent (FTE)
2015-17 Agy. Leg. Adopted	4,035,835	-	541,784	-	-	-	4,577,619	19	19.00
2015-17 Ebds, SS & Admin Act	362,291	-	13,140	-	-	-	375,431	-	-
Ways & Means Actions	-	-	-	-	-	-	-	-	-
2015-17 Leg Approved Budget	4,398,126	-	554,924	-	-	-	4,953,050	19	19.00
2015-17 Leg Approved Budget (Base)	4,392,022	-	554,924	-	-	-	4,946,946	19	19.00
Summary of Base Adjustments	220,026	-	9,808	-	-	-	229,834	-	-
2017-19 Base Budget	4,612,048	-	564,732	-	-	-	5,176,780	19	19.00
010: Non-PICS Pers Svc/Vacancy Factor	9,779	-	117	-	-	-	9,896	-	-
030: Inflation & Price List Adjustments	80,944	-	256	-	-	-	81,200	-	-
2017-19 Current Service Level	4,702,771	-	565,105	-	-	-	5,267,876	19	19.00
Adjusted 2017-19 Current Service Level	4,702,771	-	565,105	-	-	-	5,267,876	19	19.00
Total LFO Recommended Packages	(278,963)	-	144,363	-	-	-	(134,600)	-	-
2017-19 Legislative Actions	4,423,808	-	709,468	-	-	-	5,133,276	19	19.00
Net change from 2015-17 Leg Approved Budget	25,682	-	154,544	-	-	-	180,226	-	-
Percent change from 2015-17 Leg Approved Budget	0.6%	0.0%	27.9%	0.0%	0.0%	0.0%	3.6%	0.0%	0.0%
Net change from 2017-19 Adj Current Service Level	(278,963)	-	144,363	-	-	-	(134,600)	-	-
Percent change from 2017-19 Adj Current Service Level	(5.9%)	0.0%	25.6%	0.0%	0.0%	0.0%	(2.6%)	0.0%	0.0%

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

Package Description Package 801 includes General Fund reductions to balance the statewide General Fund budget within the level of available resources.

The package reduces General Fund by \$134,600, as a part of a total \$484,600 reduction in resources that the agency is holding to address agency space needs. Although PDSC’s current office space is limited and results in crowding, the agency has adopted measures to enable it to continue operating in the space through the 2017-19 biennium.

The package also replaces General Fund support for a Contract Manager position (#0004158) with Other Funds; for a General Fund reduction of \$144,363 and Other Funds increase of \$144,393. The position is currently funded by a combination of General Fund and Other Funds revenue from the Application Contribution (ACP) program. This position is eligible to be funded by ACP revenue, and sufficient ACP revenue exists to support the position 100% from Other Funds.

LFO Recommendation Reduce the General Fund appropriation to the Contract & Business Services Division by \$278,963; and increase the Other Funds expenditure limitation for the Division by \$144,363.

Budget Instructions General Fund Appropriation [0050/8000] - (\$278,963)

Professional Services [4300/8000] - (\$134,600)

Personal Services (General Fund) [3995/8000] - (\$144,363)

Personal Services (Other Funds) [3995/3400] - +\$144,363

LFO Recommended

Revenues	(278,963)	-	-	-	-	-	(278,963)		
Expenditures	(278,963)	-	144,363	-	-	-	(134,600)	-	-