

MINUTES OF THE EMERGENCY BOARD

September 7, 2001

State Capitol

Salem, Oregon

Members Present: President Derfler, Presiding Chair;
Senators R. Beyer, Carter, Clarno, Hannon, Messerle, Metsger and Yih;
Representatives Simmons, Butler, Doyle, Hill, Minnis, Morgan, Schrader,
Westlund and Winters

Participating: Representative Johnson

The meeting was called to order by Senator Derfler, Presiding Chair, at 8:30 a.m. in Hearing Room F of the State Capitol.

Oregon Economic and Revenue Forecast

Tom Potiowsky, State Economist, and Cora Parker, Economist, Office of Economic Analysis, Department of Administrative Services, presented a general overview of the September 2001 Economic and Revenue Forecast. Mr. Potiowsky and Ms. Parker responded to questions by members. (Summary of Forecast attached)

1. Department of Education

Senator Carter moved that the Emergency Board, acting under the authority of ORS 291.375, approve, retroactively, application by the Department of Education for a federal grant from the U.S. Department of Education for high school reform to improve the academic performance of and provide technical skills training for high school students.

The following is a summary of the request and the Subcommittee (Education) action:

The Department of Education requested retroactive authority to apply to the U. S. Department of Education for a three-year, \$1 million grant for high school reform. Ninety percent of the grant amount would be given to four districts to support activities that assist high school students in reaching state-established academic and technical skill proficiencies. Targeted districts are those defined as low-performing under federal Title 1-A.

The Subcommittee heard that the funds would be used to expand and build upon proven high school improvement strategies or to replicate successful reform models, such as school restructuring or curriculum and instruction redesign. Activities under the grant include: 1) integration of academics with technical skills courses; 2) establishment of skills centers within the high school; 3) use of innovative strategies such as school-based enterprises and project-based learning; 4) web-based dissemination of strategies; 5) professional development for teachers and administrators to implement reform approaches; and 6) partnerships between high-performing and low-performing schools. Existing Oregon school sites, such as those designated as New American High Schools (David Douglas, Rex Putnam, and Reynolds), would act as mentors to the districts selected as sub-grantees.

There are no matching fund requirements nor is there any obligation to continue funding after the grant expires. If awarded the grant, the Department plans to return to a future meeting of the Emergency Board for expenditure limitation. No new position authority is required. The Department plans to redirect existing staff to support this grant.

The Subcommittee heard that the Department was requesting retroactive authority to apply since it was required to submit the application by August 6, 2001. It received notice of the grant opportunity in late June 2001, but did not make the final decision to apply until after the end of the legislative session on July 7, 2001. Prior to approving the request, the Subcommittee expressed its displeasure with the retroactive nature of the grant and informed the Department that it should have discussed the grant opportunity with the 2001 Legislature.

The following Committee discussion occurred:

Senator Carter remarked that the Subcommittee sent a strong message to the Department regarding its displeasure with the retroactive nature of the request. Senator Hannon concurred with Senator Carter's remarks and indicated he would not be supporting such requests in the future.

Senator Carter's motion carried with Representatives Hill and Morgan voting 'no'.
Representative Westlund excused.

2. Department of Education

Representative Hill moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Department of Education by section 2, chapter 772, Oregon Laws 2001, Grant-in-Aid, by \$1,795,960 and by section 2 (1), chapter 799, Oregon Laws 2001, Operations, by \$2,318,411 for distribution of funds from the School Technology Account established by Senate Bill 622 (1999) for school technology projects.

The following is a summary of the request and the Subcommittee (Education) action:

During the 1999 session, the Legislative Assembly passed Senate Bill 622. This legislation established the School Technology Account for Oregon's K-12 schools, into which US WEST Communications (now Qwest) deposited \$50 million as a condition of electing a certain type of rate regulation. The Department of Education's 1999-01 budget included \$48.6 million Other Funds expenditure limitation for disbursement of these funds. (The remaining \$1.4 million was directed to the Department of Administrative Services.) Funds were to be used for recurring connectivity costs, purchases of two-way interactive video equipment, and other improvements to support K-12 technology connectivity as specified in the legislation.

Because of savings in some categories (such as purchases of video equipment) and timing of certain payments, not all funds were spent in the 1999-01 biennium. As a result, the Department requested an increase of \$2,843,838 Other Funds expenditure limitation in Operations to complete video equipment purchases and for associated telecommunications connectivity costs. It also requested an increase of \$1,290,532 Other Funds expenditure limitation in Grant-in-Aid to distribute funds to schools based on ADMw student counts. Schools can use these funds for a variety of

technology purchases to support connectivity, including building wiring, servers, hubs, routers, network design, installation, and electrical system upgrades.

Based on updated information, the Subcommittee approved an increase of \$2,318,411 Other Funds expenditure limitation for Department Operations. This comprises \$1,720,840 for video equipment purchases and \$597,571 for payment of connectivity costs.

Additionally, the Subcommittee approved an increase of \$1,795,960 Other Funds expenditure limitation in Grant-in-Aid for ADMw grants. This amount comprises \$985,000 in ADMw grants not distributed in fiscal year 2000-01 as well as savings of \$810,960 in other categories established in the legislation in Section 34, Subsections 1 through 6. Senate Bill 622 provided that any amounts remaining in the School Technology Account after payments are made in accordance with these subsections are to be distributed as ADMw grants.

Representative Hill's motion carried with no objections voiced. Representative Westlund excused.

3. Office of the Governor

Representative Hill moved that the Emergency Board defer action on the request to allocate \$218,000 from the special purpose appropriation made to the Emergency Board for the administration of the Post-Secondary Education Opportunity Commission.

The following is a summary of the request and the Subcommittee (Education) action:

House Bill 2015 created a temporary Post-Secondary Education Opportunity Commission to assist the Governor in developing a post-secondary education budget framework. The budget framework is expected to provide the Legislative Assembly with information about what the state's investment in post-secondary education is purchasing. The Governor's budget report prepared for the 2003-05 biennium is to include the new budget framework for investment in post-secondary education.

The Commission is also to review and make recommendations to the Governor and the Legislative Assembly regarding institutional autonomy and governance in the state system of higher education. The Commission is to present its findings and recommendations to the 2003 Legislative Assembly by January 31, 2003.

The current economic forecast caused the Subcommittee to consider recommending deferral of the request. The Emergency Board may again consider the request should the state's economic outlook improve. Governor's Office staff testified that postponing allocation of the funds could negatively impact the quality of products required by the Bill. However, the Subcommittee felt it was fiscally prudent to recommend that the Emergency Board defer action.

Representative Hill's motion carried with no objections voiced. Representative Westlund excused.

4. Secretary of State

Senator Beyer moved that the Emergency Board defer action on the request to allocate \$2,000,000 from the special purpose appropriation made to the Emergency Board for development of an Oregon Centralized Voter Registration System.

The following is a summary of the request and the Subcommittee (Education) action:

HB 2002 directs the Secretary of State to develop and implement a centralized voter registration system in conjunction with county election officials. The law requires that the system be completed by January 31, 2004. Cost estimates ranged to \$7 million and were divided between the 2001-03 and 2003-05 biennia. The \$2 million special purpose appropriation resulted from the estimated cost to work with county election officials to define detailed business and technical requirements so that, after review and approval of funding by the 2003 Legislative Assembly, the actual system programming could be completed during the first quarter of the 2003-05 biennium.

Prior to allocation of the \$2 million, the Secretary of State was to develop a project plan and contractor statement of work for review by the Joint Legislative Committee on Information Management and Technology (JLCIMT). That Committee has not reviewed the Secretary of State's project plan. Testimony provided by the Secretary indicated project organization work could continue without additional funding but that implementation by January 2004 could be jeopardized.

The Subcommittee recognized that the issues to be addressed through use of the funds are important to the Legislature. However, the plan needs to be reviewed by the JLCIMT. The Subcommittee recommended deferral of the request until the plan has been reviewed by the JLCIMT and the Emergency Board receives a recommendation from it.

Senator Beyer's motion carried with no objections voiced. Representative Westlund excused.

5. Secretary of State

Representative Winters moved that the Emergency Board defer action on the request to allocate \$250,000 from the Emergency Fund to conduct an audit of the Deschutes County Delinquent Youth Demonstration Project until the November 2001 meeting of the Emergency Board.

The following is a summary of the request and the Subcommittee (Human Services) action:

Senate Bill 384 (2001) amended audit requirements of programs, policies, and services of county juvenile departments. It also mandated that the Division of Audits audit the Deschutes County delinquent youth demonstration project - which was authorized in 1997 - no later than June 30, 2002. The audit is to include audits of state, local and other funding used in the project, a program audit and a performance audit.

The Subcommittee heard that there are issues regarding the potential audit scope, cost and sources of funding to pay for the audit. Direction was given to the Secretary of State to work with the Oregon Youth Authority, Deschutes County, and others to examine those issues and return to the November 2001 Emergency Board.

The following Committee discussion occurred:

Senator Metsger stated that when the request returns to the Emergency Board it should be looked at seriously to provide the funding, in order to evaluate the results of the Deschutes County program.

Senator Clarno reported that some evaluation work has already been contracted for and is underway. The results of that effort should be examined as a resource for the Secretary of State as a way to reduce potential costs to the Secretary. Representative Butler stated that the Secretary of State's estimate of \$250,000, even with an expanded audit scope, is high. He suggested that the nature of Secretary of State audit expenditures also be reviewed in November. Senator Yih also suggested that perhaps the scope of the audit could be limited in order to manage the costs and still answer the performance question.

Representative Westlund indicated he will work with all stakeholders in order to get answers to the questions the legislators have, prior to the November Emergency Board meeting.

Representative Winters' motion carried with no objections voiced.

6. Secretary of State

Senator Beyer moved that the Emergency Board defer action on the request to allocate \$75,501 from the amount reserved in the Emergency Fund for one permanent position in the Elections Division.

The following is a summary of the request and the Subcommittee (Education) action:

The Secretary of State's 2001-03 budget request included an enhancement of one additional position and about \$80,000 General Fund for its Election Division. The position was requested to cope with increased workload relating to Contribution and Expenditure reports, initiative and referendum petitions, and filing copy requests. The workload initially had been met through use of a temporary employee. However, employment laws limit the amount of time temporary employees can be used. The cost of the position was to be partially funded by savings in temporary employee costs. Because of uncertainties about General Fund resource availability, the additional position and funding were not approved. However, the position was considered a legislative priority should General Fund resources become available.

House Bill 5014 (2001) included a reservation of \$80,000 for the Secretary of State within the \$40 million General Purpose Emergency Fund appropriation. The reservation was to provide a full-time position in the Elections Division. The Secretary of State has determined that the position will actually cost \$75,501 for the remainder of the biennium.

The current economic forecast, however, caused the Subcommittee to recommend deferral at this time. The Secretary of State may make the request again should the state's economic outlook improve.

Senator Beyer's motion carried with no objections voiced.

7. Oregon Judicial Department

Senator Beyer moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and 291.371, increase the Federal Funds expenditure limitation established for the Oregon Judicial Department by section 4, chapter 130, Oregon Laws 2001, by \$1,212,806 and approve the establishment of three limited duration positions (2.39 FTE) for federal drug court grants from the Drug Court Programs Office, Office of Justice Programs, U.S. Department of Justice.

The following is a summary of the request and the Subcommittee (Education) action:

In February 2001 the Judicial Department obtained approval from the Joint Committee on Ways and Means to apply for Federal Drug Court grants to fund drug court programs in Malheur, Clackamas and Marion Counties. The grants were expected to provide each court with up to \$500,000 over a three-year period to establish drug court programs. The Department discussed the role of the grants in continuing and expanding its efforts to establish family and drug courts throughout the state. The grants have a 25% cash match requirement. The Department planned to return to the Emergency Board for expenditure limitation and position authority if the grants were approved, and would provide a detail of how the match requirement would be met within the Legislatively Adopted Budget at that time.

The Department has received grant funding for three Adult Drug Court projects. The courts will target nonviolent adult clients who have a substance abuse history. The funds will be used to support three limited-duration (2.39 FTE) Drug Court Coordinator positions in the Judicial Department. The Department will enter into intergovernmental agreements with state and local governments and nonprofit agencies to provide drug and mental health treatment and employment and case management services. The 2001-03 grant funds will be allocated to the Circuit Courts in the following counties: \$418,853 and .88 FTE for Clackamas County; \$406,702 and .63 FTE for Malheur County; and \$387,251 and .88 FTE for Marion County. The Department will meet the 25% cash match requirement through the allocation of budgeted staff and equipment and services to these grant-funded programs.

The Subcommittee discussed the impact of these grants on court programs, including drug court programs. The Department indicated that it would improve the overall case processing and drug court efforts. The Subcommittee recommended approval of this request.

Senator Beyer's motion carried with no objections voiced.

8. Department of Higher Education

Senator Hannon moved that the Emergency Board defer action on the request to construct the Integrated Services Building at Eastern Oregon University until the November 2001 meeting of the Emergency Board.

The following is a description of the request and the Subcommittee (Education) action:

Eastern Oregon University (EOU) requested approval to construct the Integrated Services Building (ISB) in the southeastern area of its campus. The facility would cost \$4.3 million to

construct, and would be financed by Article XI-F(1) bonds. The ISB would be a one-story, 32,000-gross square foot facility. EOU would lease 84% of the building to the Department of Human Services (DHS), which would use the space to consolidate its three offices in La Grande. This would be less expensive for DHS than expanding any of DHS's existing office facilities. The university would use the remaining 16% of the facility to house two classrooms, two conference rooms, a student lounge and lobby, and a computer lab. EOU would have the option of using the entire facility after the expiration of the 15-year DHS lease.

The Education Subcommittee had several concerns about this project. These concerns included the use of state higher education bonds to construct office space for the Department of Human Services. The Subcommittee was not able to recommend approving the project at this time, and instead recommended that the Emergency Board defer action on this request until the November 2001 meeting.

The following Committee discussion occurred:

Senator Hannon stated that he does not think that the facility is not important to Eastern Oregon University, but he would like more information, including how Eastern Oregon University would be affected if the Department of Human Services budget were reduced.

Representative Simmons said that he hoped the Subcommittee could get answers to its questions, so that the Emergency Board could proceed with the project in November.

Senator Hannon's motion carried with no objections voiced.

9. Department of Higher Education

Senator Hannon moved that the Emergency Board acknowledge receipt of a report from the Department of Higher Education on tuition increases exceeding 4%, with instructions.

The following is a description of the request and the Subcommittee (Education) action:

The budget for the Department of Higher Education required a report to the Emergency Board if any campus increased tuition by more than 4% in the 2001-02 academic year. The Legislature believed that a 4% increase would be sufficient to fund current services and to permit some program enhancements. It directed this report to require an explanation if tuition increases exceeded this level. It is important to note that the Emergency Board has no statutory authority to set higher education tuition or fee rates. The Subcommittee, therefore, reviewed the report and conveyed comments back to the Department.

Three institutions increased tuition by more than 4% for 2001-02: Eastern Oregon University, Oregon State University, and the University of Oregon. The Oregon University System reported on the reasons for this. Education Subcommittee members had many concerns about the tuition increases and about the increases in other fees. Because of increases in existing resource fees – and a new energy surcharge fee levied by most campuses – cost increases to students will generally exceed 4%. Increases in charges to support education programs vary from a low of 4% at Portland State University to a high of 9% at Western Oregon University. These higher rates of increase exceed the levels that the Legislature anticipated when it approved the Higher Education budget.

The Subcommittee did not find that the need for these tuition increases was fully explained, and that resource fee and energy surcharge fees were increased at a much faster rate than tuition. For most campuses, these increases were between 40 and 113 percent. It is likely that the campuses will be unable to spend all of these fee revenues unless the Emergency Board or the next Legislature approves an expenditure limitation increase.

The Department is required to reappear before the Emergency Board next year if tuition increases exceeding 3% are proposed. The Subcommittee recommended that the Emergency Board approve certain instructions regarding this future appearance. These are that the future report include a proposed budget for each campus, to clarify the need for tuition and fee increases, and to ensure that expenditure needs are identified before fee increases are proposed. The Subcommittee also recommended directing the Department to report on the decline in student enrollments that occurred during the 2001-02 academic year as a result of tuition and fee increases.

With these instructions, the Subcommittee recommended that the Emergency Board acknowledge receipt of the report.

The following Committee discussion occurred:

Senator Hannon stated that he was insulted by the report and that he felt like the Department was using the budget note that required a report if tuition increases exceeded 4% as an excuse to raise tuition by more than 4 percent. He further said that he could not justify uniquely allowing higher education to be exempt from the impacts of rising energy costs through the imposing of surcharges that pass these costs on to the students. He also stated that increasing fees prior to adopting an operating budget was an insult to the legislative process.

Representative Schrader concurred with Senator Hannon's remarks and stated that the Legislature had anticipated a 4% tuition increase. He noted that there is an inconsistency between the Oregon University System's view of the Resource Allocation Model as a revenue-based model, and the state's need to budget on a cost-based rationale. He suggested that this issue should be worked on to reduce conflict between the Legislature and the System.

Representative Hill expressed anger that the fee increases were never discussed with the Legislature even though they were adopted only two weeks after the session ended.

Representative Winters expressed outrage at the percentage increases in tuition and fees, stating that she had difficulty even approving the 4% tuition increase during the session.

Senator Metsger said that the campuses had clearly increased tuition more than the Legislature intended, and that this was an insult to the legislative process.

Representative Schrader further noted that increasing fee remissions are an insult to students who must pay more in tuition to finance fee remissions for other students.

Representative Doyle expressed concerns over the additional surcharge for energy costs after those costs had already been discussed in the Department's budget hearings.

Senator Messerle questioned what the impact of the fee increases would be on enrollment.

Senator Hannon responded and closed discussion. He again expressed his disapproval of the fee increases and hoped that the Department got the message that there is a serious problem here in communication.

Senator Hannon's motion carried with no objections voiced.

10. Commission for the Blind

Representative Schrader moved that the Emergency Board defer action on the request to increase the Federal Funds expenditure limitation established for the Commission for the Blind by section 3, chapter 272, Oregon Laws 2001, by \$457,863 and approve the establishment of four limited duration positions (3.50 FTE) for the expansion of the Older Blind Program until the November 2001 meeting of the Emergency Board.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Department of Human Services' (DHS) 2001-03 budget report includes a budget note that directs the Department to provide funding of \$457,863 of Older Americans Act revenue to the Commission for the Blind for the expansion of the Commission's Older Blind program beginning October 1, 2001. The Department was further directed to work with Area Agencies on Aging (AAAs) and the Commission to ensure a coordinated service delivery approach. As a result of the budget note, the Commission for the Blind requested additional expenditure limitation at the Human Services Subcommittee meeting.

Since the legislative session, there have been several meetings to discuss the program. A number of questions regarding program funding arose in those discussions and remain unresolved. DHS has asked the federal Administration on Aging for guidance and clarification.

The Subcommittee considered the Commission's request carefully and encouraged DHS, the Commission, and the AAAs to work together to seek a possible solution. The Subcommittee recommended that the Emergency Board defer the Commission's request until the Board's November meeting when more information about funding may be available.

Representative Schrader's motion carried with no objections voiced.

11. Commission for the Blind

Representative Schrader moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Commission for the Blind by section 2, chapter 272, Oregon Laws 2001, by \$300,000 for expansion of the Oregon Industries for the Blind Program, with the understanding the Department of Administrative Services will unschedule \$104,000 of the limitation until the wood chips packaging contract has been signed and \$196,000 of the limitation until the Department of Administrative Services has reviewed all future Oregon Industries for the Blind contracts and the Legislative Fiscal Office has been notified that a new sales contract is pending.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Oregon Industries for the Blind (OIB) program is a supervised supported work facility that is part of the Commission for the Blind. A portion of the revenue supporting this program comes from assembly and packaging sales. The OIB recently negotiated a new sales contract for \$104,000 with a firm that requires the packaging of mesquite barbecue wood chips. The firm will provide the packaging materials and wood chips and the OIB will provide the labor to assemble the packages. The Commission believes this new contract is consistent with the agency's mission of preparing clients to participate, to the fullest degree possible, in the paid labor market. OIB is optimistic about attaining other sales contracts in the near future. For this reason, the Commission sought an additional \$196,000 of Other Funds limitation.

Representative Schrader's motion carried with no objections voiced.

12. Department of Human Services – Director's Office

Representative Winters moved that the Emergency Board acknowledge receipt of a report from the Department of Human Services, Director's Office on the status of the Department's reorganization efforts and request the Department of Administrative Services reschedule \$777,250 in the Department's General Fund appropriation for the purpose of initial investments in information system changes as part of the reorganization.

The following is a summary of the request and the Subcommittee (Human Services) action:

House Bill 2294, adopted by the 2001 Legislative Assembly, conforms statutes to the reorganization plan of the Department of Human Services (DHS). The bill also requires DHS to report to each meeting of the Emergency Board during the 2001-03 interim on the status of the Department's reorganization efforts. This is the first of these reports.

The 2001-03 budget for DHS indicated that \$10 million General Fund savings would be realized from the reorganization. Of that \$10 million, \$6 million was to be reinvested in information systems improvements and staff training. A budget note in the DHS budget requested the Department of Administrative Services (DAS) to unschedule the \$6 million General Fund until specific information systems projects could be identified.

A letter dated August 2, 2001 addressed to the Senate President and Speaker of the House identified nine specific information systems projects related to the DHS reorganization at a total cost of \$2.92 million. The General Fund portion of this cost is \$777,250.

The Human Services Subcommittee requested a timeline for specific changes the Department will make and a breakdown of the \$10 million General Fund savings that will be realized. The Department will provide the information to the Subcommittee.

The Full Committee requested that the Department of Human Services report to the Joint Legislative Committee on Information Management and Technology (JLCIMT) on information systems projects associated with the reorganization efforts. The Department will appear before the November 2001 JLCIMT meeting with a report.

Representative Winters' motion carried with no objections voiced.

13. Department of Human Services – Director's Office

Representative Schrader moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(d), approve the department-wide technical transfers of General Fund appropriations and Other Funds and Federal Funds expenditure limitations, according to the attached schedule, to consolidate expenditure authority.

The following is a summary of the request and the Subcommittee (Human Services) action:

This request combines appropriations and expenditure limitations approved for the Department of Human Services in a number of bills adopted by the 2001 Legislative Assembly with the Department's primary appropriation bill (SB 5527). The consolidation is to simplify and reduce costs associated with expenditure and revenue accounting. There is no net increase or decrease in agency appropriations or expenditure limitations, and no loss of ability to account for current and historical expenditures. Consolidating these appropriations and expenditure limitations would avoid additional accounting and systems costs and allow the Department to operate more efficiently.

House Bill 5050, House Bill 5014, and House Bill 5053 already contained language to consolidate some General Fund appropriations and Other Fund and Federal Fund expenditure limitation into Senate Bill 5527, the Department's budget bill.

The following Committee discussion occurred:

Representative Hill declared a potential conflict of interest due to the fact that he works for a pharmacy company.

Representative Schrader's motion carried with no objections voiced.

14. Department of Human Services – Alcohol and Drug Abuse Programs

Senator Yih moved that the Emergency Board acknowledge receipt of a report from the Department of Human Services, Alcohol and Drug Abuse Programs on the plan for delivery of Fetal Alcohol Syndrome services and direct the Department to return to the November 2001 meeting of the Emergency Board with an updated report.

The following is a summary of the request and the Subcommittee (Human Services) action:

The 2001-03 Legislatively Adopted Budget for the Department of Human Services (DHS) included a budget note that directed the Alcohol and Drug Abuse Programs to work with the Public Health Programs, Mental Health Services, and Services to Children and Families to develop a detailed plan on Fetal Alcohol Syndrome services.

Although it appears DHS has begun the specific tasks outlined in the budget note, the report lacks specific details on the plan of action DHS will take to address this concern. The Subcommittee requested DHS to return in November with an updated report.

Senator Yih's motion carried with no objections voiced.

15. Department of Human Services – Alcohol and Drug Abuse Programs

Representative Minnis moved that the Emergency Board acknowledge receipt of a report from the Department of Human Services, Alcohol and Drug Abuse Programs outlining the reductions that will be made to finance the restoration of 37 residential treatment beds including a 13-bed Hispanic program in eastern Oregon.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Legislatively Adopted Budget for the Department of Human Services (DHS) included a budget note requesting DHS to report to the Emergency Board in September 2001 regarding the intended funding sources to be used to make up the funding shortfall in restoring the 37 beds. DHS was also to report on the restoration of the Hispanic program in eastern Oregon.

The report indicates that DHS will reduce training, housing, and technical assistance and delay conducting an outcome study with Portland State University to generate the needed \$600,000. DHS has released a Request for Grant Proposal asking providers to bid for the Hispanic program in eastern Oregon. The successful bidder will begin providing these services on January 1, 2002.

Representative Minnis' motion carried with no objections voiced.

16. Department of Human Services – Health Division

Representative Winters moved that the Emergency Board, acting under the authority of ORS 291.375, approve, retroactively, application by the Department of Human Services, Health Division (now called Public Health Programs) for two federal grants from the Centers for Disease Control and Prevention and approve application for a federal grant from the U.S. Department of Health and Human Services, Women's and Minority Health Offices.

The following is a summary of the request and the Subcommittee (Human Services) action:

All three of these grant applications support existing programs within the Department of Human Services (DHS) and will not require the state to provide matching funds. The two Centers for Disease Control and Prevention (CDC) grants had filing deadlines before the Emergency Board meeting, and the Department of Human Services made a timely request to the Co-chairs to apply for the grants pending Emergency Board review. The Department of Human Services will return to the Emergency Board if it is awarded the grants for increased expenditure limitation and/or position authority, if needed.

The Cooperative Agreement for Surveillance of Child Maltreatment is an annual grant opportunity offered by CDC. Grant awards average \$400,000 per year for up to three years. The grant would compare alternative approaches for surveillance of fatal and nonfatal child maltreatment at the state level. This grant project would address the pressing need for a practical system to track child maltreatment and act as a starting point for a national violent death surveillance system.

Fatal and nonfatal child maltreatment is a significant health problem affecting approximately 11,000 children in Oregon each year. DHS proposes to study the distribution of injuries caused by child maltreatment and the system used to determine and report such injuries. DHS would use the information to develop strategies to prevent and intervene in child maltreatment incidents and continue some of the work performed by the State Technical Assistance Team (STAT), in cooperation with 35 County Child Fatality Review Teams, previously performed some of these activities. Funding for STAT was eliminated in the 2001-03 budget.

Addressing Asthma from a Public Health Perspective is an annual grant opportunity offered by CDC. Grant awards average \$700,000 over a five-year period. Asthma is one of the six priority areas addressed by the Governor's Task Force on Racial and Ethnic Health. Asthma is a serious chronic disease, affecting over 240,000 Oregonians of all ages and racial groups. In 1999, Oregon was one of the first four states funded by CDC to plan and develop a statewide asthma program. The Asthma Leadership Plan details a coordinated approach to improving asthma medical care, public awareness, and patient self-management. This grant, if awarded, would enable DHS to implement the Oregon Asthma Leadership Plan.

Women's and Minority Health Offices, U.S. Department of Health and Human Services offered a grant for up to \$40,000. This funding is available because another state did not use all available funding for their project. Additional funds may become available at a later time. The Governor's Racial and Ethnic Health Task Force recommended improving access to culturally appropriate medical services including such things as increasing effective language interpretation and diversity within the professional medical workforce as ways to improve the health of Oregon's minority populations. Oregon also has a growing unmet need for nursing professionals. If awarded, this grant would be used to strengthen recruitment opportunities for bilingual and/or bicultural nursing professionals. The agency agreed to look into using an existing task force instead of creating a new one to establish this program and conserve the resources available to implement the program.

The following Committee discussion occurred:

Senator Carter noted that Oregon was a leader in addressing asthma-related environmental and health concerns among its minority citizens. She described constructions near the I-5 corridor that help contain airborne particulate matter and reduce dirty air in nearby neighborhoods.

Representative Winters' motion carried with no objections voiced. Representative Minnis excused.

17. Department of Human Services – Senior and Disabled Services

Senator Yih moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and (d), increase the Other Funds expenditure limitation established for the Department of Human Services by section 3, chapter 892, Oregon Laws 2001, for subsection 2(b), Mental Health Services, by \$67,727,239, and for subsection 3(b), Developmental Disability Services, by \$40,000,000; increase the Federal Funds expenditure limitation established for the Department of Human Services by section 4(3)(a), chapter 892, Oregon Laws 2001, Senior and Disabled Services, by \$160,079,433; and authorize the transfers of General Fund made to the Department of Human Services by section 1, chapter 892, Oregon Laws 2001 from subsection 2(b), Mental Health Services, of \$67,727,239, and from subsection 3(b), Developmental Disability Services, of \$40,000,000, to supplement the General

Fund appropriation made to the Department of Human Services by section 1(3)(a), Senior and Disabled Services to implement the Medicaid Upper Limit Payment mechanism.

The following is a summary of the request and the Subcommittee (Human Services) action:

During the latter part of the 1997-99 biennium, the State of Oregon began implementing a Medicaid Upper Payment Limit (MUPL) plan to convert federal Medicaid funds into state funds. The plan requires the Department of Human Services (DHS) to make a special payment consisting of General Fund and Federal Funds to nine public health districts that operate nursing facilities. The health districts then transfer all (or most) of the payment back to DHS. Through the transfer, the original Federal Funds are converted to state funds and deposited into the MUPL account. The original General Fund is returned to DHS program areas and expended as Other Funds.

During the 2001 Legislative Session, DHS determined that a significant amount of additional MUPL revenue would be available based upon changes in federal policies and guidelines. Despite the expectation that the MUPL revenue would increase, the Assembly did not include the necessary limitation to make larger MUPL payments. The Department's request would enable it to make these larger MUPL payments and increase MUPL revenue.

The following Committee discussion occurred:

Senator Beyer recalled the controversy during the 2001 Legislative Session that surrounded the MUPL mechanism and SB 963. He stated it was his understanding that MUPL funds could have been used to balance the 2001-03 budget. He questioned why it was the Emergency Board was now being asked to increase the Department's expenditure limitation retroactively when the Assembly knew during the Session that there would be additional MUPL revenue. He stated that he would oppose the motion unless clarification was provided. Staff responded that during the legislative session it became clear that more MUPL revenue was available, but that additional expenditure limitation had not been added to implement the MUPL mechanism and acquire the additional revenue.

Senator Beyer repeated his opposition to the motion. Staff clarified that this Emergency Board request did not go beyond the Assembly's expectation of MUPL. The Emergency Board request was not to expend more MUPL revenue—rather it was simply providing the Department the expenditure limitation necessary to acquire the legislatively assumed MUPL revenue.

Senator Hannon reiterated staff's explanation, stating that this was not a request to spend more MUPL revenue, but was consistent with the Assembly's expectations and limits with respect to MUPL.

Representative Hill asked if the additional MUPL revenue was included in the General Fund forecast provided by the Department of Administration Services. Staff stated that the MUPL revenue was not part of the General Fund and was, therefore, not included in the revenue forecast.

Senator Yih stated that the Emergency Board request was consistent with the Assembly's MUPL policy and she recommended approval. She added that the Legislative Fiscal Office was preparing a budget brief concerning MUPL and that it would be useful for everyone to receive a copy.

Senator Beyer stated that, with the clarification provided, he would support the motion.

Senator Yih's motion carried with no objections voiced. Senator Carter and Representative Westlund excused.

18. Department of Human Services – Senior and Disabled Services

Senator Yih moved that the Emergency Board, acting under the authority of ORS 291.375, approve, retroactively, application by the Department of Human Services for three federal grants from the Department of Justice, the Department of Health and Human Services, and the Department of Agriculture to enhance services to seniors, persons with developmental disabilities, and their caregivers.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Department of Human Services (DHS) sought retroactive approval to apply for three sets of federal grants. These grants would enable the Department to provide a variety of services ranging from assistance for victims of elder fraud, to enhanced support for family caregivers, to greater Food Stamp Program outreach to elderly persons. The grants do not require additional state funds—matching requirements would be met by “in-kind” contributions from DHS and other groups. Grant announcement dates and deadlines precluded earlier approval by the 2001 Legislative Assembly. Therefore, the Department requested retroactive approval.

The following Committee discussion occurred:

Representative Schrader indicated that he supported the Victims of Elder Fraud and Elderly Nutrition grants, but would be voting “no” concerning the grant to establish statewide quality assurance mechanisms. He expressed his concerns that governmental officials would be telling families how they should care for their elderly members. Representative Schrader stated his support for a family caregiving resource center, but noted again that he did not want additional regulations for families attempting to provide care.

Representative Butler asked whether the Emergency Board could vote on each grant separately. Staff replied that the Board could vote on each grant individually.

Representative Butler moved that the Emergency Board consider each grant individually.

Senator Yih noted that the purpose of the quality assurance grant was to provide more accountability. She added that if federal resources are used to compensate family caregivers, then Oregon should comply with federal rules. She reiterated that the purpose of the grant was to increase accountability.

Representative Butler's motion carried with no objections voiced. Representative Westlund excused.

Representative Butler moved that the Emergency Board approve, retroactively, the Victims of Elder Fraud grant as described in the Legislative Fiscal Office's analysis.

Representative Butler's motion carried with no objections voiced. Representative Westlund excused.

Representative Butler moved that the Emergency Board approve, retroactively, the Elderly Nutrition grant as described in the Legislative Fiscal Office's analysis.

Representative Butler's motion carried with no objections voiced. Representative Westlund excused.

Representative Butler moved that the Emergency Board approve, retroactively, the Innovative Programs and Activities of National Significance under the National Family Caregiver Support Program grant as described in the Legislative Fiscal Office's analysis.

Senator Yih proposed that the Department of Human Services could report on the regulations associated with the Caregiver grant prior to final approval of the Emergency Board.

Representative Schrader stated that he respectfully disagreed—that the quality assurance grant would lead to litigation by family caregivers who felt that the Department had gone too far to enforce quality assurance regulations.

Representative Doyle asked staff what would happen if the Emergency Board did not approve the submission of the federal grant application. Staff responded that the Department of Human Services would withdraw its application from the federal Department of Health and Human Services. Staff further clarified that there were three subgrants within National Family Caregiver Support Program grant and that the Emergency Board could vote separately on each of them.

Representative Winters asked whether the grants were competitive, and if they were approved by the federal government, would the Department of Human Services be required to return to the Emergency Board to accept the grant funds. Staff responded that the grants were competitive and that the Department would not be required to obtain Emergency Board approval to accept the grant. Staff added that only if additional expenditure limitation were needed, would the Department return to the Emergency Board.

With Representative Butler's concurrence, Representative Schrader amended Representative Butler's motion and moved that the Emergency Board retroactively approve the submission of one of three National Family Caregiver Support Program grants—the grant to establish a Family Caregiver Resource Center—and reject the other two grants.

Representative Hill suggested that the Emergency Board vote on each of the three National Family Caregiver Support Program grants individually.

Representative Schrader agreed with Representative Hill and amended his motion to have the Emergency Board vote on each of the three National Family Caregiver Support Program grants, individually.

Senator Yih reiterated her support of the quality assurance grant. She opined that the Emergency Board could still oppose the use of grant funds after it had an opportunity to review any quality assurance regulations generated by grant activities.

Senator Derfler asked staff to clarify the Emergency Board requirements with respect to federal grant approval. Staff responded that if the grant applications were funded, the Department of Human Services would not have to have Emergency Board approval to accept the funds. Staff added that the Department would request additional expenditure limitation from the Emergency Board only if the Department needed the limitation. Staff pointed out that the federal grants must adhere to particular requirements, and that the federal government approves the grants with the understanding that those requirements will be met.

Senator Messerle asked what would happen if the Emergency Board deferred action on the grants. Staff indicated that the grants would remain with the U.S. Department of Health and Human Services. The Emergency Board would still have to decide on retroactively approving the grants at its November meeting.

Senator Carter asked for clarification on the motion before the Emergency Board.

Senator Derfler asked Representative Schrader to clarify his motion.

Representative Schrader apologized for the confusion and clarified his motion.

Senator Derfler restated the motion for the Emergency Board to vote on each of the three National Family Caregiver Support Program grants.

Representative Schrader's motion carried with no objections voiced. Representative Westlund excused.

Senator Derfler moved that the Emergency Board approve application for the first National Family Caregiver Support Program grant for \$711,901 to improve quality assurance mechanisms.

Senator Derfler's motion carried with Representatives Schrader, Butler, Doyle and Simmons and Senators Metsger and Beyer voting 'no'. Representative Westlund excused.

Senator Derfler moved that the Emergency Board approve application for the second National Family Caregiver Support Program grant for \$196,792 to establish a family caregiver resource center.

Senator Derfler's motion carried with no objections voiced. Representative Westlund excused.

Senator Derfler moved that the Emergency Board approve application for the third National Family Caregiver Support Program grant for \$303,283 for an outreach program to older parents and caregivers of adult children with developmental disabilities.

Senator Derfler's motion carried with Representatives Schrader and Butler and Senator Beyer voting 'no'. Representative Westlund excused.

19. Department of Corrections

Senator Carter moved that the Emergency Board, acting under the authority of ORS 291.375, approve application by the Department of Corrections for a federal grant from the U.S. Departments of Health and Human Services, Justice, and Labor to develop reentry programs for young offenders.

The following is a summary of the request and the Subcommittee (Education) action:

The Department of Corrections requested the Emergency Board approve the submission of a federal grant application to the U.S. Departments of Health and Human Services, Justice, and Labor to develop reentry programs for young offenders.

In June 2001, the Department of Corrections (DOC) received notice of an opportunity to apply for federal funds through the new Young Offender Initiative: Reentry Grant Program administered by the U.S. Departments of Health and Human Services, Justice, and Labor. The grant program is expected to support as many as 25 proposals of up to \$3.1 million each for a 24-month period. The funds are to be used to design, implement, and evaluate reentry programs for offenders ages 14 to 35 that combine criminal justice supervision with job training, mental health care, and substance abuse services. The goal of the program is to protect public safety by successfully reintegrating young offenders into the community. The state is not required to provide any cash or in-kind contributions; however, as a part of the grant application, DOC is required to describe how the reentry programs will continue after federal funding ends. DOC plans to be the fiscal agent and is working with Clackamas, Multnomah, Marion/Polk, and Lane Counties to develop eligible proposals. The grant application deadline is October 1, 2001.

The grant program requires a partnership that includes state and local corrections or juvenile justice agencies, the state and local mental health and substance abuse agencies, and the state and local workforce investment boards. Applicants are also encouraged to include other public sector and community or faith-based organizations. There is a great deal of flexibility allowed for program structures, but, once the programs are implemented, grantees will be expected to document their activities, evaluate their progress, and identify best practices for dissemination to other communities.

To apply, DOC and its partners are developing proposals that address each of the 12 required elements. DOC expects the awards to be determined early in the next calendar year. If DOC is successful in obtaining grant funds, it will submit a request to the Emergency Board to increase its Federal Funds expenditure limitation.

Senator Hannon asked DOC whether use of the grant funds could create a dependence on the support that could eventually lead to county requests for General Fund support. The Department responded that it was a possibility but that nothing obligated the state to provide such support. Senator Carter indicated that she was very pleased to see the request on the Board's agenda; that seeking funds for successful transition of youthful offenders was important; and that she would strongly support the request. The Subcommittee unanimously recommended that the Emergency Board approve the request.

Senator Carter's motion carried with no objections voiced. Representatives Westlund, Winters and Morgan excused.

20. Oregon Dispute Resolution Commission

Senator Hannon moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and 291.371, increase the Other Funds expenditure limitation established for the Oregon Dispute

Resolution Commission by section 1, chapter 515, Oregon Laws 2001, by \$225,000 and approve the establishment of one limited duration position (.30 FTE) to implement a Hewlett Foundation grant.

The following is a summary of the request and the Subcommittee (Education) action:

On May 9, 2001 the Dispute Resolution Commission (Commission) submitted a grant application to the William and Flora Hewlett Foundation, a private foundation, for a community based dispute resolution grant. The Foundation notified the Commission in July 2001 that the grant application was approved. The grant has four specific goals:

- Increase Oregon Hispanic/Latino participation in appropriate dispute resolution. This will involve outreach to the Hispanic/Latino community and provision of culturally appropriate training to local community dispute resolution centers (CDRCs);
- Increase knowledge about Hispanic/Latino needs and preferences for appropriate dispute resolution. This will involve developing culturally appropriate methods to assess conflict resolution needs, and the development of a data collection system that will provide data to organizations nationwide that are interested in Hispanic/Latino dispute resolution;
- Understand and address culturally based conflict, especially in relationship to the Oregon Hispanic/Latino population. This will involve collecting and analyzing data on conflict situations involving the Hispanic/Latino community; and
- Build linkages between appropriate dispute resolution services and communities who utilize them, including providing training and attending meetings related to Hispanic/Latino dispute resolution services.

A Project Advisory Committee, including representatives of the Hispanic/Latino community and education and social service providers, will oversee the grant. One limited duration position (.30 FTE) will manage the grant. Most of the funds will be used for consultants and for grants to CDRCs and other service providers for data collection and evaluation. The Commission also anticipates receiving over \$70,000 in revenue or in-kind support from Hispanic, education and juvenile justice agencies.

Senator Hannon's motion carried with no objections voiced. Representatives Westlund and Winters excused.

21. Oregon Military Department

Representative Hill moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Oregon Military Department by section 2, chapter 61, Oregon Laws 2001, for operations, by \$6,060 for debt service costs on Certificates of Participation and increase the Other Funds Capital Construction expenditure limitation established for the Oregon Military Department by section 3 (2)(a), chapter 909, Oregon Laws 1999, by \$355,000 for the new road and access drive to the Salem Armed Forces Reserve Center and Emergency Coordination Facility.

The following is a summary of the request and the Subcommittee (Education) action:

The Legislature approved construction of the Salem Armed Forces Reserve Center/Emergency Coordination Facility (SAFRC/ECF) in 1997 and established a Capital Construction expenditure limitation. At the time the Salem Armed Forces Reserve Center and Emergency Coordination Facility was approved by the Legislature for construction, a new road was planned but not constructed. The City of Salem has notified the Department the road is scheduled for construction in the spring of 2002.

The City of Salem estimates the cost of the new road to be \$1,420,911 with the state share of the cost estimated at \$250,000 or approximately 18 percent. The Oregon Military Department is requesting a \$131,050 General Fund allocation and a \$205,000 increase in the Capital Construction Other Funds expenditure limitation from a combination of Certificates of Participation and the Department's Capital Construction Trust Account.

The Subcommittee recommended the full cost of the public street be paid from the Department's Capital Construction Trust Account and resources from Certificates of Participation be used for the access drive. The Subcommittee also recommended that the \$6,060 for debt service on the Certificate of Participation for the current biennium be paid from the Department's Other Funds with an understanding that General Fund resources will be requested for future debt service costs.

Representative Hill's motion carried with no objections voiced. Representatives Westlund and Winters excused.

22. Oregon Military Department - *Withdrawn*

23. Oregon Military Department

Senator Carter moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds Capital Construction expenditure limitation established for the Oregon Military Department by section 2 (3)(c), chapter 673, Oregon Laws 1993, amended by section 8, chapter 409, Oregon Laws 1995, extended by section 6 (1)(a), chapter 864, Oregon Laws 2001, by \$250,000 for the Camp Rilea Training and Simulation Center with the understanding that the Department of Administrative Services will unschedule the limitation until the Oregon Military Department is certain that Federal Funds will not be available for the increased costs of the project.

The following is a summary of the request and the Subcommittee (Education) action:

The capital construction project for Camp Rilea's Training and Simulation Center was originally approved in 1993 and extended by the 2001 Legislative Assembly to August 31, 2002. The Training and Simulation Center, when completed, is expected to enhance the training capabilities of Camp Rilea by providing space for classroom and instruction activities, a conference center, a lecture hall, and video teleconferencing. The estimated cost for completing the project is now \$250,000 higher than the original estimates due to delays in receiving federal funding to complete the project. The Department has received \$1.47 million in federal funding for design and construction of the project based on preliminary engineering and design work.

The Department is pursuing additional Federal Funds from the National Guard Bureau to cover the increased cost, but will not receive a response until after the required contract start date of October 2001. Construction activities are scheduled to accommodate the planned September 2002 training activities.

Senator Carter's motion carried with no objections voiced. Representatives Westlund and Schrader excused.

24. Department of State Police and Department of Justice

Senator Beyer moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and ORS 291.371, increase the Federal Funds expenditure limitation established for the Department of State Police by section 3(3), chapter 776, Oregon Laws 2001, for Criminal Investigations and Gaming activities and operations, by \$3,300,922, with the understanding that the Department of Administrative Services will unschedule \$2.5 million of the limitation until the High Intensity Drug Trafficking Area federal award for the period ending September 30, 2002 is known; approve the establishment of one limited duration Office Specialist 2 position (0.83 FTE) and the reclassification of an Administrative Specialist 1 to an Administrative Specialist 2 for the Department of State Police; increase the Other Funds expenditure limitation established for the Department of Justice by section 2, chapter 58, Oregon Laws 2001 by \$482,268; approve the establishment of five permanent positions (4.17 FTE) for the Department of Justice; and direct the Department of Justice to provide a report to the Joint Committee on Ways and Means during the next regular session on outcomes achieved by the High Intensity Drug Trafficking Area program.

The following is a summary of the request and the Subcommittee (Education) action:

The Department of State Police (OSP) and the Department of Justice (DOJ) requested the Emergency Board to: 1) increase the Other Funds expenditure limitation for DOJ by \$520,123; 2) increase the Federal Funds expenditure limitation for the OSP by \$3,300,922; 3) approve the establishment of five permanent positions (4.38 FTE) for DOJ; 4) approve the establishment of one limited duration Office Specialist 2 position (0.88 FTE) for OSP; and 5) approve the reclassification of an Administrative Specialist 1 to an Administrative Specialist 2 for OSP.

In June 1999, the federal Office of National Drug Control Policy selected three Oregon counties – Marion, Deschutes, and Jackson – to participate in the High Intensity Drug Trafficking Area (HIDTA) program and provided funds for intelligence and enforcement initiatives. The 1999 Legislative Assembly approved a \$600,000 Federal Funds expenditure limitation to start the program, which covered the federal fiscal year ending September 30, 1999 (FFY 1999). OSP was awarded \$1.1 million for FFY 2000, was recently notified that it will receive \$2.5 million for FFY 2001, and expects to receive another \$2.5 million award in FFY 2002. OSP and DOJ, with the approval of the HIDTA Executive Board, have developed a plan for expenditure of the funds which includes establishment of six new positions, reclassification of one existing position, purchase of additional specialist equipment, and significantly increasing enforcement/prosecution efforts in the three designated counties.

OSP and DOJ plan to spend approximately \$2.9 million (59%) of the grant funds to manage, equip, and operate the ISC, and the remaining \$2.1 million (41%) will be spent in the three targeted counties to substantially and measurably reduce drug-related crime, violence, and trafficking.

DOJ requested permanent position authority as follows: a Research Analyst 1 and a Research Analyst 3 to collect, analyze, and disseminate criminal information; a Principal Executive Manager D to direct the 10 person Analytical Unit; a Principal Executive Manager A to supervise and direct the eight person Watch Center; and an Information Specialist 8 to train law enforcement agencies on full utilization of the HIDTA electronic networking and criminal data base, as well as provide expert consultation and leadership in systems analysis, planning, development, implementation, and maintenance. Permanent positions are requested to attract and retain highly specialized and technical staff that will have access to confidential information. The request is based on the assumption that hiring would be completed by October 1, 2001, at an additional biennial salary cost of \$520,123.

OSP requested limited duration position authority for one Office Specialist 2 and reclassification of an Administrative Specialist 1 to an Administrative Specialist 2. The Office Specialist 2 would perform clerical support duties and the Administrative Specialist 2 would assist the HIDTA Director with programmatic issues, training, equipment inventory control, and financial management of the grant. Limited duration positions are sufficient for OSP to fulfill its office support responsibilities. OSP's 2001-03 Legislatively Approved Budget included \$1,699,078 Federal Funds expenditure limitation for the HIDTA operations. Since OSP now expects to receive \$5 million in Federal Funds, it needs a \$3,300,922 increase in Federal Funds expenditure authority, and DOJ needs an Other Funds expenditure authority increase to cover salary costs related to the new positions.

Analysis of the request confirmed the following: 1) The positions are necessary to allow the HIDTA to achieve required service levels; fill supervision and expertise gaps; complete the development of computer systems; coordinate sharing of criminal intelligence, investigative, and officer safety information; develop policies and procedures; and put the operation in a better position to become a statewide HIDTA with the capability of performing targeted enforcement/prosecution in six additional counties; 2) DOJ's Other Funds limitation needs could be reduced by \$37,855 since the hiring of the six new positions would more realistically occur by November 1, 2001 (reducing the request by 0.26 FTE), and the starting salary for the Information Specialist 8 position could be reduced two steps; 3) the \$200,000 budgeted for OSP Indirect Fiscal Charges can be reduced by \$99,447, since only \$100,553 is needed to cover the costs of an existing Accountant position; and 4) the \$137,302 in grant funds freed up from these actions could be reprogrammed by the HIDTA Executive Committee to address other ISC needs and/or reimburse non-HIDTA drug enforcement task forces that enter into agreements to investigate HIDTA cases.

Representative Hill inquired about the amount of funds being spent on technology enhancements and requested that the Department of Administrative Services Information Resources Management Division (DAS-IRMD) include the HIDTA project in subsequent project update reports provided to the Joint Legislative Committee on Information Management and Technology (JLCIMT).

The Legislative Fiscal Office confirmed that DAS-IRMD was tracking the project; that DAS-IRMD did not believe project activities to date met threshold requirements for a JLCIMT appearance; and that DAS-IRMD would be requested to include the project in future JLCIMT reports on projects under development and implementation.

The Subcommittee recommended approval of an Other Funds expenditure limitation increase of \$482,268 and authorization of a 4.17 FTE increase for DOJ; authorization of a 0.83 FTE increase for OSP; and approval of the request in all other respects, with the understanding that the Department of Administrative Services will unschedule \$2.5 million of the OSP Federal Funds until the FFY 2002 award is known. The Subcommittee also recommended that DOJ be directed to provide a report to the Joint Committee on Ways and Means during the next regular session on outcomes achieved by the HIDTA program.

Senator Beyer's motion carried with no objections voiced. Senators Carter and Messerle and Representative Westlund excused.

25. Department of State Police

Representative Hill moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Federal Funds expenditure limitation established for the Department of State Police by section 3(2), chapter 776, Oregon Laws 2001, for Fish and Wildlife activities and operations, by \$100,000 so the Department can utilize available grant funds to support various fish conservation, management, and enforcement activities.

The following is a summary of the request and the Subcommittee (Education) action:

The Department requested the Emergency Board increase the Federal Funds expenditure limitation by \$100,000 to allow the Department of State Police (OSP) to utilize available grant funds to support various fish conservation, management, and enforcement activities. There is no state match fund requirement.

In April 2001, the Legislature approved the submission of a federal grant application by the Department of State Police to the National Marine Fisheries Service, Office of Law Enforcement for purposes of obtaining a three-year grant for approximately \$1.1 million for dockside, sea, and inland enforcement activities; purchasing patrol vessels; and developing/distributing educational materials. In June 2001, the Department was notified that it was awarded a one-year grant of \$100,000 and that it can reapply for additional funds during the next two years. There is no state match fund requirement.

The Department plans to use the \$100,000 award to replace up to four existing patrol vessels and place permanent signboards with educational materials at seven major ports. In exchange for these grant funds, the Department also plans to provide up to 440 hours of ocean patrol hours and up to 160 hours of inland water patrol hours. Last year, the Department provided more than 600 hours of ocean patrols and over 160 hours of inland patrols, but did not receive funds from the federal government to support the work. The equipment purchases and patrol activities will be carried out under the terms of a Joint Enforcement Agreement with National Marine Fisheries Service, Office of Law Enforcement. No additional positions are necessary, since the Fish and Wildlife Division will continue to utilize existing officers.

Senator Beyer asked the Department to confirm the number of boats that would be purchased with \$100,000 and the Department representative responded that it looked like only one boat would be purchased, but that it was preferable to have the flexibility to purchase more. Representative Hill encouraged the Department to pursue use of federal surplus equipment and asked Legislative Fiscal Office (LFO) staff whether there were concerns with the grant when Ways and Means initially provided authority to apply in April 2001. LFO indicated that there might have been concerns surrounding potential increases in the presence of federal enforcement officers and/or that enforcement of federal regulations could thinly spread existing limited state enforcement staff, reducing effectiveness of efforts to enforce state regulations. Staff confirmed that the plan for use of the \$100,000 may reduce the need for federal enforcement officers and the enforcement patrol hours planned were comparable to service levels provided in prior years, so efforts to enforce state regulations should not be adversely affected. The Subcommittee unanimously recommended the Emergency Board approval of the request.

Representative Hill's motion carried with no objections voiced. Senator Carter and Representative Westlund excused.

26. Employment Department

Senator Clarno moved that the Emergency Board, acting under authority of ORS 291.326 (1)(b), increase the Federal Funds expenditure limitation established for the Employment Department by section 3(1), chapter 692, Oregon Laws 2001, by \$1,416,702 for a pilot Unemployment Insurance Claimant Reemployment project, with the understanding the Department of Administrative Services will unschedule \$1,303,935 Other Funds expenditure limitation indefinitely, and \$112,767 Federal Funds expenditure limitation until the Emergency Board approves the expansion of the project for the second year of the biennium.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Employment Department's 2001-03 biennial budget includes \$1.9 million Other Funds for a pilot Unemployment Insurance Claimant Reemployment project. The purpose of the project is to reduce the number of unemployment insurance claimants who exhaust their benefits by assisting them in becoming re-employed more quickly. The \$1.9 million Other Funds revenue supporting the project was to come from the agency's Supplemental Employment Department Administration Fund (SEDAF). The Assembly requested that DAS unschedule a portion of the funds until the Employment Department reports to the Emergency Board about the project prior to July 2002, and the Board approves the expansion of the project for the second year of the biennium.

The U.S. Department of Labor recently indicated that funds were available for projects such as the pilot project included in the Employment Department's budget. As a result, the Employment Department requested additional Federal Funds limitation so it could use the additional federal revenue rather than SEDAF revenue.

The following Committee discussion occurred:

President Derfler asked staff if the new Federal Funds revenue was coming from the Unemployment Insurance Trust Fund. Staff replied that the federal revenue was not from the Unemployment Insurance Trust Fund.

Senator Clarno's motion carried with no objections voiced. Senator Carter and Representatives Westlund and Hill excused.

27. Oregon State Fair and Exposition Center

Representative Doyle moved that the Emergency Board approve the revised Master Plan for the Oregon State Fair and Exposition Center as recommended by the Oregon State Fair Commission and the Community Partnership Task Force.

The following is a summary of the request and the Subcommittee (General Government) action:

The 1999 Legislative Assembly directed that a legislative process be established to develop a long-range strategic operating and facilities plan (the Master Plan) for the Oregon State Fair and Exposition Center (Fair). Legislative leadership created a Task Force on the Oregon State Fair and appointed six legislators and representatives of the City of Salem and Marion County to the Task Force. The Task Force received recommendations from the consultants hired to develop the Master

Plan; heard testimony from Fair stakeholders, including vendors and exhibitors; and received the recommendations of the Oregon State Fair Commission (Commission). The Task Force submitted the Master Plan to the June 2000 meeting of the Emergency Board. The Emergency Board adopted the Master Plan and authorized the use of \$10.2 million in lottery-backed bonds for the first phase of the Master Plan.

A key component of the Master Plan involved ensuring that each of the recommendations was financially viable and would foster economic self-sufficiency for the Fair. The Task Force and the Commission directed the Fair to obtain an outside financial review of the Master Plan recommendations. The Fair selected Markin Consulting, which had conducted a number of previous financial reviews for the Fair, to conduct the review. The consultant suggested a number of revisions to the Master Plan, which are detailed in the report submitted by the Fair. The consultant also recommended the construction of a multi-purpose equestrian, entertainment, and exhibition pavilion and additional fair parking in the area now occupied by the race track and ball fields. The Commission adopted these recommendations.

The Master Plan included recommendations for ongoing legislative oversight and a community partnership effort to ensure that goals of the Plan were met. The 2001 Legislative Assembly appointed a Community Partnership Task Force, which consists of legislators, local government and business members, and a representative of county fairs and the Commission. The Community Partnership Task Force met on August 7, 2001 to review and approve the recommendations of the Commission on revisions to the Master Plan. The Task Force adopted the following priorities for construction and renovation projects at the State Fairgrounds, based on the Commission's recommendations:

- Priority 1: Construct a multipurpose pavilion and pavilion parking. This project will use all of the \$10 million in lottery-backed bonds authorized by the 2001 Legislature.
- Priority 2: Connect and expand Jackman-Long and Columbia Hall and complete gates, fencing, entry, and landscaping projects.
- Priority 3: Construct a show-horse barn and complete landscaping and maintenance.

The Task Force unanimously recommended that the Emergency Board approve the Master Plan as revised by the Commission and adopted by the Task Force.

The Subcommittee discussed the Master Plan, and clarified that approval of the Plan did not mandate future legislative funding for the unfunded priorities in the Plan. The Subcommittee recommended that the Emergency Board approve the recommendation of the Task Force.

The following Committee discussion occurred:

Senator Derfler commended Representative Winters and Senator Courtney, as the co-chairs of the State Fair Task Force, for their hard work in developing the Master Plan.

Representative Winters commented on the status of the 2001 Oregon State Fair and noted that early indications are for a successful and profitable Fair. Both attendance and parking are up from prior years, which indicates that Oregonians are supporting the Fair. This also reflects the hard work of staff.

Senator Derfler noted that Katie Cannon, State Fair Director, and State Fair staff should particularly be commended for their hard work in making the Fair successful.

Representative Doyle's motion carried with no objections voiced. Senator Carter and Representatives Westlund and Hill excused.

28. Housing and Community Services Department

Representative Schrader moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Housing and Community Services Department by section 4, chapter 846, Oregon Laws 2001, by \$3,000,000 for predevelopment loans.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Oregon Housing and Community Services Department administers a Fannie Mae-provided line of credit. The current limit is \$1,000,000. The funds are used by the agency to provide short-term, low-interest loans to community partners for costs associated with developing affordable housing.

The agency reports that the current predevelopment loan resources cannot meet the demand and Fannie Mae is now able to provide a \$4 million limit to the Department at very favorable terms. In addition to being able to expand the predevelopment loan program, the interest rate would be less than that currently being paid.

The Subcommittee heard that a moratorium is in place on assisted living projects funded through the Department with one exception. A proposed facility in Gresham would serve only deaf and deaf/blind persons. With that understanding, the Subcommittee concurred with the increased expenditure limitation.

Representative Schrader's motion carried with no objections voiced. Representative Westlund excused.

29. Housing and Community Services Department

Senator Clarno moved that the Emergency Board, acting under the authority of ORS 291.371, approve the establishment of one permanent Principal Contributor 1 position (0.83 FTE) in the Housing and Community Services Department for increased workload relating to farmworker housing.

The following is a summary of the request and the Subcommittee (Human Services) action:

On January 1, 2002 the Housing and Community Services Department will take on several responsibilities related to farmworker housing. New workload will stem from the provisions of HB 3172. The agency must: develop a farmworker housing financing information center; establish a Farmworker Housing Facilitation Team with members drawn from a number of other state agencies; promote the establishment and use of individual development accounts; explore different means to provide housing; and work with business, governments, and non-profits to maximize the development of farmworker housing.

In addition, a tax credit certification program previously in the Department of Consumer and Business Services was moved to Housing, and it is expected that other changes to the tax credit program are likely to increase the number of proposals for farmworker project funding.

The Subcommittee discussed the coordination between Housing and the Department of Corrections to provide inmate labor work experience in supporting improved farmworker housing in Oregon.

The Housing and Community Services Department originally had requested approval of an increase of Other Funds expenditure limitation and the establishment of one permanent Principal Contributor 1 position. However, the Department has sufficient expenditure limitation and a revenue source to support the position. The Subcommittee recommended that establishment of the position effective November 1, 2001 be approved.

Senator Clarno's motion carried with no objections voiced. Senator Yih and Representatives Westlund, Schrader and Simmons excused.

30. Department of Agriculture

Representative Doyle moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and 291.375, approve application by the Department of Agriculture for a federal grant from the U.S. Department of Agriculture, and increase the Federal Funds expenditure limitation established for the Department of Agriculture by section 4, chapter 769, Oregon Laws 2001, by \$3,720,000 for assistance to producers of specialty agricultural crops, with the understanding that the Department of Administrative Services will unschedule the limitation until a plan for the specialty crop grant program is developed and a report on the plan is presented to the Emergency Board.

The following is a summary of the request and the Subcommittee (General Government) action:

In response to the continuing economic crisis adversely affecting American agricultural producers, Congress passed the Crop Year 2001 Agricultural Economic Assistance Act (Public Law 107-25) in August 2001. Section 7 of the Act directs the Secretary of Agriculture to use funds from the Commodity Credit Corporation to support activities that promote agriculture (Oregon to receive \$500,000) and to support the development and marketing of specialty crops (Oregon to receive \$3,220,000). "Specialty crop" is defined as any agricultural crop, except wheat, feed grains, oilseeds, cotton, rice, peanuts, and tobacco.

The Act also requires the Secretary of Agriculture to make the authorized expenditures no later than September 30, 2001. In order to assure the Secretary that Oregon is prepared to accept and use the funding, the Oregon Department of Agriculture (ODA) requested an increase in Federal Funds expenditure limitation. ODA is developing a grant program to assist Oregon specialty crop producers with these federal resources, but needs final federal guidance and industry input before the program is completely defined. Congress expects the funds to be used to assist growers of specialty crops because of the many different and difficult circumstances facing specialty crop growers resulting from disease, low prices, and lack of funding for research, promotion, and inspection.

The Subcommittee discussed how the funding would be used in Oregon and recommended approval of the application of ODA for the Federal Funds. The Subcommittee also recommended

approval of a Federal Funds expenditure limitation increase of \$3,720,000, with the understanding that the expenditure limitation increase be unscheduled by the Department of Administrative Services (DAS) until a plan for the specialty crop grant program is developed and submitted for review and approval by the Emergency Board.

The following Committee discussion occurred:

Senator Derfler asked if the motion meant that the Department would come back to the Emergency Board after the funding was received.

Representative Doyle responded that the task force of industry representatives and Department staff would be meeting over the next weeks and would likely have a proposal ready for the November meeting of the Emergency Board.

Senator Derfler commented that the funding appears to be rather flexible for use on specialty crops and asked what type of crops would be eligible.

Representative Doyle replied that nearly every crop in Oregon would be considered a specialty crop and that the federal act excluded only wheat, feed grains, oilseeds, cotton, rice, peanuts, and tobacco.

Senator Derfler asked if some of the funding could go to Oregon State University for development activities.

Representative Doyle responded that some funding could be used towards research related to specialty crops and that would be one of the decisions made by the task force.

Senator Derfler asked who was appointing the task force.

Representative Doyle referred to a list included in the testimony by the Department listing a number of industry groups.

Representative Butler commented that livestock might also qualify, which adds to the need to develop a plan with all of the agricultural producers being included and then brought back to the Emergency Board.

Representative Morgan concurred that there seems to be some idea of what the funding cannot be used for, but a great deal of latitude in what it can be used for, and that by bringing the stakeholders together with the Department to have a discussion about how the money is going to be allocated and then bring the plan back to the Emergency Board for approval before the process is completed is a reasonable approach.

Representative Doyle added that the Department testified that once the group gets together and makes recommendations that the members of the Emergency Board will receive that information in advance of the next Emergency Board meeting.

Representative Doyle's motion carried with no objections voiced. Senator Yih and Representatives Westlund, Schrader and Simmons excused.

31. Department of Fish and Wildlife

Representative Doyle moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and 291.375, approve application by the Department of Fish and Wildlife for a federal grant from the U.S. Environmental Protection Agency and increase the Federal Funds expenditure limitation established for the Department of Fish and Wildlife by section 4(4), chapter 773, Oregon Laws 2001, Administration Division, by \$10,000 for naturescaping education projects, with the understanding that the Department of Administrative Services will unreschedule the limitation until the grant funding is awarded.

The following is a summary of the request and the Subcommittee (General Government) action:

The Department of Fish and Wildlife (ODFW) has a renewed opportunity to apply for a grant from the U.S. Environmental Protection Agency (EPA) for development of educational materials associated with naturescaping. Naturescaping represents a landscaping approach to restore native plants and natural wildlife habitat conditions to urban communities and can result in reduced water pollution and natural resource conservation.

ODFW originally submitted a grant application to EPA in February 2001 and was awarded \$10,000 in June 2001. Since the agency had failed to obtain legislative authorization to apply for the federal grant, ODFW returned the funds to EPA in July and asked whether a reapplication for the naturescape project was possible. EPA informed the Department that the proposal might be reconsidered if a new application was submitted by no later than September 10, 2001.

The Department proposed to use the grant for a second printing of “Naturescaping – A Landscaping Partnership With Nature,” a how-to-guide on creating naturescaping projects (\$5,000), for translating the text of the book into a format for use on the agency’s web site (\$2,000), and for creating educational displays on naturescaping to use as a traveling display for schools and community events (\$3,000). Total cost of the project, including state match, is \$24,000. The additional \$14,000 is anticipated to come from an in-kind donation of paper for the book from the International Paper Company (\$6,000) and from existing ODFW staff time (\$8,000).

The Subcommittee discussed the use of the grant funds and recommended approval of the grant application and an increase in Federal Funds expenditure limitation for the Department’s Administration Division of \$10,000. Since there is a possibility that the grant may not be awarded for the second time, the Subcommittee also recommended that the Department of Administrative Services unreschedule the expenditure limitation increase until the grant award is received by ODFW.

The following Committee discussion occurred:

Senator Messerle commented that the grant provided the state with an alternative to purchasing private property in order to restore watersheds and habitats by educating the public about restoring conditions on their own property.

Representative Doyle’s motion carried with no objections voiced. Senators Yih and Metsger and Representatives Westlund, Schrader and Simmons excused.

32. Department of Fish and Wildlife

Representative Butler moved that the Emergency Board acknowledge receipt of a report from the Department of Fish and Wildlife describing plans for purchasing trout from private aquaculture facilities as directed by a budget note attached to SB 5518.

The following is a summary of the request and the Subcommittee (General Government) action:

The Oregon Department of Fish and Wildlife (ODFW) was directed by SB 834 (1999) to create a pilot project to purchase trout reared by private Oregon aquaculture facilities to stock trout ponds and reservoirs. SB 834 directed that at least ten percent of annual trout hatchery funds would be allocated to the pilot project. The 2001 Legislative Assembly adopted HB 3334 extending the pilot project into 2006. SB 5518 (2001) included a budget note that set the minimum expenditure for trout reared by private aquaculture facilities at \$279,175 for the 2001-03 biennium and directed the Department to report to the Emergency Board with its plan for purchasing trout throughout the biennium.

Responding to concerns raised during hearings on HB 3334 and the Department's budget, the Department developed a new plan for purchasing trout from private aquaculture facilities. That plan increases the number of small packages available for bid; adds the option of ODFW transport and release of trout purchased; and expands the time between bid and delivery from less than one month in 1999-2001 to eight months or longer. ODFW has also outlined a viable schedule to assess its need for hatchery trout and provide timely notice to potential providers for a successful delivery of healthy trout reared in private facilities.

The Department released a bid package in May 2001 for 65,600 pounds of rainbow trout divided in six packages with delivery dates in 2002 and 2003. Two aquaculturists submitted bids on all six packages, and one other provider bid on two packages. Desert Springs Trout Farm was the successful bidder for all six packages and was awarded a contract of \$168,567 for 2002 and 2003.

The Department is now developing a second request for proposals expected to be released this month to purchase 40,000 more pounds of rainbow trout for delivery in 2002 and 2003. This request for proposal will increase flexibility in the size of packages, delivery dates, and delivery methods, including options for ODFW to transport and release the trout. The Department also plans to release a bid package for 30,000 trophy rainbow trout (two-pound size) for stocking in Diamond Lake. Twelve release dates of 5,000 pounds of trout each are planned in 2002 and 2003. Bidders will again be able to bid on individual packages and have the option of ODFW transporting the fish.

Representative Butler's motion carried with no objection voiced. Senator Yih and Representatives Westlund, Schrader and Simmons excused.

33. Department of Fish and Wildlife

Representative Doyle moved that the Emergency Board, acting under the authority of ORS 291.375, approve application by the Department of Fish and Wildlife for a federal grant from the National Marine Fisheries Service in the amount of \$44,278 for cost reimbursement related to participation on the Interior Columbia Basin Technical Review Team.

The following is a summary of the request and the Subcommittee (General Government) action:

In May 2001, the National Marine Fisheries Service (NMFS) announced the beginning of the formal recovery planning effort for Pacific salmon and steelhead listed as threatened or endangered under the U.S. Endangered Species Act (ESA) in the Interior Columbia Basin. As part of this recovery planning effort, NMFS asked for nominations for qualified scientists to serve on a Technical Review Team (TRT) for the basin. TRTs are used by NMFS to identify the technical elements and to provide the necessary scientific input needed for the recovery planning process with the goal of developing ESA delisting criteria. Various species of chinook, sockeye, and steelhead are currently listed in the interior Columbia basin.

In June 2001, the Department of Fish and Wildlife (ODFW) nominated a staff scientist for inclusion on the Interior Columbia Basin TRT. NMFS is expected to announce the selection of TRT members in September 2001. The Department estimates that if the ODFW staff scientist is one of the scientists selected for the TRT, the individual will spend time equivalent to 0.21 FTE working on the TRT during the 2001-03 biennium (20 months at approximately 25%).

The primary purposes of the Interior Columbia Basin TRT are to identify delisting criteria for the Evolutionary Significant Unit (ESU); characterize habitat/fish productivity relationships; identify factors for decline and factors that limit recovery; identify early actions for recovery; identify research, monitoring, and evaluation needs; and serve as a science advisory panel for the recovery planning phase.

The Subcommittee recommended approval of the request to submit a federal grant application to NMFS in the amount of \$44,278 for participation on the Interior Columbia Basin Technical Review Team. The Subcommittee felt it is important that an ODFW staff scientist represent the state on the TRT given the purposes of the body. If the ODFW scientist is included on the TRT and the request for cost reimbursement from NMFS is granted, the agency will return to the Emergency Board for Federal Funds expenditure limitation.

The following Committee discussion occurred:

Senator Messerle commented that the main value of state involvement in the process associated with the Technical Review Team is that Oregon has never been able to get a prioritization of the factors leading the listing of species and that this is one of the purposes of the team.

Representative Doyle's motion carried with no objections voiced. Senator Yih and Representatives Westlund, Schrader, Minnis, Hill and Simmons excused.

34. Department of Fish and Wildlife

Representative Morgan moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Federal Funds expenditure limitation established for the Department of

Fish and Wildlife by section 4 (2)(b), chapter 773, Oregon Laws 2001, Wildlife Division, Wildlife Habitat, by \$50,200 for wetland restoration projects in the Ladd Marsh Wildlife Area.

The following is a summary of the request and the Subcommittee (General Government) action:

The U.S. Department of Transportation's Federal Highway Administration (FHWA) has funded the Anthony Lakes Highway Project. The project is a \$5 million, 12.2-mile highway improvement project in Baker County between Haines and the North Powder River Bridge. The project is considered vital for local community economic development.

During the planning stages, a determination was made that the project would adversely impact adjacent wetlands. The Division of State Lands (DSL) requires wetland mitigation as part of the approval of a removal/fill permit required for completion of the project. FHWA agreed to provide payment to the Department of Fish and Wildlife (ODFW) in lieu of wetland mitigation for the Anthony Lakes Highway Project as a stipulation to the DSL removal/fill permit.

The payment totals \$50,200 and will be used to implement the Restoration Plan for Ladd Creek and Barney Creek within the Ladd Marsh Wildlife Area by returning the creeks to their historic or original channels and planting native wetland plants along portions of both creeks (\$48,700) and to monitor the restoration by photo documentation and the development of a monitoring plan for each year of a three-year period after project completion (\$1,500).

The restoration work is scheduled for completion by March 2003 with photo monitoring ongoing through March 2006. ODFW will donate staff time for project planning, implementation, monitoring, and report writing. The Department estimates staff time will total approximately 0.06 FTE in the 2001-03 biennium. The actual mitigation work will be contracted out by ODFW. Department staff will continue to provide project oversight during the U.S. Army Corps of Engineers construction activity.

The Subcommittee recommended approval of the Federal Funds expenditure limitation increase.

Representative Morgan's motion carried with no objections voiced. Senator Yih and Representatives Westlund, Minnis, Hill and Simmons excused.

35. Department of Forestry

Senator Messerle moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(a), allocate \$410,000 from the special purpose appropriation made to the Emergency Board by section 4, chapter 768, Oregon Laws 2001, to supplement the appropriation made to the Department of Forestry by section 1(2), chapter 768, Oregon Laws 2001, Protection from fire, for forest fire severity and rapid suppression response.

The following is a summary of the request and the Subcommittee (General Government) action:

During deliberations on the 2001-03 biennium budget for the Department of Forestry (ODF), the Legislature determined that the drought situation and the resulting conditions in the state's forests had created a high probability of a severe and dangerous 2001 fire season. In partial response to this

situation, the Legislature appropriated \$800,000 General Fund to the Emergency Board for allocation to the Department for deployment of additional forest fire suppression resources to address severe forest fire conditions and needs.

The special purpose appropriation was accompanied by a budget note outlining use of the funds. The funds were only to be used for increased initial attack capabilities, such as helicopter services, heavy equipment, engine crews, and fireline hand crews. The Department was authorized to spend and/or commit funds from the special purpose appropriation with the prior approval of the Department of Administrative Services in an emergency situation where an Emergency Board request was not timely. The Department was then expected to report on the use and request official allocation of the funds at the next meeting of the Emergency Board.

In mid-July the Department contacted the Department of Administrative Services (DAS) and the Legislative Fiscal Office (LFO) requesting approval to commit a portion of the severity funds to secure fire preparedness and availability resources in the form of two suppression helicopters and crews. These resources were initially placed in south-central Oregon (Klamath-Lake District) and southwest Oregon (Southwest Oregon District). From the Department's perspective on forecasted weather and forest fuel conditions, a top priority was to have additional aerial suppression resources under contract and ready for rapid response to any fire incident. DAS and LFO concurred with this assessment. The Department used \$410,000 of the funding for contracts on a Bell 407 helicopter and crew for 45 days (\$170,000) and a Sikorsky S-58 helicopter and crew for 60 days (\$240,000).

The special purpose appropriation fire severity funds are only used to provide the availability of rapid response resources. Once these resources are dispatched to a fire situation, other funding mechanisms directly related to suppression activities, such as the Oregon Forest Land Protection Fund, local District funds, and reimbursement from other agencies, are responsible for payment of the suppression expenditures.

The Subcommittee discussed the continuing fire danger situation for the remainder of the 2001 fire season and the Department's use of aerial response. The Subcommittee recommended approval of the allocation of \$410,000 from the special purpose appropriation and expects a continuation of the Department's reporting to the Emergency Board on the fire situation. The Subcommittee also directed the Department to report to the Emergency Board at a subsequent meeting on the development and implementation of an aviation safety and management system action plan.

Senator Messerle's motion carried with no objections voiced. Senator Yih and Representatives Westlund and Minnis excused.

36. Department of Land Conservation and Development

Representative Hill moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Department of Land Conservation and Development by section 2(1), chapter 790, Oregon Laws 2001, Operations, by \$194,160 to accommodate receipt of funds relating to the Coastal Atlas Project, and direct the Department to report the Coastal Atlas Project to the Joint Legislative Committee on Information Management and Technology.

The following is a summary of the request and action by the Education Subcommittee:

The Coastal Atlas Project will develop computer systems and processes for a wide range of user groups. The project is a cooperative effort between the Department of Land Conservation and Development, U.S. Department of Commerce-National Oceanic and Atmospheric Administration (NOAA), and Oregon State University. The Coastal Atlas Project includes development of an Internet based system to acquire, store, analyze, and disseminate geo-spatial data. When complete, it will serve local, state, and federal agencies, researchers and the general public by making a variety of routine tasks relying upon geo-spatial data faster and easier. The project began in the last biennium and is scheduled for completion in 2004.

The 2001-03 Legislatively Adopted Budget included \$100,000 Federal Funds expenditure limitation for the project. Since then \$194,160 additional Federal Funds have become available for the project through Oregon State University. Since the funds pass through Oregon State University to the Department, they become Other Funds for budgeting purposes.

The Subcommittee expressed concern that this multi-year project will eventually reach the threshold for reporting to the Joint Legislative Committee on Information Management and Technology (JLCIMT) and recommended the Department report this project to the Department of Administrative Services and the JLCIMT now so it may receive appropriate oversight and review.

Representative Hill's motion carried with no objections voiced. Senator Yih and Representatives Westlund, Minnis and Simmons excused.

37. Department of Land Conservation and Development

Representative Carter moved that the Emergency Board, acting under the authority of ORS 291.375, approve application by the Department of Land Conservation and Development for a federal grant from the U.S. Environmental Protection Agency in the amount of \$150,000 for the Wetland Program with the understanding that the Department will return to the Emergency Board for position authority and expenditure limitation if they receive the grant, and direct the Department to report on how it coordinates wetland issues with other agencies and local governments.

The following is a summary of the request and the Subcommittee (Education) action:

The U.S. Environmental Protection Agency (EPA) has provided funds for several years to the Department of Land Conservation and Development (DLCD) to pass on to local governments to complete local wetlands inventories. The wetlands inventories are necessary to implement land use Statewide Planning Goal 5. Many local governments have completed wetland inventories, but not yet used the information gained to update land use programs. A 25% match requirement will be met from local government grants awarded by DLCD from existing funds; no other state funds will be required.

If awarded, the DLCD would use the grant funds to provide technical assistance to local governments on implementing Statewide Planning Goals related to stream restoration and salmon recovery. DLCD would like to establish a limited duration aquatic habitat specialist position to provide information, assistance and support to local government efforts to restore native salmonid populations as part of adopting programs to comply with the requirements of several Statewide Planning Goals.

The Subcommittee discussed the multitude of agencies and local government entities involved in wetland issues and directed the Department to return with a report detailing other entities involved and how the Department coordinates wetland issues with those entities.

The following Committee discussion occurred:

Representative Morgan remarked that this item came before the Education Subcommittee instead of General Government and she wanted to be sure there had been discussion of how this project will interface with other agencies involved in salmon recovery efforts and wetlands programs.

Senator Hannon confirmed that the Subcommittee directed DLCD to present information on how this project will interface with other agencies and local governments to promote wetland programs without adding additional layers of effort.

Senator Messerle commented that, in his experience, local governments appear to need funds to hire personnel to deal with land use planning and zoning issues more than they need more technical assistance from the state.

Representative Carter's motion carried with no objections voiced. Senator Yih and Representatives Westlund, Minnis and Simmons excused.

38. Division of State Lands

Senator Messerle moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Division of State Lands by section 2 (2)(b), chapter 208, Oregon Laws 2001, South Slough Estuarine Sanctuary, Capital Improvement, by \$72,500, and increase the Federal Funds expenditure limitation established for the Division of State Lands by section 3 (2)(b), chapter 208, Oregon Laws 2001, South Slough Estuarine Sanctuary, Capital Improvement, by \$364,000 for completion of construction projects and installation of interpretive exhibits at the South Slough National Estuarine Research Reserve.

The following is a summary of the request and the Subcommittee (General Government) action:

With cooperation from the National Oceanic and Atmospheric Administration (NOAA), the South Slough National Estuarine Research Reserve (Reserve) program of the Division of State Lands (DSL) has been engaged in construction and renovation activity at the Reserve since the 1997-99 biennium. Work has been conducted on the construction of an interpretive center and the renovation of visiting researcher accommodations.

Costs of the construction activity have been provided through grants from NOAA with a 30 percent state match. The match has come from a combination of private donations and Common School Fund contributions (the Reserve is an asset of the Common School Fund). The Division's 2001-03 budget, as adopted by the Legislature, includes \$493,000 in carry-forward Federal Funds expenditure limitation for previously awarded grant funds related to the Reserve's construction projects.

After the Division's 2001-03 budget was adopted by the Legislature, the agency brought forward a federal grant application for \$364,000 in additional construction grant funding from NOAA.

Approval to apply for the grant was provided by the Joint Committee on Ways and Means on May 25, 2001. The agency was directed to return to the Emergency Board once the grant was awarded to obtain the necessary expenditure limitation. The federal construction grant will be used to complete the interpretive center remodeling project, including a septic system for the Spruce Ranch property and furnishings, equipment, and other project completion components at both the Spruce Ranch and interpretive center. The remainder of the construction grant will be used for interpretive center exhibit design and fabrication. The construction grant requires a 30 percent match, which will be obtained from the Friends of South Slough (FOSS) through private donations from the Meyer Memorial Trust and in-kind services.

In support of the construction project, FOSS had committed to raising \$60,000 toward the required match. The Division's adopted budget included Other Funds expenditure limitation for this amount. The FOSS fund-raising effort was more successful than planned, however, and the non-profit organization was able to donate \$132,500 to the renovation project. The Reserve is requesting Other Funds expenditure limitation for the additional donation, or \$72,500. The additional funds will be used on pieces of the construction project related to education or compliance with the Americans with Disabilities Act (ADA) standards.

The Subcommittee recommended approval of the request, but directed the agency to continue submitting regular reports on the activities and expenditures at the Reserve as directed in the agency's 2001-03 adopted budget.

The following Committee discussion occurred:

Senator Messerle added that although the South Slough Sanctuary has had some difficult times in the past, the community is now supportive of the efforts being made at the Reserve and a turnaround in attitude has occurred.

Senator Messerle's motion carried with no objections voiced. Representatives Westlund and Minnis excused.

39. Oregon Watershed Enhancement Board

Senator Messerle moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(a), allocate \$1,126,788 from the special purpose appropriation made to the Emergency Board by section 15, chapter 814, Oregon Laws 2001, to supplement the appropriation made to the Oregon Watershed Enhancement Board by section 12, chapter 814, Oregon Laws 2001, for assessment and monitoring grants.

The following is a summary of the request and the Subcommittee (General Government) action:

During deliberations on the 2001-03 biennium budget for the Oregon Watershed Enhancement Board (OWEB), the Legislature determined that the agency had not fully expended the \$3.7 million General Fund provided for assessment and monitoring grants during the 1999-01 budget period. Despite the fact that the General Fund had been committed to various approved projects, without legislative action, the unexpended General Fund would have reverted to the state's ending balance at the conclusion of the 1999-01 biennium.

The Legislatively Adopted Budget for OWEB included the following: \$1,501,788 General Fund was disappropriated from the OWEB 1999-01 appropriation; \$375,000 General Fund was appropriated directly to OWEB in House Bill 5043 to cover any immediate commitments needing payment; \$1,126,788 General Fund was appropriated to the Emergency Board in House Bill 5043 as a special purpose appropriation for allocation to OWEB after the agency finalized the amount committed and reported to the Emergency Board; and \$29,106 General Fund appropriated in 1999-01, but not committed, was allowed to revert.

The required report on final amounts committed was submitted to the Emergency Board and confirms the figures used by the Legislature in House Bill 5043. Between the end of session and early August, the agency had expended an additional \$142,138 from the \$375,000 General Fund provided directly to the agency. Any portion of the 2001-03 General Fund reappropriation not expended by the end of the biennium will revert to the General Fund ending balance. OWEB will continue quarterly reporting to the Department of Administration Services and the Legislative Fiscal Office on all grant expenditures.

The Subcommittee recommended approval of the allocation of \$1,126,788 from the special purpose appropriation made to the Emergency Board.

Senator Messerle's motion carried with no objections voiced. Representative Westlund and Minnis excused.

40. Oregon Department of Transportation

Representative Butler moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and 291.371, approve the establishment of three limited-duration positions (1.99 FTE), increase the Other Funds expenditure limitation established for the Oregon Department of Transportation by section 2(10), chapter 643, Oregon Laws 2001, for Driver and motor vehicle services, by \$274,689 for increased workload associated with implementing House Bill 3071, and direct the Department to include in its 2003-05 budget document a report on the cost, workload changes, and actions taken by the Department to contain costs relating to increased reporting of medical conditions.

The following is a summary of the request and the Subcommittee (General Government) action:

The Oregon Department of Transportation's (ODOT) 2001-03 budget request proposed funding to implement recommendations of an advisory committee relating to licensing older drivers. The Department was directed by a budget note to provide appropriate statistical information to establish the basis for implementing changes in the driver program targeting older drivers and options ranging from a responsible minimal program to a comprehensive strategy. The Departments report showed Oregon has a higher percentage of licensed drivers over the age of 70 and that the older driver fatality rate is more severe than the teen driver fatality rate both nationally and in Oregon.

The Subcommittee considered three cost options proposed by the Department to implement recommendations of the Older Driver Advisory Committee. The options are:

Implementing the requirements of House Bill 3071 requiring increased referrals by physicians, family members, and self-referral of drivers at risk as a result of cognitive or functional impairments.

The total cost of this option is \$274,689. It adds three positions beginning November 2001. One position would manage a working group of medical experts to identify which medical conditions need to be reported and the administrative rule process. Two of the three positions are proposed to manage an increase in workload from additional referrals. The Department plans to manage the increased workload through its rule-making process. That may require limiting the number of conditions reported to the most severe conditions.

The second option, a pilot test of the Useful Field of View (UFOV) vision screening tool, is requested for an additional cost of \$126,713 Other Funds.

The third option increases the number of field office referrals by implementing training for field staff in gross impairment screening and a reduction in the timeline for processing referrals made to the Medical Re-exam program. The total amount requested to implement these additional recommendations is \$410,342 for five positions and associated services and supplies.

The Subcommittee expressed considerable concern regarding the second and third options to pilot a Useful Field of View screening tool and the public outreach efforts with Gross Impairment Screening, without sufficient workload data from the implementation of House Bill 3071. The Subcommittee also questioned the expertise of Driver and Motor Vehicle field staff to make medical assessments of people applying for or renewing licenses, leading to delays or suspension of driving privileges.

As a result, the Subcommittee recommended approval of the minimal cost option to implement House Bill 3071 with limited duration positions. The Subcommittee believed a more cautious approach to implementing recommendations of the Older Driver Advisory Committee would provide a better basis for future consideration of the Useful Field of View and Gross Impairment Screening options. With the additional information gained from actual experience in implementing option one and results from the medical experts work group and proven best practices by other states, less costly alternatives could emerge. The Subcommittee also recommended the Department be directed to include in its 2003-05 budget document a report on the cost, workload changes, and actions taken by the Department to contain costs from implementing House Bill 3071.

The Subcommittee discussed the need to slowly implement the recommendations from the advisory committee to avoid putting employees at risk and to observe what comes out of the medical work group and referral process.

The following Committee discussion occurred:

Representative Schrader acknowledged the complexity of the recommendation to have DMV counter staff making medical assessments. Representative Schrader asked whether the Subcommittee or Older Driver Advisory Committee discussed a simpler solution to having another drive test at age 65.

Representative Butler clarified that these discussions started in the 1999 Legislative Session when it was determined that more information was needed. As a result the 1999 Legislature directed ODOT to study the effects of aging upon driving abilities with the assistance of an advisory committee.

Representative Butler's motion carried with no objections voiced. Representatives Westlund, Minnis and Hill excused.

41. Oregon Department of Transportation

Senator Metsger moved that the Emergency Board acknowledge receipt of a report from the Oregon Department of Transportation on the Aggregate Resource Manager position, request the Department of Administrative Services reschedule \$158,637 in existing Other Funds limitation for the position, and direct the Oregon Department of Transportation to include in its 2003-05 budget document a report evaluating the ODOT-owned sites, the disposition of sites, and the ongoing workload associated with the position to manage the sites once the evaluation is complete.

The following is a summary of the request and the Subcommittee (General Government) action:

The Oregon Department of Transportation's (ODOT) 2001-03 budget included funding to add an Environmental Program Coordinator 3 position. The ODOT position was requested to focus solely on management of ODOT-owned sites. The Legislature approved the position but requested that the Department of Administrative Services unschedule the funds until the Department reported to the Emergency Board with a more detailed explanation of the need for the position and assures that duplication of services would not be occurring with the position in the Department of Land Conservation and Development (DLCD).

Statewide Planning Goal 5 requires siting of aggregate mines and operations for extraction to insure protection of natural resources and limit uses on surrounding property. The Department explained that the Environmental Program Coordinator position in ODOT would focus on managing the 600 ODOT sites while the DLCD position focus would be on the planning aspects and assistance to all public and private entities related to Goal 5 requirements.

The Subcommittee acknowledged the differences between the two positions but expressed concerns regarding the ongoing workload associated with the position and the number of positions throughout state government being utilized to deal with this one Statewide Planning Goal. The Department assured the Subcommittee that the position would not be used to assist local governments in the permit process.

Senator Metsger's motion carried with no objections voiced. Representatives Westlund and Minnis excused.

42. Health Licensing Office

Representative Winters moved that the Emergency Board defer action on the request to increase the Other Funds expenditure limitation established for the Health Licensing Office by section 1, chapter 99, Oregon Laws 2001, by \$164,000 to implement information systems projects, as recommended by the Joint Legislative Committee on Information Management and Technology.

The following is a summary of the request and the Subcommittee (Human Services) action:

The 2001-03 Governor's Recommended Budget for the Health Licensing Office included an Information Systems Business Plan policy package totaling \$393,600. The package contained several components including technology enhancements and electronic commerce services to allow customer transactions via the network. At the time of the budget hearing, the Department of Administrative Services was in the process of developing statewide policies on e-commerce for state agencies. The Joint Committee on Ways and Means was unwilling to approve this policy package until these policy decisions had been made.

According to the Department of Administrative Services, the statewide policies remain under development. The Health Licensing Office has other information systems projects that are unrelated to electronic commerce that are important to agency operations. This request was to fund those projects. However, the Joint Legislative Committee on Information Management and Technology (JLCIMT) felt that the request lacked sufficient detail to approve at this time.

The Subcommittee moved to adopt the recommendation of the JLCIMT to defer action on this request.

Representative Winters' motion carried with no objections voiced. Senators Clarno and Derfler and Representatives Westlund and Minnis excused.

43. Board of Tax Service Examiners

Senator Carter moved that the Emergency Board, acting under authority of ORS 291.326 (1)(b), increase the Other Funds expenditure limitation established for the Board of Tax Service Examiners by section 1, chapter 9, Oregon Laws 1999, by \$37,000 for additional Attorney General costs incurred at the end of the 1999-2001 biennium for two legal cases and a new computer system.

The following is a summary of the request and the Subcommittee (Education) action:

During the Board of Tax Service Examiners' 2001-03 budget hearings, it was involved in two legal cases involving tax preparers and a breach of contract with a computer services provider. The Board felt it had sufficient expenditure limitation for the 1999-01 biennium to cover the legal costs associated with the two cases and the breach of contract proceedings. It also felt that the cost of the new computer system it had to develop would be offset by the savings realized by not paying the contractor in breach.

In the months following passage of its budget, the Board received invoices from the Attorney General that far exceeded its estimated costs. Additionally, the total cost of the new computer system was \$7,500 more than savings from the contract in breach. While the Board expects to receive a settlement of \$18,000 from the breach of contract, it still needs additional expenditure limitation to pay for the unexpected costs.

The Board has the cash balance available to pay for the unforeseen costs. It needs legislative authority in the way of expenditure limitation, however, to pay the bills. The Subcommittee recommended approval of the request.

The following Committee discussion occurred:

Representative Butler expressed concerns about the Board's ability to control its costs and whether it would be able to recoup some of the attorney costs. He also asked for additional information about the lawsuits and staff provided additional information.

Senator Carter also provided information about the information provided to the Subcommittee about the lawsuits.

Senator Carter's motion carried with Representative Butler voting 'no'. Representatives Westlund and Minnis excused.

44. Department of Administrative Services

Representative Winters moved that the Emergency Board, acting under authority of ORS 291.326 (1)(b), 291.375, and 291.371, approve, retroactively, application by the Department of Administrative Services for additional funds on an existing federal grant from the Health Resources and Services Administration, increase the Federal Funds expenditure limitation established for the Department of Administrative Services by section 3, chapter 80, Oregon Laws 2001, by \$60,000, approve the extension of a limited duration position by eight months (0.33 FTE) for the study of universal health coverage, and approve, retroactively, five applications for federal grants from the Health Resources and Services Administration to conduct research on strategies for health care.

The following is a summary of the request and the Subcommittee (Human Services) action:

The Department of Administrative Services, Office for Oregon Health Policy and Research received a federal grant in 2000 to study universal health coverage. After the end of session this year, the Health Resources and Services Administration (HRSA) requested the Office to prepare a follow-up report on activities occurring during the six months following September 30, 2001 and offered to provide \$60,000 to finance the report. Shortly after that, HRSA notified the Office of the availability of up to \$134,000, through five separate grants, to continue research to identify and refine strategies for health care coverage.

The grant requests were due August 17, and the Office notified legislative leadership of its intention to apply for the grants and seek retroactive approval from the Emergency Board. Because HRSA asked the Office for the follow-up report, the Office is confident that it will receive the \$60,000 and is requesting additional expenditure limitation and position authority to conduct the follow-up work beginning in October. Should the federal government approve any or all of the other grant applications, the Department will return to the Emergency Board in November to ask for the appropriate increase in expenditure limitation.

The Office properly notified leadership of the grant applications and the Subcommittee recommended approval.

The following Committee discussion occurred:

Senator Derfler asked about the value of the report to the state.

Representative Schrader responded that the Subcommittee had the same concerns and the report is expected to address Oregon's Medicaid waivers, employer-paid insurance, and other health care initiatives.

Representatives Winters' motion carried with no objections voiced. Representatives Westlund, Minnis and Simmons excused.

45. Department of Administrative Services

Senator Beyer moved that the Emergency Board, acting under authority of ORS 291.371, acknowledge receipt of a report and addendum from the Department of Administrative Services on compensation plan changes.

The following is a summary of the request and the Subcommittee (General Government) action:

ORS 291.371 requires the Department of Administrative Services to submit proposed changes in the compensation plan to the legislative review agency (Emergency Board) prior to making any changes. The statute does not require the approval of the legislative review agency. The Department submitted its report and an addendum noting a number of changes. Funding for the 1999-01 cost of compensation plan changes is expected to be absorbed within existing agency budgets. Funding for the 2001-03 cost is expected to come from the allocation of \$100 million appropriated to the Emergency Board for compensation plan changes and from increased Other Funds and Federal Funds expenditure limitation.

The following changes were reported:

SECTION A – Deletes 21 obsolete classifications from the compensation plan

2001-03 cost – None

SECTION B – Reports changes and implements the agreement with Service Employees International Union (OPEU) for salaries, differentials, and insurance as follows:

1. Effective April 1, 1999, increases the salary range for Class 5950 Child Nutrition Specialist.
2. Effective July 1, 2000, increases the salary range for Class 2176 Video Producer (formerly Videographer 2).
3. Effective January 1, 2001, establishes a new classification in the non-strikeable (OXN) compensation plan: Class 6755 Youth Corrections Unit Coordinator SR 23 (\$2,774-\$3,854).
4. Effective July 1, 2001:
 - a. selectively increases the salary ranges for 18 different classifications, and
 - b. establishes 10 new classifications.
5. Effective upon signing of the agreement, for differentials:

- a. establishes a 50 cents per hour differential for employees who have a pesticide application license when mixing, spraying, and cleaning equipment;
 - b. increases high work pay differential from 50 cents to 75 cents per hour;
 - c. establishes a five percent pay differential for surveyor license within the Department of Forestry for employees occupying a position classified as Natural Resource Specialist 3 and who meet all the following criteria: 1) possess a current Oregon Professional Surveyor's License, and 2) the agency designates in writing that the employee perform all professional land surveyor duties reflected in the employee's position description;
 - d. adopts the non-security point differential (parity with the AFSCME non-security unit) for Oregon State Correctional Institute non-security employees;
 - e. renews a five percent pay differential for lead work within ODOT Highway Division for three selected classes; and
 - f. renews the Information Systems Team Leader differential of ten percent of base pay through June 30, 2003.
6. Effective January 1, 2002:
- a. generally increases salary rates by two percent or \$40 (pro-rated for part-time employees), whichever is greater;
 - b. establishes two new classifications for use in the Employment Department; 6698 and 6699 Business Employment Specialists 1 and 2, SR 19 (\$2,102-\$2,913) and SR 21 (\$2,313-\$3,208), respectively; and
 - c. maintains the state's insurance contribution tiers as follows:

1) Employee	\$387.14
2) Employee and Spouse	\$520.12
3) Employee and Child	\$443.59
4) Family	\$531.97

 and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.
7. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 6.c. above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to meet increases in premium costs for PEBB medical and dental plans for plan year 2003. If necessary, there will be a delay of up to one month, or a time as agreed to by the state and SEIU (OPEU), in the February 1, 2003 three percent increase to cover the increased health and dental insurance costs.
8. Effective February 1, 2003 gives a general salary increase of three percent.

1999-01 Cost – \$46,098 GF; \$7,132 OF; \$73,626 FF

2001-03 Cost – \$31,514,598; \$37,700,499 OF; \$13,079,952 FF

SECTION C – Reports changes for American Federation of State, County and Municipal Employees (AFSCME); implements a new agreement with the Hearing Panel at the Employment Department comprised of employees from Oregon Liquor Control Commission and Construction Contractor's Board; and implements the agreements with AFSCME units (excluding in all respects the Department of Corrections, Board of Parole and Post-Prison Supervision, and Department of Justice-OAJA) for salaries and insurance, and for salaries and differentials for units at the Department of Environmental

Quality and Mental Health and Developmental Disability Services Division, pending ratification as follows:

1. For the Hearing Panel at the Employment Department:
 - a. effective January 1, 2000, adjusts the pay rates for each salary range for each classification to the SEIU Compensation plan (Appendix C Strikeable Unit – December 1, 1999) consisting of four classifications;
 - b. adopts any selective salary adjustment(s) negotiated by SEIU for Hearings Officers, if any, including implementation procedures and effective dates covering the 2001-03 biennium; and
 - c. adopts any general salary increase(s) negotiated by AFSCME to cover all members of the bargaining unit for the 2001-03 biennium.
2. Effective May 1, 2001 increases the salary range for Class 2176 Video Producer.
3. Effective September 1, 2001 realigns (squares) compensation plan to eliminate internal plan irregularities for the Fire Marshall, Oregon State Police Support Unit, Construction Contractor's Board, Department of Environmental Quality, Department of Land Conservation and Development, Oregon Liquor Control Commission, State Operated Community Programs, Real Estate Agency, and Building Codes Division.
4. Effective October 1, 2001:
 - a. increases the salary range of Class 4101 Custodian for the Department of Environmental Quality;
 - b. increases the salary range of Class 2111 Public Information Representative 1 for the Department of Land Conservation and Development;
 - c. increases the salary range of Class 2112 Public Information Representative 2 for the Oregon Liquor Control Commission;
 - d. increases the salary ranges of four classifications for the Oregon Military Department; and
 - e. increases the salary range of Class 2111 Public Information Representative 1 for the Oregon Real Estate Agency.
5. Effective January 1, 2002:
 - a. gives a general salary increase of two percent for bargaining units participating at the AFSCME Central Table, but no less than \$40 per month (pro-rated for part-time employees); and
 - b. maintains the state's insurance contribution tiers as follows:

1) Employee	\$387.14
2) Employee and Spouse	\$520.12
3) Employee and Child	\$443.59
4) Family	\$531.97

 and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.
6. Effective July 1, 2002, selectively increases the salary range of Class 5561 Deputy State Fire Marshal.
7. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 5.b above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to

meet increases in premium costs for PEBB medical and dental plans for plan year 2003. If necessary, there will be a delay of up to one month, or a time as agreed to by the state and AFSCME, in the February 1, 2003 three percent increase to cover the increased health and dental insurance costs.

If spending the full \$85 is not necessary to provide coverage with no out-of-pocket health and dental premium costs to all eligible employees, the state and AFSCME agree to early implementation of the February 1, 2003 salary increase.

8. Effective February 1, 2003 gives a general salary increase of three percent.
9. For the Department of Environmental Quality, effective July 1, 2001, employees who have been formally assigned by the Department, in writing, to be on-call for, and perform after normal hours “Spill Cleanup Coordination” duties shall receive monthly salary differential increases as outlined under six different work schedules.
10. For the Physicians at Mental Health and Developmental Disability Services Division:
 - a. effective January 1, 2002 increases the salary range by two percent
 - b. effective January 1, 2003 increases the salary range for class 7517 Physician Specialist
 - c. effective February 1, 2003 increases the salary range by three percent.

1999-01 Cost – \$6,052 OF

2001-03 Cost – \$4,298,167 GF; \$6,055,484 OF; \$3,229,388 FF

SECTION D – Describes the agreement with the State Teacher Education Association, Mid-Valley Bargaining Council, for employees at the Department of Education’s Oregon School for the Deaf and the Oregon School for the Blind, pending ratification as follows:

1. Effective the first day of the 2001-02 school year:
 - a. increases salaries by 7.1 percent; and
 - b. establishes a Special Education differential in the amount of 7.1 percent of the monthly pay at the MA+0 column at step four for employees that meet the following criteria:
 - 1) possess a valid TSPC Teaching license;
 - 2) possess a valid Special Education Endorsement(s) required by the agency for the position;
 - 3) occupy a permanent or limited duration position classified as an Institution Teacher; and
 - 4) teach full or part time.
2. Effective August 1, 2001, increases the extra duty pay from 6.69 percent to 7.5 percent of the Bachelor’s degree column step A-1 for baseball, wrestling, and softball coaches and the athletic director.
3. Effective January 1, 2002 through December 31, 2003, the employer’s monthly contribution rate for the categories of employee only; employee and child(ren); employee and spouse; and employee and family shall be consistent with the contribution rates agreed to at the AFSCME Central Table.

2001-03 Cost – \$523,127 GF

SECTION E – Implements the plan for Executive, Management, and Unclassified Excluded employees for salaries, differentials and insurance as follows:

1. Effective July 1, 2001:
 - a. establishes a five percent differential for Department of Justice Support Services Supervisor (Class 0112) who supervises Legal Secretary (Class 0110);
 - b. renews the Information Systems Team Leader differential of ten percent of base pay through June 30, 2003;
 - c. renews the 15 percent differential for Department of Transportation Trades Maintenance Supervisor 2 (Class 4187) who supervises SEIU-represented electricians, through June 30, 2003;
 - d. increases high work pay differential from 40 cents per hour to 75 cents per hour; and
 - e. selectively increases the salary ranges for Class 0770 Central Purchasing Analyst, Class 2111 Public Information Representative 1, and Class 2112 Public Information Representative 2.
2. Effective December 1, 2001, adds \$38 to each step in ranges as provided to represented groups in the 1999-01 biennium.
3. Effective January 1, 2002:
 - a. generally increases salary rates by two percent; and
 - b. maintains the state's insurance contribution tiers as follows:

1) Employee	\$387.14
2) Employee and Spouse	\$520.12
3) Employee and Child	\$443.59
4) Family	\$531.97

 and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.
4. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 3.b above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to meet increases in premium costs for PEBB medical and dental plans for plan year 2003. If necessary, there will be a delay of up to one month, or whatever period is necessary, in the February 1, 2003 three percent increase to cover the increased health and dental insurance costs.
5. Effective February 1, 2003, generally increases salary rates by three percent.

2001-03 Cost – \$13,099,705 GF; \$14,194,831 OF; \$4,626,695 FF

SECTION F – Describes the plan for Classified and Unclassified Unrepresented employees for salaries and insurance as follows:

1. Effective July 1, 2001, selectively increases salary ranges for 12 classifications.
2. Effective December 1, 2001, adds \$38 to each step in ranges as provided to represented groups in the 1999-01 biennium.
3. Effective January 1, 2002:
 - a. generally increases salary rates by two percent; and

b. maintains the state's insurance contribution tiers as follows:

- | | |
|------------------------|----------|
| 1) Employee | \$387.14 |
| 2) Employee and Spouse | \$520.12 |
| 3) Employee and Child | \$443.59 |
| 4) Family | \$531.97 |

and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.

4. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 3.b above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to meet increases in premium costs for PEBB medical and dental plans for plan year 2003. If necessary, there will be a delay of up to one month, or whatever period is necessary, in the February 1, 2003 three percent increase to cover the increased health and dental insurance costs.
5. Effective February 1, 2003, generally increases salary rates by three percent.

2001-03 Cost – \$1,195,384 GF; \$7,592,433 OF; \$2,152,194 FF

SECTION G – implements the agreement for salaries and insurance for the 2001-03 biennium for the Oregon Military Department employees represented by the Klamath Falls Airport Fire Fighters Association, pending ratification as follows:

1. Effective January 1, 2002:

- a. generally increases salary rates by two percent; and
- b. maintains the state's insurance contribution tiers as follows:

- | | |
|------------------------|----------|
| 1) Employee | \$387.14 |
| 2) Employee and Spouse | \$520.12 |
| 3) Employee and Child | \$443.59 |
| 4) Family | \$531.97 |

and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.

2. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 1.b above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to meet increases in premium costs for PEBB medical and dental plans for plan year 2003.
3. Effective February 1, 2003, generally increases salary rates by three percent.

2001-03 Cost – \$111,695 FF

SECTION H – implements the agreement with Oregon Nurses Association for salaries and insurance for employees a State Operated Community Program, Eastern Oregon Training Center, and Eastern Oregon Psychiatric Center, pending ratification as follows:

1. Effective October 1, 2001 adds \$38 to each step of every salary range in the compensation plan
2. Effective January 1, 2002:

- a. generally increases salary rates by two percent; and
- b. maintains the state's insurance contribution tiers as follows:
 - 1) Employee \$387.14
 - 2) Employee and Spouse \$520.12
 - 3) Employee and Child \$443.59
 - 4) Family \$531.97

and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.

- 3. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 2.b above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to meet increases in premium costs for PEBB medical and dental plans for plan year 2003. If necessary, there will be a delay of up to one month, or a time as agreed to by the state and the Association, in the February 1, 2003 three percent increase to cover the increased health and dental insurance costs.
- 4. Effective February 1, 2003, generally increases salary rates by three percent.

2001-03 Cost - \$184,599 GF; \$19,810 OF; \$150,822 FF

SECTION I – implements the agreement with the Association of Engineering Employees for salaries, differentials, and insurance, pending ratification as follows:

- 1. Effective upon signing of the agreement, increases high work pay differential from 50 cents per hour to 75 cents per hour
- 2. Effective January 1, 2002:
 - a. generally increases salary rates by two percent; and
 - b. maintains the state's insurance contribution tiers as follows:
 - 1) Employee \$387.14
 - 2) Employee and Spouse \$520.12
 - 3) Employee and Child \$443.59
 - 4) Family \$531.97
 and establishes a state-paid subsidy so there is no out-of-pocket premium cost to the eligible employee for health and dental insurance regardless of tier or plan choice. These subsidies are based on a PEBB estimated composite rate of \$580 statewide for the 2002 plan year.
 - c. Implements revised classifications for Classes 4240 and 4241, Geothermal Drilling Specialists 1 and 2
- 3. Effective July 1, 2002 increases the salary range for Class 3107 Engineering Specialist 3
- 4. Effective January 1, 2003: for the plan year 2003, continues the contribution tiers listed in 2.b above. The state will increase the 2002 state-paid subsidy by up to an additional \$85 per month to meet increases in premium costs for PEBB medical and dental plans for plan year 2003.
- 5. Effective February 1, 2003, generally increases salary rates by three percent.

2001-03 Cost - \$10,228 GF; \$6,489,097 OF; \$12,923 FF

The Subcommittee recommended acknowledging receipt of the report.

The following Committee discussion occurred:

Senator Yih asked for additional information on the market analysis used to increase certain classifications by 15 percent.

Senator Beyer's motion carried with Senator Yih voting 'no'. Representatives Westlund, Butler, Minnis and Simmons excused.

46. Commission for Women

Senator Carter moved that the Emergency Board, acting under the authority of ORS 291.326 (1)(b) and 291.371, increase the Other Funds expenditure limitation established for the Commission for Women by section 8, chapter 603, Oregon Laws 2001, by \$707,742, and approve the establishment of two limited duration positions (1.80 FTE), to administer the Communities in Partnership to Stop Violence Against Women and Children AmeriCorps Program.

The following is a summary of the request and the Subcommittee (Education) action:

The Commission for Women requested approval to sponsor a federal AmeriCorps program. This program, which is financed by Federal Funds, assists domestic violence victims. Program participants, who include attorneys, paralegals, educators, and advocates, receive a \$9,300 living allowance in exchange for 1,700 hours of community service. Legal Aid Services of Oregon has been sponsoring the program in Oregon but is unable to continue its sponsorship. The Oregon Community Service Commission would like the Commission for Women to assume sponsorship, and both the Commission and the federal government have agreed.

The Commission for Women's sponsorship activities would include setting and monitoring program goals and outcomes, and working with host sites and members to ensure compliance with the AmeriCorps program. Although the federal government funds the program, the Commission would receive the support as Other Funds because the dollars pass through the budget of the Oregon Community Service Commission. The Subcommittee noted that this program imposes no current or future demands on the General Fund.

The Commission would employ a Program Technician 1 and an Office Specialist 2 to administer the program. These positions would be approved on a limited duration basis, and would expire on June 30, 2003. The current contract with AmeriCorps to fund the program expires December 31, 2003.

The Education Subcommittee recommended approval of the request with the understanding that the Department of Administrative Services will review the placement of the program if it is continued in the 2003-05 biennium. The Commission for Women plans to use the program to help establish a greater statewide presence, but this review should ensure that the program is fully coordinated with the state's other domestic violence initiatives.

The following Committee discussion occurred:

Representative Winters expressed concerns about moving the program to the Commission for Women and requiring the agency to assume administrative responsibilities. She asked whether the Subcommittee had discussed why the program was being placed there, rather than in another state agency that already administers domestic violence programs.

Senator Hannon responded that the Commission would be an appropriate agency to house the program given its mission, and that the Commission was seeking to raise outside funds as directed by the Legislature.

Senator Clarno stated that the Commission has an excellent executive director, and she applauds the Commission's efforts to assume sponsorship of this program.

Senator Carter's motion carried with no objections voiced. Representatives Westlund, Minnis and Simmons excused.

The meeting was adjourned at 12:10 p.m.

EMERGENCY BOARD:

Senator Gene Derfler, Chair

Representative Ben Westlund, Secretary

ATTEST:

Peggy Archer, Interim Legislative Fiscal Officer

Attachment to Item #13

Authorized the transfer of 2001-03 General Fund appropriations within the Department of Human Services as follows:

Adult and Family Services

Chapter 878, Section 21, subsection 1(f), Oregon Laws 2001	-100,000
Chapter 892, Section 1, subsection 1(a), Oregon Laws 2001	100,000

Public Health Programs

Chapter 878, Section 21, subsection 1(b), Oregon Laws 2001	-304,000
Chapter 892, Section 1, subsection 2(a), Oregon Laws 2001	304,000
Chapter 882, Section 5, subsection 1, Oregon Laws 2001	-1,300,000
Chapter 892, Section 1, subsection 2(a), Oregon Laws 2001	1,300,000

Mental Health and Developmental Disability Services

Chapter 878, Section 21, subsection 1(e), Oregon Laws 2001	-100,000
Chapter 892, Section 1, subsection 2(b), Oregon Laws 2001	100,000

Services to Children and Families

Chapter 809, Section 12, Oregon Laws 2001	-47,428
Chapter 892, Section 1, subsection 1(b), Oregon Laws 2001	47,428

Alcohol and Drug Abuse Programs

Chapter 832, Section 11, Oregon Laws 2001	-4,089,897
Chapter 892, Section 1, subsection 1(c), Oregon Laws 2001	4,089,897

Medical Assistance Programs

Chapter 902, Section 7, Oregon Laws 2001	-323,736
Chapter 892, Section 1, subsection 2(c), Oregon Laws 2001	323,736
Chapter 878, Section 21, subsection 1(a), Oregon Laws 2001	-10,754,185
Chapter 892, Section 1, subsection 2(c), Oregon Laws 2001	10,754,185
Chapter 882, Section 6, Oregon Laws 2001	-11,000,000
Chapter 892, Section 1, subsection 2(c), Oregon Laws 2001	11,000,000

Vocational Rehabilitation Programs

Chapter 878, Section 21, subsection 1(c), Oregon Laws 2001	-1,300,000
Chapter 892, Section 1, subsection 1(d), Oregon Laws 2001	1,300,000

Director's Office

Chapter 878, Section 21, subsection 1(d), Oregon Laws 2001	-275,000
Chapter 892, Section 1, subsection 4, Oregon Laws 2001	275,000
Chapter 882, Section 5, subsection 2, Oregon Laws 2001	-94,095
Chapter 892, Section 1, subsection 4, Oregon Laws 2001	94,095
Chapter 903, Section 8, Oregon Laws 2001	-50,000
Chapter 892, Section 1, subsection 4, Oregon Laws 2001	50,000

Authorized the transfer of 2001-03 Other Funds expenditure limitations within the Department of Human Services as follows:

Director's Office

Chapter 869, Section 7, Oregon Laws 2001	-1
Chapter 892, Section 3, subsection 4, Oregon Laws 2001	1