

MEMORANDUM

To: Agency Directors and Budget Officers
From: Amanda Beitel, Legislative Fiscal Officer
Date: December 30, 2024
Subject: Agency Budget Presentation Instructions

The information provided below and in the associated attachments outlines the requirements for agency presentations and reference documents provided to Joint Committee on Ways and Means Subcommittees during the 2025 legislative session. Also included are instructions and forms for agencies to provide required information on Other Funds ending balances, reduction options, and long-term vacant positions.

While agency presentations and other required information remain similar to processes followed in previous sessions, a comprehensive reading of these instructions is necessary due to several updates and key deadlines.

As in prior biennia, agencies will provide presentations to Ways and Means subcommittees focused on the agency's budget, programs, outcomes, and proposals for the 2025-27 biennium. Additionally, agencies are required to submit a Ways and Means reference document at the time of the agency's first subcommittee presentation. The reference document is intended to build on the agency's presentation by providing additional details, budget information, and supporting documentation for the subcommittee to review. Refer to Attachments A and B for the specific requirements for these documents.

The Joint Committee on Ways and Means process begins with budget presentations from all agencies. Legislative Fiscal Office (LFO) analysts will be in contact regarding the timing of individual agency presentations, which will be scheduled starting once session begins on January 21, 2025 through early April. Budget presentations will start with an LFO overview of the budget and any current budget issues, followed by an overview of the agency's Governor's Budget presented by Chief Financial Office (CFO). Agencies will then provide a comprehensive presentation to the subcommittee that covers their budget, programs, performance measures, and cost drivers as outlined in Attachment A. Budget presentations are considered the first

phase of the Ways and Means schedule and designed to provide subcommittees with a thorough understanding of the agency's budget, including programs and services supported through current service level funding, requested policy option packages, the impact of any proposed reductions, and how requested funding supports desired outcomes.

Certain agencies will also be selected to participate in a second phase based on specific topics the Legislature wants to consider in more detail. Work sessions on agency budgets, or the third phase, will be conducted after completion of agency hearings and may also include consideration of fee bills or substantive legislation.

In addition to Ways and Means presentation and reference materials, agencies must also submit the following information in the forms separately provided with this communication to your LFO analyst by the close of business on January 17, 2025:

- **Ending Balances:** List of estimated Other Funds and Lottery Funds ending balances for 2023-25 and 2025-27 biennia, as well as balances of American Rescue Plan Act (ARPA) funds estimated to be unspent at the end of the 2023-25 biennium. Agencies may be asked to update this information near the end of session.
- **Reduction Options:** List of reduction options for General Fund, Lottery Funds, and, if applicable, selected Other Funds as determined by your LFO analyst, amounting to a 10% reduction (in 5% increments) from the combined General Fund and Lottery Funds current service level used in the Governor's budget, excluding Debt Service.
- **Long-term Vacancies:** List of all budgeted vacancies of 12 months or more for permanent positions as of the most recent quarterly vacancy report, including the 2025-27 current service level budget associated with each vacancy.

Agency budget presentations take place in-person at the Oregon State Capitol. Presenters and agency staff needed to respond to subcommittee questions should attend the meetings in-person. However, due to extensive construction at the Capitol building, the only available entrance for agency staff and members of the public during the 2025 session will be through the main State Street entrance. All Capitol visitors and staff must also go through a security checkpoint, so agency presenters should arrive with sufficient time to allow for security processing.

Please contact your LFO analyst with any questions.

ATTACHMENT A: WAYS AND MEANS PRESENTATION REQUIREMENTS

The process and content requirements for agency PowerPoint and oral presentations are summarized below. Failure to follow these instructions could result in subcommittee hearings on an agency budget being cancelled or rescheduled for later in the session. If you believe exceptions to these instructions are necessary, please contact your LFO analyst.

Key Deadlines

- Presentation materials and a list of agency presenters (name and title) are due to your LFO analyst **at least seven calendar days prior to the subcommittee hearing**. For meetings scheduled within the first two weeks of session, please contact your LFO analyst for an adjusted deadline.
- If a written response is required for subcommittee questions asked on the record, the agency has two working days to provide the response to your LFO analyst. Upon review, the written response will be posted to OLIS.

General Process

- Slideshows must be submitted electronically in both PowerPoint and PDF versions.
- The presentations should be provided by the agency director and/or program managers. Presenters should be prepared to “drive” the slide show from the witness table.
- If the agency does not bring a copy of the slideshow on a flash drive, the PDF version posted to OLIS can be displayed.
- Presentations should be consistent in content and format. Agencies may be allowed to tailor their presentations beyond these guidelines with LFO approval.
- Large agencies should prepare the required content for the entire agency and each major division/program area; small agencies may cover the entire agency at a summary level.
- Agencies must ensure presentations can be completed within the time allotted, allowing for subcommittee questions. Subcommittee meetings are expected to be scheduled for 1.5 hours, four days per week.
- Agencies are encouraged to meet with subcommittee members in advance of subcommittee hearings, if possible.

PowerPoint Presentation Content

- Agency mission, goals, and historical context.

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- High-level summary of agency programs, services, and organizational structure, including organizational charts, as well as any proposed organizational changes.
 - Summary of programs, clients, numbers served, and key partners.
 - Overview of agency performance and outcome measures, how measures are used by the agency, and progress toward achieving goals.
 - Important changes to the agency's budget, operations, and programs in the past 6 years, broken down by biennia, with an emphasis on programs, investments, and policy changes initiated in 2023-25. Outcomes measuring the success of new programs and investments should be included.
 - Budget drivers and risks, such as caseloads, revenue changes, cost per case issues, workforce challenges, and new investments.
 - Significant issues that remain unresolved for 2023-25; please use the legislatively approved budget through December 2024 for any 2023-25 budget values.
 - Summary of the Governor's Budget by fund source, policy option package, reductions, and other major changes.
 - Proposed fee changes in the Governor's Budget. Information supporting fee increases should include the current fee amount, proposed increase, and date of the last increase.
 - Legislation necessary to implement the Governor's Budget proposals for the agency.
 - Information technology projects affecting the 2025-27 budget.
 - Summary of 10% reduction options and impact of any reductions included in the Governor's Budget.
 - Summary of long-term vacancy information requested by LFO, including number of vacancies, related budget by fund source, and length of time vacant.
 - Actions the agency is taking or plans to take to create savings, contain costs, improve services, or create other efficiencies without affecting services.
 - Requested changes to Key Performance Measures (KPM) or any KPM that the agency is not achieving.

ATTACHMENT B: WAYS AND MEANS REFERENCE DOCUMENT

Key Deadlines

- The reference document should be submitted to your LFO analyst with other presentation materials at least seven calendar days prior to the subcommittee hearing. For meetings scheduled within the first two weeks of session, please contact your LFO analyst for an adjusted deadline.

General Process

- Written reference documents should be combined into one PDF file that includes a summary page identifying the materials provided.

Reference Document Content

- A hyperlink/URL to the agency's Governor's Budget published on its website. If the agency's Governor's Budget document is not completed prior to the deadline for submitting materials, the link/URL should be provided to your LFO analyst as soon as available.
- Additional details, documents, and materials to support the budget information included in the agency's PowerPoint presentation.
- Results of, and agency responses to, all audits on the agency conducted by the Secretary of State under ORS 297.070 during the current biennium and/or an external audit firm.
- Description of how recent changes to agency budget and/or management flexibility affected agency operations.
- Description of workforce challenges, including the impact to agency operations and services and additional costs incurred (e.g., overtime, contracted staffing).
- Supervisory Span of Control Report from the Department of Administrative Services, Chief Human Resources Office, for agencies with more than 100 employees.
- Program prioritization for 2025-27 (form 107BF23).
- Summary of proposed information technology and capital construction projects.
- Summary of 10% reduction options requested by LFO.
- Summary of long-term vacancy information requested by LFO.
- Other Funds, Lottery Funds, and ARPA ending balance forms.