



# Secretary of State Oregon Audits Division



## State of Oregon Financial Condition Report 2020

June 2021  
Report 2021-20

Secretary of State Shemia Fagan  
Audits Division Director Kip Memmott

**Office of the Secretary of State**

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Dear fellow Oregonians:

In these unprecedented times, we are increasingly aware that Oregon state government plays a major role in the lives of Oregonians. It provides vital services to a growing population in an environment of limited financial resources. Maintaining sound financial condition is key to sustaining and improving services. Various indicators can provide crucial information for decision-makers, enabling them to capitalize on opportunities, tackle challenges, and effectively manage the financial condition of the state.

Accordingly, this biennial report presents selected high-level historical indicators of Oregon's financial condition for the period ending June 30, 2020, while also presenting available information regarding the impacts of the COVID-19 pandemic and recent wildfires.

Since our 2018 report, the following aspects of Oregon's financial condition are worth noting:

- Human services continue to be the largest expenditures by program area at \$15 billion, or 42%, of state expenditures. Approximately \$11.5 billion relates to the Medicaid program, with \$8.4 billion federally funded through reimbursements, which includes an additional 6.2% of federal funding from January to June 2020 in response to the COVID-19 pandemic.
- Education expenditures by K-12 institutions were \$7.9 billion, with state funding being the primary revenue source. Revenue shortfalls due to the COVID-19 pandemic were supplemented by a \$400 million withdrawal from the Education Stability Fund to maintain current service levels.
- Unemployment insurance expenditures increased to \$4.7 billion as a direct result of the COVID-19 pandemic and stay-at-home orders. Despite this significant increase, unemployment insurance cash balances available to pay future claims only reduced \$279 million due to implementation of several new federally funded programs.
- Oregon's unhoused population decreased by approximately 1,200 people to 14,600; however, the number of unhoused minors has more than doubled since 2011, presenting challenges to identify and address the needs of the unhoused population.
- The COVID-19 pandemic and historic wildfires created an unprecedented need for state services immediately before and extending beyond the end of the state's fiscal year. We have included a section to provide available information and will continue to provide updated information as it becomes available in future reports.

Please give thoughtful consideration to the following information, as responsible governance of the related resources will pay dividends for all Oregonians.

Sincerely,

Shemia Fagan  
Secretary of State

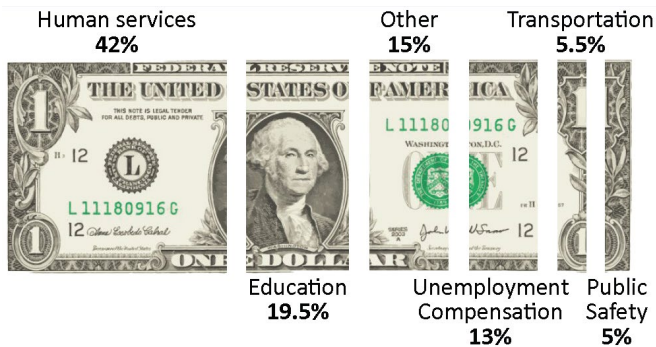
# Executive Summary

Fiscal Year 2020

## State of Oregon Financial Condition Report

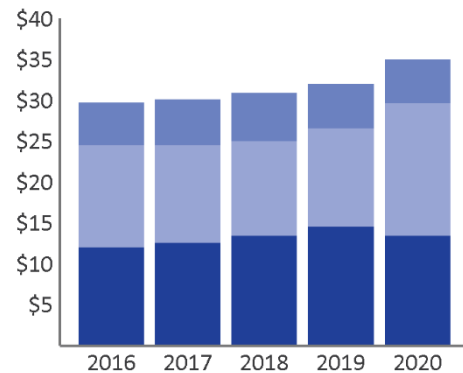
Oregon state government plays a major role in the lives of Oregonians. It provides vital services to a growing population in an environment of limited financial resources. Maintaining sound financial condition is key to sustaining and improving services. Various indicators can provide key information for decision-makers, enabling them to capitalize on opportunities, tackle challenges, and manage financial condition timely and effectively. While fiscal year 2020 ended June 30, 2020, this report does include information regarding the COVID-19 pandemic and wildfires that occurred throughout 2020.

### Expenditures by Program



Human Services continues to be the largest program, with the majority of expenditures for the Medicaid program, which assists low-income families in paying for medical care. Education spending includes K-12 schools, universities, and community colleges.

### Revenues (in billions)



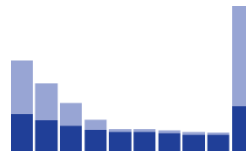
The state's main revenue sources are **taxes**, **federal revenue**, and **charges for services**. Since 2018, tax revenues have increased about \$853 million while federal revenues have increased \$4.3 billion, primarily related to COVID-19 pandemic assistance.



Oregon's population and personal income per capita continued to experience growth.



The Rainy Day Fund increased and remains available to weather economic downturns and uncertainties.



Unemployment insurance expenditures increased, however cash balances only decreased 6%.



The state's pension liability is about 77% funded, increasing the unfunded liability to about \$5.9 billion.

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# Introduction

## Objective, Scope, Methodology

The objective of this report is to provide information for the evaluation of the financial condition of the State of Oregon by decision-makers, the Oregon Legislature, and Oregonians. To complete our objective, we used select measurements from the Financial Trend Monitoring System developed by the International City and County Management Association.

The data in the report generally covers a 10-year period from fiscal year 2011 through 2020. Unless otherwise indicated, data is on a fiscal year basis (e.g., fiscal year 2020 represents July 1, 2019, through June 30, 2020). We express financial data in constant dollars to account for inflation by adjusting dollar amounts from each prior year to equal the purchasing power of money on June 30, 2020. We used the Consumer Price Index for the West region, as reported by the Bureau of Labor Statistics, U.S. Department of Labor.

We reviewed information for reasonableness and consistency. However, we did not audit the accuracy of the source documents or the reliability of the data in computer-based systems. Our review is not to give absolute assurance that all information is free from error. Rather, our intent was to provide reasonable assurance the reported information presents a fair picture of the state's financial condition. In addition, while the report offers financial highlights, it does not thoroughly determine the reasons for negative or positive performance. Explanations would require further analysis.

This report is for informational purposes and does not constitute an audit performed in accordance with generally accepted government auditing standards.

## Data Sources

Nearly all financial information is from the State of Oregon's Comprehensive Annual Financial Reports. Additional information, such as environmental indicators, is from state and federal agencies and may present different time periods because it is only available on a calendar year basis. Some information useful to readers extends beyond the 10 fiscal years covered in the report. Resources used include the following:

Oregon Department of Administrative Services	University of Oregon
Oregon Department of Education	Oregon State University
Oregon Department of Forestry	Portland State University
Oregon Department of Human Services	Western Oregon University
Oregon Department of Revenue	Southern Oregon University
Oregon Department of Transportation	Eastern Oregon University
Oregon Employment Department	Oregon Institute of Technology
Oregon Health Authority	Portland State University, Population Research Center
Oregon Higher Education Coordinating Commission	United States Bureau of Economic Analysis
Oregon Housing & Community Services Department	United States Bureau of Labor and Statistics
Oregon Office of Economic Analysis	United States Census Bureau
Oregon Public Employees' Retirement System	United States Department of Health and Human Services
Oregon Secretary of State	United States Department of Housing and Urban Development
Oregon State Treasury	United States Department of Labor
Oregon State Lottery Comprehensive Annual Financial Report	United States Federal Bureau of Investigation
State of Oregon Comprehensive Annual Financial Report	
State of Oregon Single Audit	

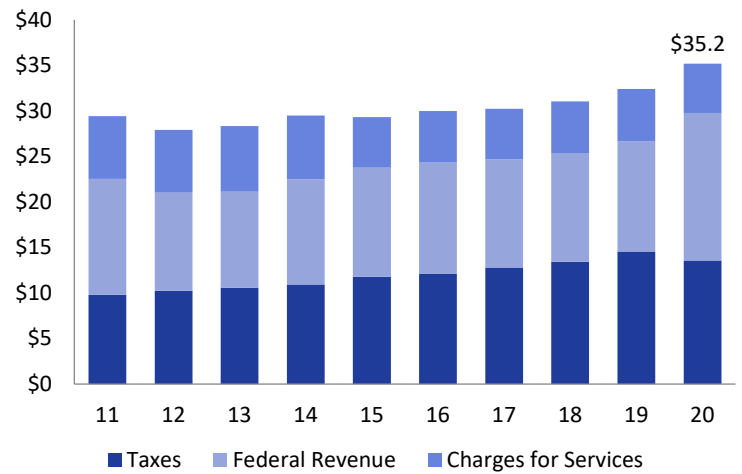
# Revenues

## Total Revenues

Revenues are affected by economic and policy changes and determine the capacity of the government to provide services to Oregonians. Total revenues have increased 20% since 2011 and 9% since 2019.

**Chart 1: Total Revenues by Source**

Adjusted for inflation (in billions), FY ended June 30



## Tax Revenues

In 2019, Oregon ranked 24<sup>th</sup> nationally in state taxes collected per capita and fifth in terms of personal income tax collections per capita, which remains Oregon’s primary source of tax revenues.

The Corporate Activity Tax (CAT) was adopted by the Legislature in 2019 to provide additional revenues for education spending. The CAT is in addition to the state’s current corporate income taxes and resulted in an additional \$420 million in tax revenues in 2020.

Other Taxes have increased 29% since 2018 related to increased marijuana tax revenues and inheritance tax collections. Oregon legalized recreational marijuana use in 2016; tax collections were \$121 million and \$156 million for 2019 and 2020, respectively.

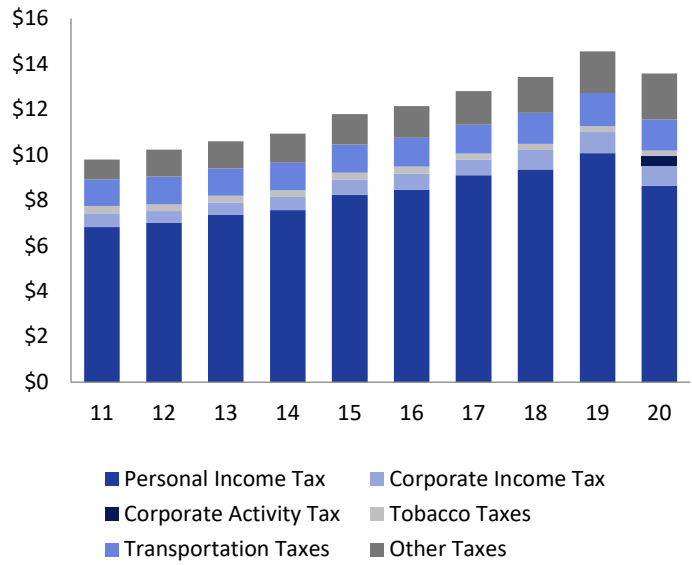
## Personal Income Tax Revenues and Kicker

When General Fund revenues, which are primarily comprised of personal income taxes, exceed forecasted revenues by 2%, state law requires the excess amount (referred to as the “kicker”) be refunded to taxpayers. Kicker amounts are refunded to taxpayers through credits on subsequent tax returns. As shown in Chart 3, the \$1.6 billion refunded at the end of the 2017-19 biennium resulted in a significant reduction of personal income tax revenues in 2020. Kicker refunds also occurred following the prior two biennia when the state refunded \$447 million and \$489 million, respectively.

**Chart 2: Tax Revenues**

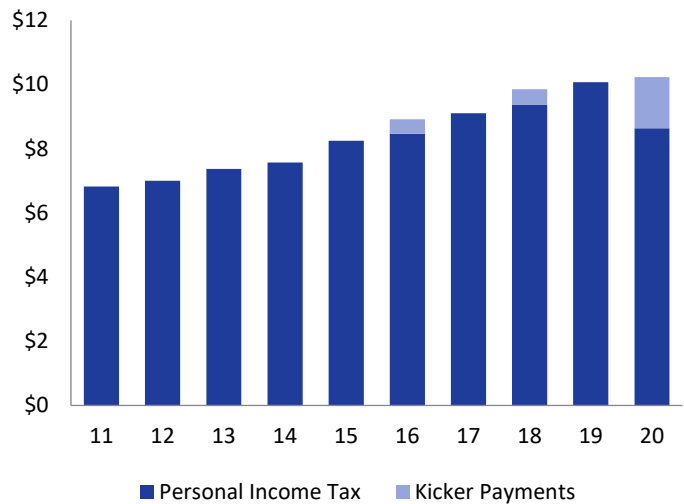
Adjusted for inflation (in billions), FY ended June 30

Note: Corporate Activity Tax applied only in FY20



**Chart 3: Personal Income Tax Revenues**

Adjusted for inflation (in billions), FY ended June 30



## Federal Revenues

Federal revenues are grants and reimbursements received from the federal government for programs and services provided to eligible recipients and are often restricted in their use. The state received \$5.4 billion from 2009 through 2020 through the American Recovery and Reinvestment Act (ARRA), the majority of which was received by the end of 2012.

In 2020, the state received \$3.7 billion in additional federal funding in response to the COVID-19 pandemic. These congressional actions included funding for expenditures resulting from the pandemic that were not previously budgeted, as well as expanded unemployment benefits.

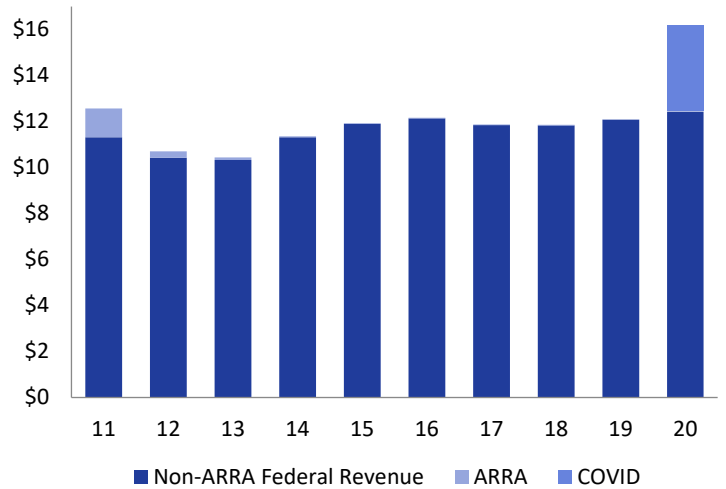
## Federal Revenues by Program Area

The state received about \$16.2 billion in federal assistance in fiscal year 2020. This represented a \$4.1 billion (34%) increase since 2019, and an overall increase of 29% since 2011.

Traditionally, the largest federal revenue source is the Medicaid program in the human services program area, accounting for approximately \$8.4 billion in 2020. The Unemployment Insurance program significantly increased in 2020 as a result of the COVID-19 pandemic, representing approximately \$3.3 billion in federal revenue.

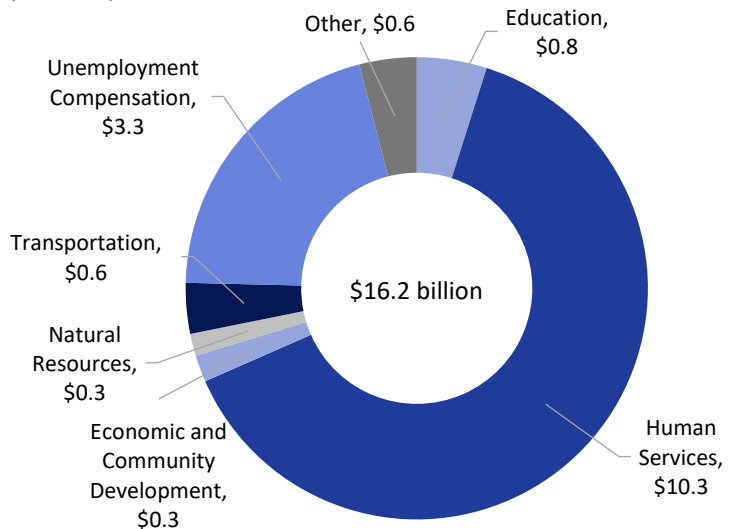
**Chart 4: Federal Revenues**

Adjusted for inflation (in billions), FY ended June 30



**Chart 5: Fiscal Year 2020 Federal Revenues by Program**

(in billions)



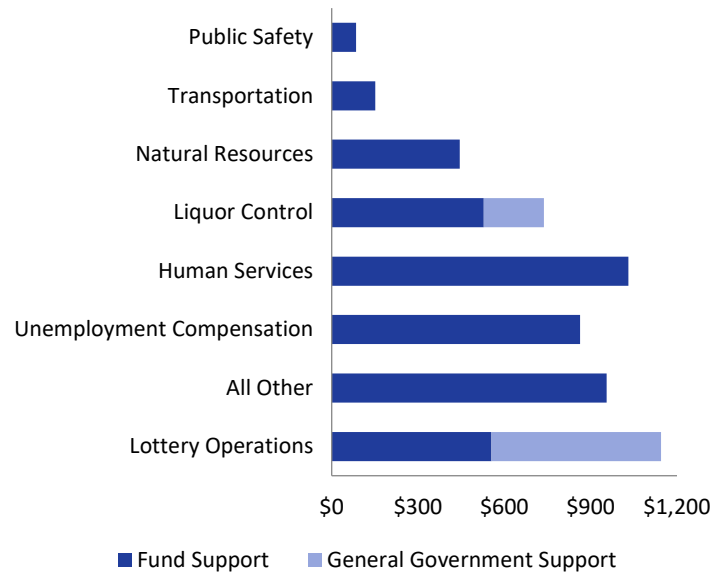


## Charges for Services

Charges for services are amounts collected from customers, applicants, employers, and others who use, purchase, or directly benefit from services provided. In fiscal year 2020, charges for services totaled \$5.4 billion and represented 15% of total state revenues. When omitting charges related to the university system, which was reported as a state activity until 2015, charges for services increased \$123 million, or 2%, since 2011. Charges for services generally support services of the particular program area, but those of the Liquor Control Commission and Lottery support services of other program areas as well.

**Chart 6: Fiscal Year 2020 Charges for Services**

(in millions)

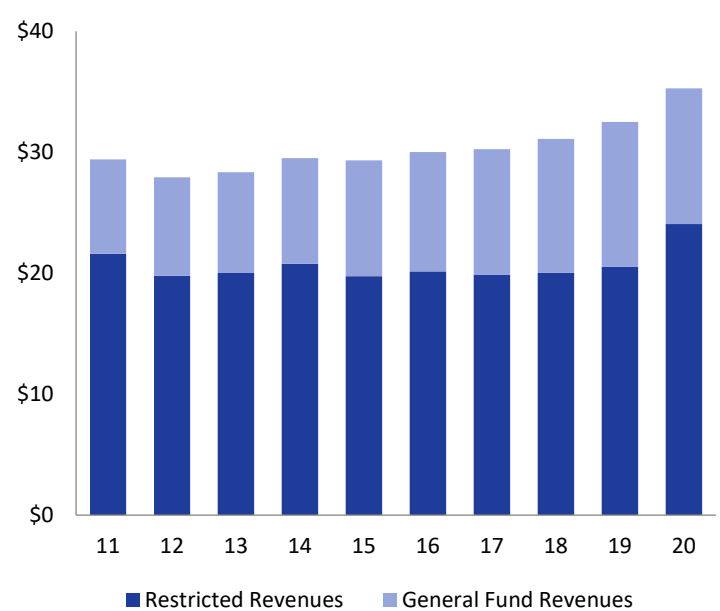


## Restricted and Unrestricted Revenues

The Legislature has discretion over spending General Fund revenues. Of the \$35.3 billion in total state revenues in fiscal year 2020, 32% is in the state General Fund with the majority available to fund education, human services, and public safety programs. The remaining revenues are restricted for specific purposes by grant agreements, the Oregon Constitution, or Oregon statutes. About 67% of restricted revenues are federal revenues that can be used only for federal programs. Other significant restricted revenues include motor fuel and other vehicle taxes.

**Chart 7: Restricted and Unrestricted Revenues**

Adjusted for inflation (in billions), FY ended June 30



# Expenditures

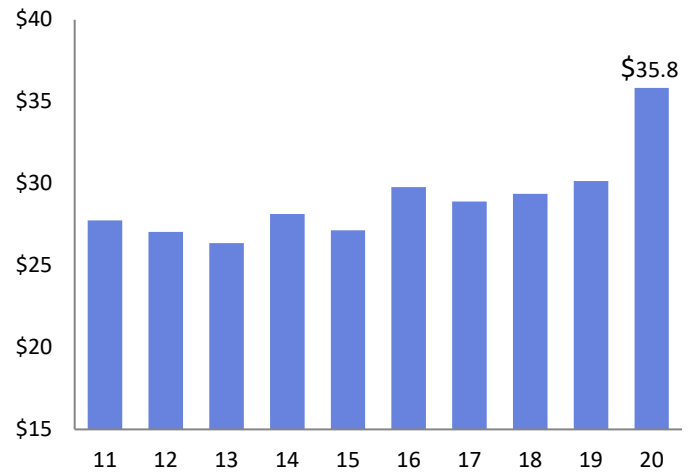
## Total Expenditures

Expenditures remained fairly steady from 2011 to 2018, with increases in human services expenditures from 2014 to 2016 due to implementation of the Affordable Care Act (ACA). Expenditures increased beginning in 2019 as a result of increased transportation and human services expenditures. The significant increase in 2020 expenditures was related to the COVID-19 pandemic response, most notably for human services and unemployment programs.

In 2020, about 85% of the state's \$35.8 billion in expenditures occurred in five areas: human services, education, unemployment compensation, transportation, and public safety.

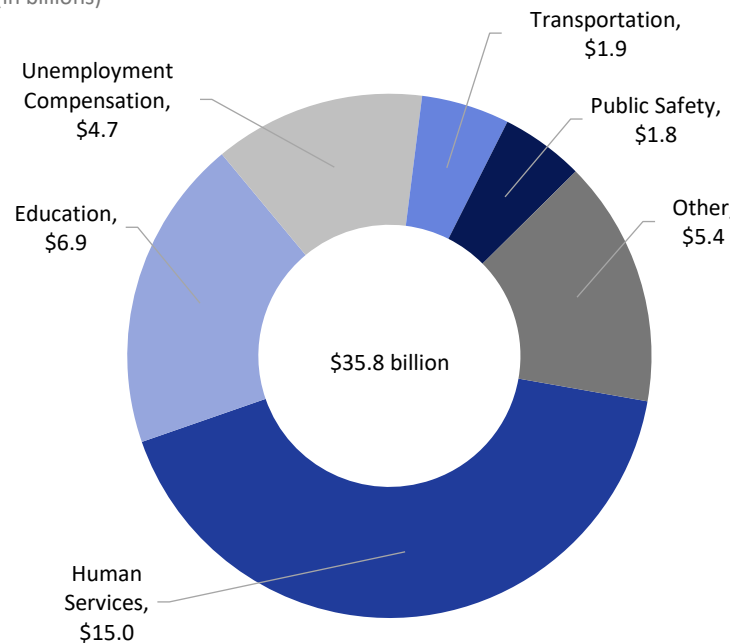
**Chart 8: Total State Expenditures**

Adjusted for inflation (in billions), FY ended June 30



**Chart 9: Fiscal Year 2020 Total Expenditures by Program**

(in billions)

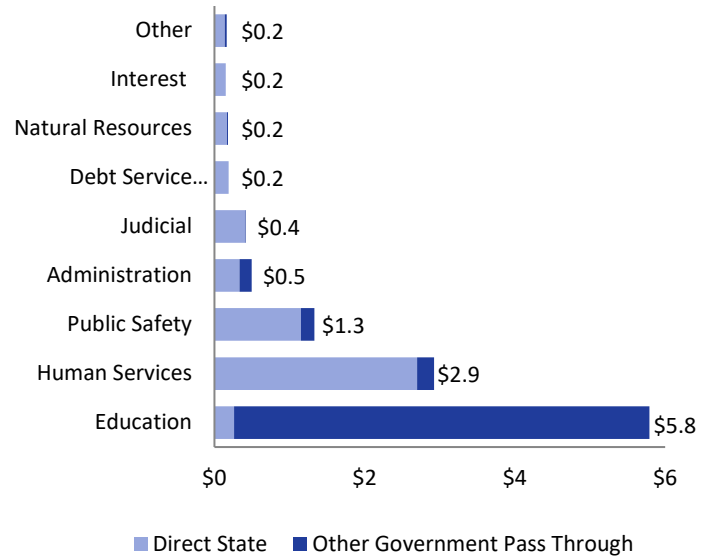


## General Fund Expenditures

Of the state's \$35.8 billion in expenditures, \$11.6 billion were General Fund expenditures. The majority of General Fund spending occurred in three areas: education, human services, and public safety. These three programs accounted for 85% to 88% of General Fund expenditures in each of the last 10 years. Expenditures can either be directly spent by state agencies or passed through to other government units to provide services. For example, education expenditures are primarily passed through to local school districts, public universities, and community colleges to provide education services.

**Chart 10: Fiscal Year 2020 General Fund Expenditures by Program**

(in billions)



## Human Services

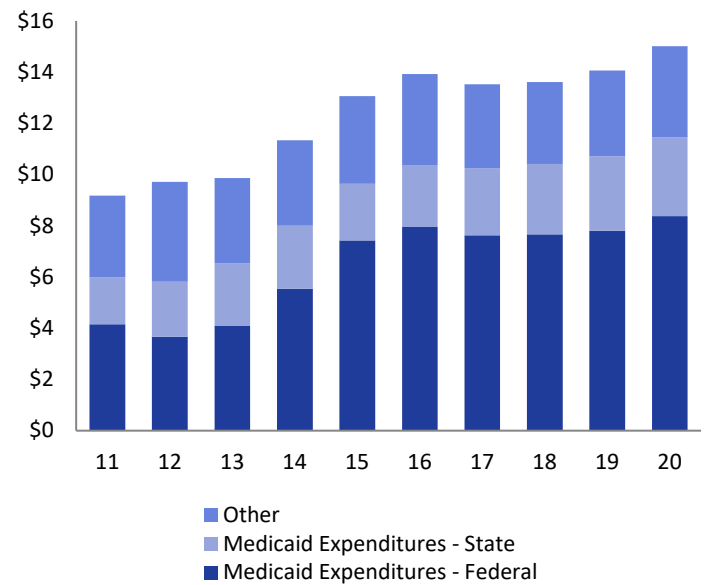
Human services spending has steadily increased in the last 10 years, with spending at \$15 billion in fiscal year 2020. Increases in 2015 were due to expanded eligibility for the Medicaid program as part of the ACA.

In 2020, a total of \$11.5 billion was spent for Medicaid. The state share of \$3.1 billion represents 32 cents of every state dollar — substantially more than the 21 cents of every dollar spent in 2011.

The Medicaid program compensates health care providers for services for eligible individuals and the state receives federal reimbursement for a portion of eligible Medicaid expenditures.

**Chart 11: Human Services Expenditures**

Adjusted for inflation (in billions), FY ended June 30



## K-12 Education

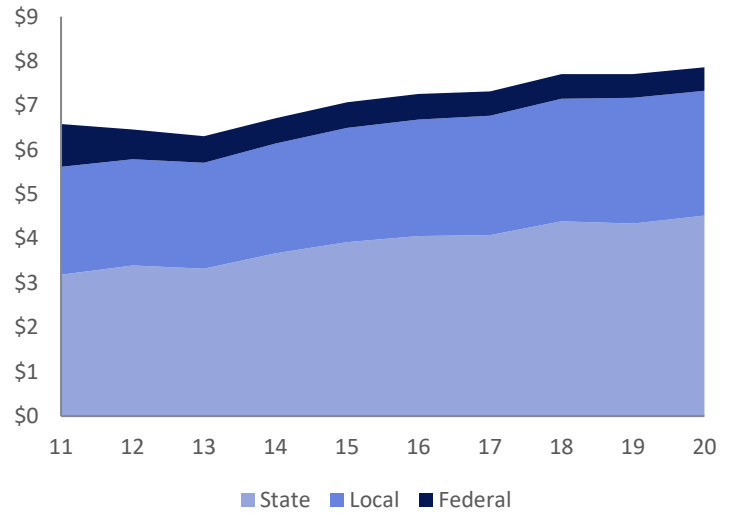
In 1990, Oregon voters passed Ballot Measure 5, which phased in property tax limitations for local governments and shifted a significant portion of the responsibility for school funding to the state. In 2020, state funding provided for 58% of K-12 expenditures and local funds provided 36%. The state distributes funding through the State School Fund (SSF), which is allocated across school districts and educational service districts to achieve equal per-student funding. The formula adjusts for cost differences through teacher experience adjustments, transportation grants, and weighted student counts.

Total K-12 public education spending was \$7.9 billion in 2020, an increase of 2% since 2019 and 19% since 2011. The majority of education spending at the district level, \$7.3 billion, occurred in Instruction and Support Services categories, which relates to teaching students and services to facilitate and enhance instruction.

Enrollment for K-12 has increased 4% since 2011, to approximately 583,000 students in 2020.

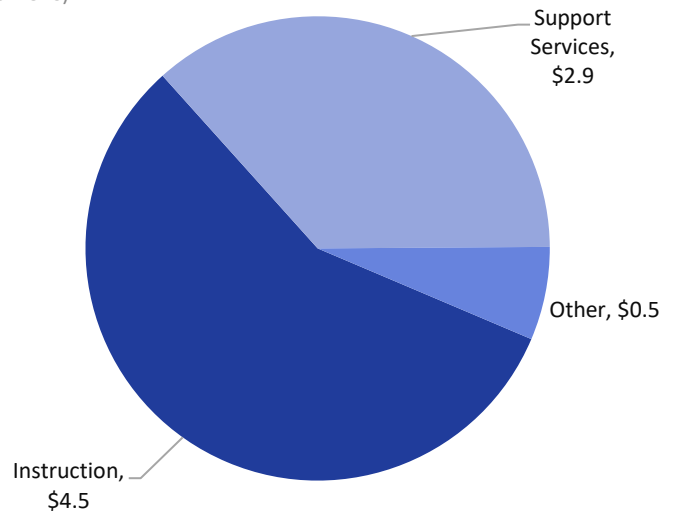
**Chart 12: Education (K-12) Spending by Source 2011-2020**

Adjusted for inflation (in billions)



**Chart 13: 2020 Education (K-12) Expenditures by Category**

(in billions)



## Public Universities

There are seven public universities in Oregon, the largest of which are Oregon State University, Portland State University, and the University of Oregon. University expenditures focus on instruction, research, public service, auxiliary services such as housing and dining, athletics, health services, and academic, student, and institutional support.

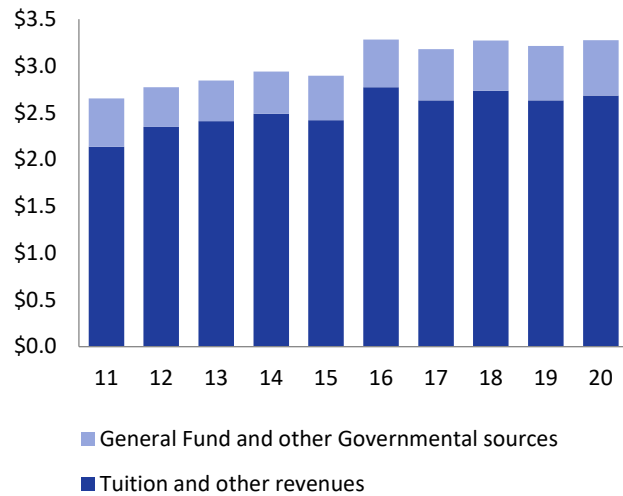
The majority of university funding is tuition and grants, with additional funding from the state’s General Fund, Lottery funds, and other sources. The Public University Support Fund is the state’s primary direct funding contribution for university operations and is allocated to the individual universities using the Student Success and Completion Model, which includes mission differentiation, activity-based, and outcomes-based funding. Outcomes-Based Funding rewards degree and certificate completions by Oregon resident students, as well as completions by underrepresented students (minority, low-income, rural, and veterans) and those in academic disciplines in high-demand and high-reward fields with additional resources.

In 2020, the universities received \$541 million from the General Fund and another \$52 million from other governmental sources.

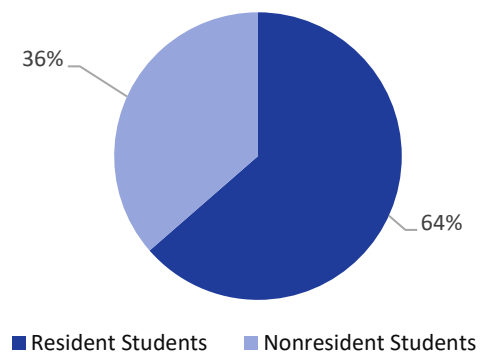
Since 2011, overall university enrollment decreased 3% to approximately 97,000 students in 2020. Nonresident student populations increased 24%, and resident student populations decreased 14% since 2011. Despite the overall decrease in enrollment, the increased ratio of nonresident to resident students has resulted in a continual increase in tuition revenues, due to nonresident tuition being almost double the cost of resident tuition.

**Chart 14: Universities' Expenditures by Revenue Source**

Adjusted for inflation (in billions), FY ended June 30



**Chart 15: Enrollment by Oregon Residency Status**



## Community Colleges

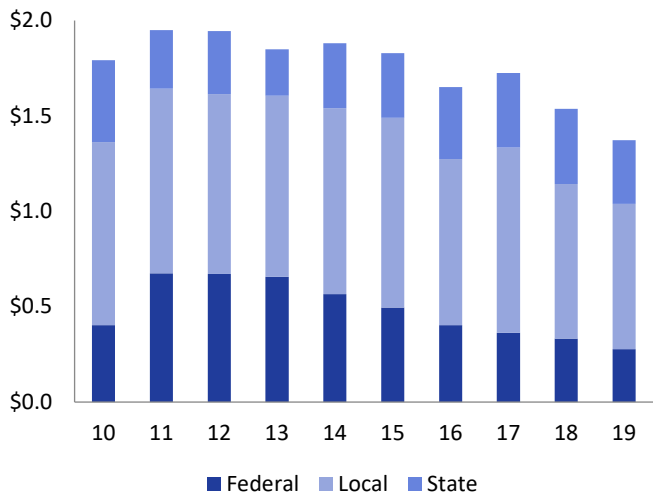
Oregon has a network of 17 community colleges with independently elected boards. These schools are considered local governments and received approximately \$334 million in state funding in 2019 through the Higher Education Coordinating Commission.<sup>1</sup> Since 2010, community colleges received approximately 53% of funding from local sources, such as tuition and property taxes, and 27% from federal sources.

State funding is provided through the Community College Support Fund, which includes funding for specific program areas, such as distance learning, as well as proportional distributions based on the full-time equivalent enrollment for Oregon, Idaho, Washington, Nevada, and California residents who take part in coursework offered within Oregon boundaries.

Community college enrollment has declined 37% since 2011, due in part to improving economic conditions encouraging people to remain employed instead of seeking further education for a career change.

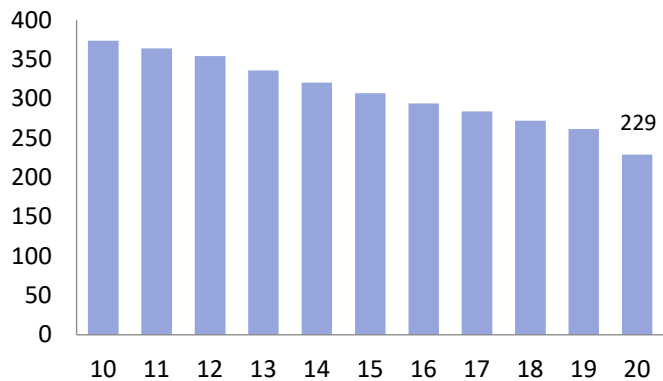
**Chart 16: Community College Expenditures by Revenue and Source**

Adjusted for inflation (in billions), FY year ended June 30



**Chart 17: Community College Enrollment**

Number of Students (in thousands)



<sup>1</sup> 2019 is the most current information available for community colleges from the Higher Education Coordinating Commission.

## Unemployment Insurance

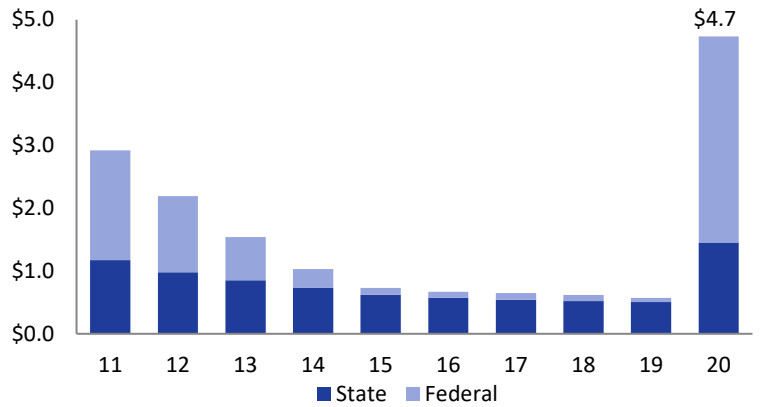
The Unemployment Insurance program provides payments to eligible individuals who have lost their jobs through no fault of their own. Employers are assessed a payroll tax based on employee earnings, the funds from which are used to make benefit payments. When tax assessments exceed benefit payments, the unemployment compensation fund balance increases, building cash reserves to help weather periods of high unemployment. Unemployment expenditures significantly increased in 2020 as a result of the COVID-19 pandemic response, which closed, or reduced the operating capacity of, many businesses beginning in March 2020.

Federal pandemic response benefit payments represented \$3.2 billion (67%) of total 2020 unemployment expenditures. The majority of federal pandemic response payments, \$2.7 billion, were related to the Federal Pandemic Unemployment Compensation program, which provided individuals an additional \$600 per week if they received any type of unemployment insurance benefit.

The remaining unemployment insurance benefit payments were paid with cash reserves that have been building since 2011; overall cash decreased only 6% in 2020.

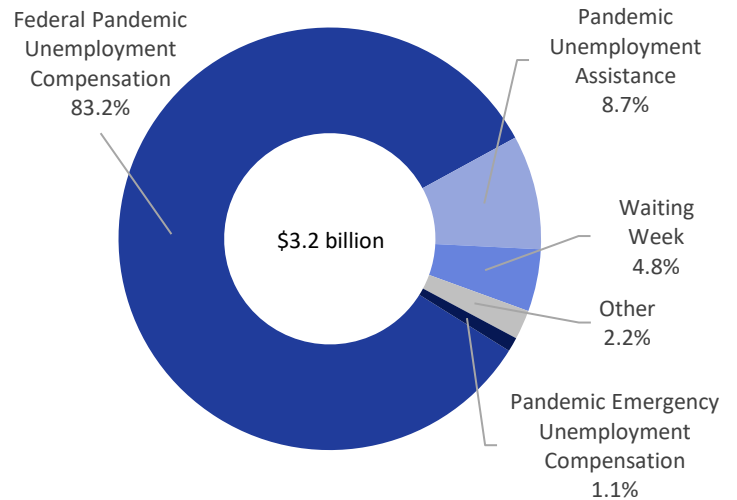
**Chart 18: Unemployment Insurance Expenditures**

Adjusted for inflation (in billions), FY ended June 30



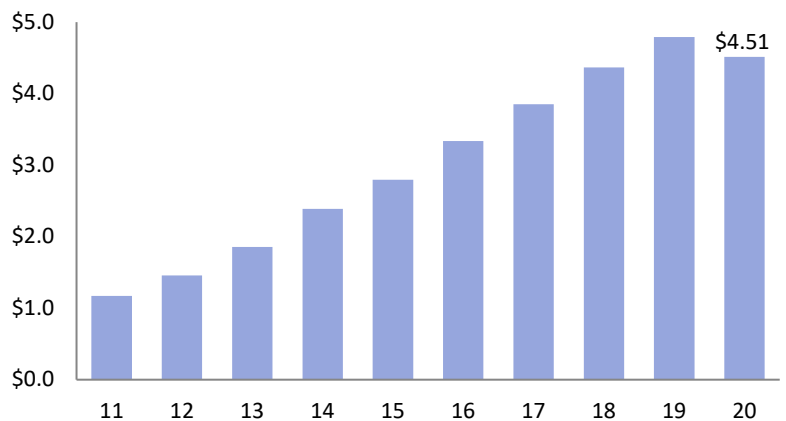
**Chart 19: COVID-19 Federal Unemployment Insurance Expenditures by Benefit Program**

FY ended June 30, 2020



**Chart 20: Unemployment Insurance Cash Balance**

Adjusted for inflation (in billions), FY ended June 30



## Transportation

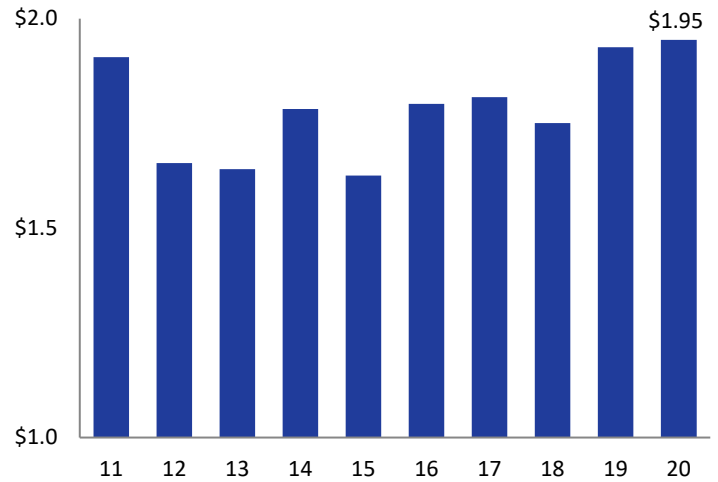
Transportation expenditures consist of costs to maintain, build, and repair Oregon's network of highways, tunnels, and bridges. Transportation revenues are primarily from the State Highway Fund, which includes constitutionally dedicated highway user taxes and vehicle registration taxes, in addition to various federal highway funds.

Expenditures increased 11% since 2018, due to passage of the Keep Oregon Moving transportation funding package in August 2017. This legislation included funding for road and bridge maintenance, better public transportation, and electric vehicle incentives as well as providing additional funding to cities and counties to complete local projects.

Distributions by the Oregon Department of Transportation to cities and counties as required by statutes increased 8% since 2018 to \$532 million.

**Chart 21: Transportation Expenditures**

Adjusted for inflation (in billions), FY ended June 30



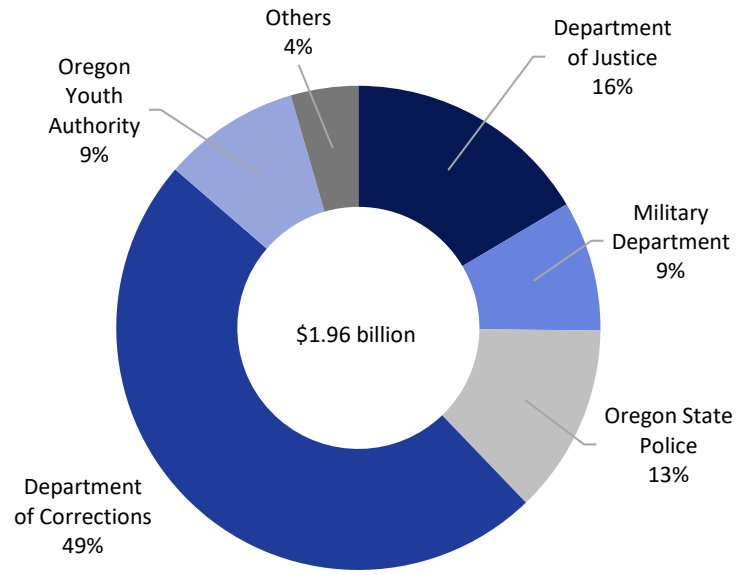


## Public Safety

The Public Safety program provides services to ensure the safety of Oregonians and their property through police, military, courts, and correctional facilities. Nearly half of public safety expenditures were by the Department of Corrections to operate 14 correctional facilities, which house approximately 13,150 adults in custody. The number of adults in custody in Oregon’s prisons decreased 6% over the past decade and 10% since 2019. This decrease is primarily attributed to COVID-19 pandemic factors, such as correctional facility social distancing policies, delays in case processing, and changes in crime patterns. Overall, the adults leaving custody outnumbered those entering custody.

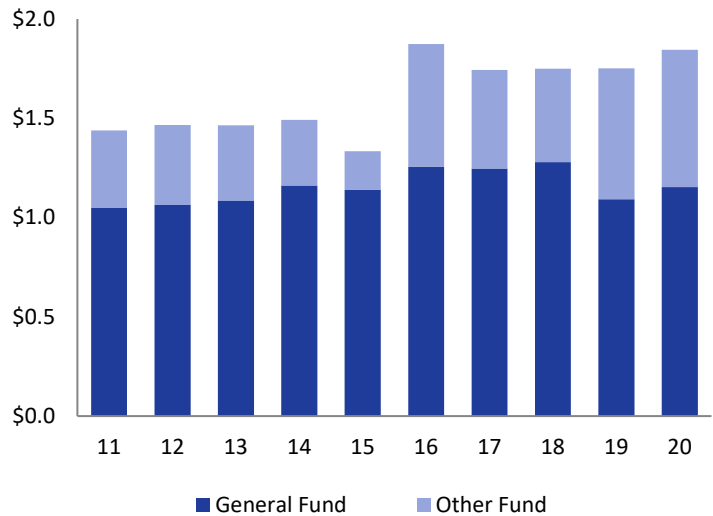
The increase in expenditures in 2016 was due to the Oregon Supreme Court ruling in *Moro v. State of Oregon*, which reversed a significant portion of reductions and resulted in the recognition of \$373 million in pension expenses in 2016. Expenditures remained stable from 2017 to 2019 and increased in 2020 due to salary and pension costs.

**Chart 22: Fiscal Year 2020 Public Safety Expenditures by Agency**



**Chart 23: Public Safety Expenditures**

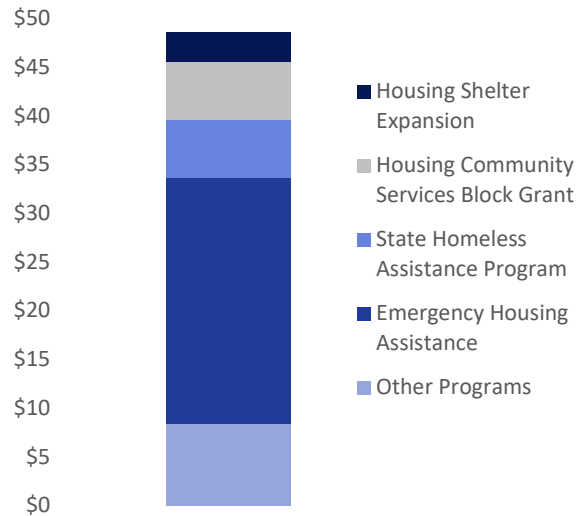
Adjusted for inflation (in billions), FY ended June 30



## Unhoused Expenditures

The unhoused population in Oregon has decreased 15% since 2011 to approximately 14,600 individuals; however, the minor unhoused population has grown from about 900 individuals in 2011 to about 2,000 individuals in 2020. Housing assistance programs, such as the Emergency Housing, State Homeless and Shelter Expansion programs, were established for the unhoused or those at risk of becoming unhoused, and are primarily funded with state resources. These programs focus on helping low-income persons who are unstably housed or have emergency needs and work to reduce community poverty and ensure available shelter resources for the unhoused. Expenditures for programs to assist unhoused populations totaled \$48.6 million in 2020.<sup>2</sup>

**Chart 24: Fiscal Year 2020 Unhoused Program Expenditures**  
(in millions)

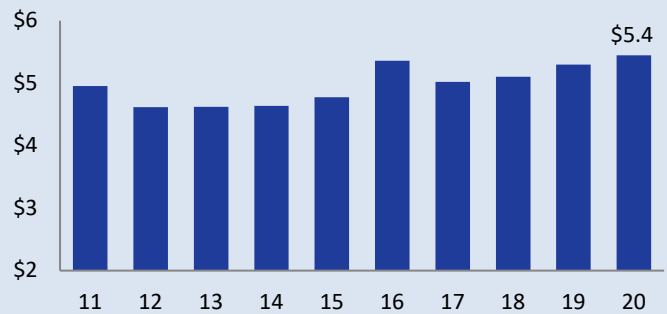


## Other

Governmental funds also support the operations of other smaller agencies and programs. Examples include expenditures for operations of the judicial system, economic development, and the preservation and maintenance of natural resources. See the appendix for a detail of expenditures by program area and state agency.

**Chart 25: All Other Expenditures**

Adjusted for inflation (in billions), FY ended June 30



<sup>2</sup> Unhoused expenditures represent a new financial indicator and 10-year trend information will be presented going forward.

# Long-Term Debt

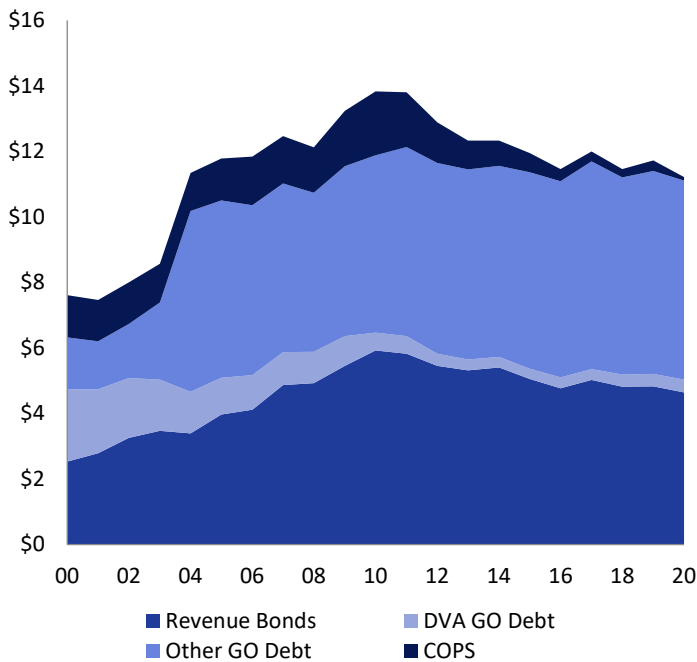
## Long-Term Debt Structure

The issuance of long-term debt allows the state to acquire major assets and finance large projects such as buildings, bridges and highways, and prisons. An increase in debt, however, limits the state’s ability to react to current economic conditions. When resources are committed to pay fixed amounts for debt service, the ability to maintain service levels becomes more difficult, especially when revenues decline.

The Oregon Constitution and state statutes limit the total amount of debt the state may incur, but individual agencies may issue debt for specific programs pursuant to state law.

**Chart 26: Long Term Debt**

Adjusted for inflation (in billions), FY ended June 30



Oregon’s outstanding debt falls into four broad categories:

**Revenue Bonds** finance a variety of general government projects. Repayment is secured by a pledge of specific revenues, such as highway projects using highway user taxes as the repayment source. The amount of revenue bonds outstanding as of June 30, 2020, was \$4.6 billion.

**General Obligation Bonds** finance a variety of general government projects. These bonds are secured by a pledge of the full faith, credit, and taxing power of the state, and are limited to a percentage of the real market value of all taxable real property in the state. The amount of general obligation bonds outstanding as of June 30, 2020, was \$6.1 billion, or 9.9% of the maximum allowed.

**DVA General Obligation Bonds** issued by the Department of Veterans’ Affairs (DVA) finance housing loans for qualifying veterans. Veterans’ home loan repayments fund the debt service payments for these bonds, but other state funds are available if DVA is unable to repay the bonds. The amount of DVA general obligation bonds outstanding as of June 30, 2020, was \$393.5 million.

**Certificates of Participation** are financing agreements used to purchase computer and telecommunications systems and other state facility projects. The amount of certificates of participation outstanding as of June 30, 2020, was \$101 million.

In fiscal year 2020, the state issued \$1.3 billion of new debt to refund \$1.3 billion of outstanding debt to reduce future debt payments by \$194 million.

## Debt Per Capita

For fiscal year 2020, the state’s bonded debt totaled \$11 billion, or \$2,585 per Oregonian. The estimated local government outstanding debt totaled \$27.2 billion, or \$6,366 per Oregonian. Both amounts are in addition to outstanding federal government debt of \$21.3 trillion, or \$64,295 per person. The significant increases to estimated local debt outstanding in 2017 and 2018, as shown in Chart 27, are partly caused by additional types of debt, such as outstanding revolving lines of credit, and partly because local governments chose to finance increased investments in infrastructure under the favorable economic conditions.

**Chart 27: Debt Per Capita**

Adjusted for inflation, FY ended June 30

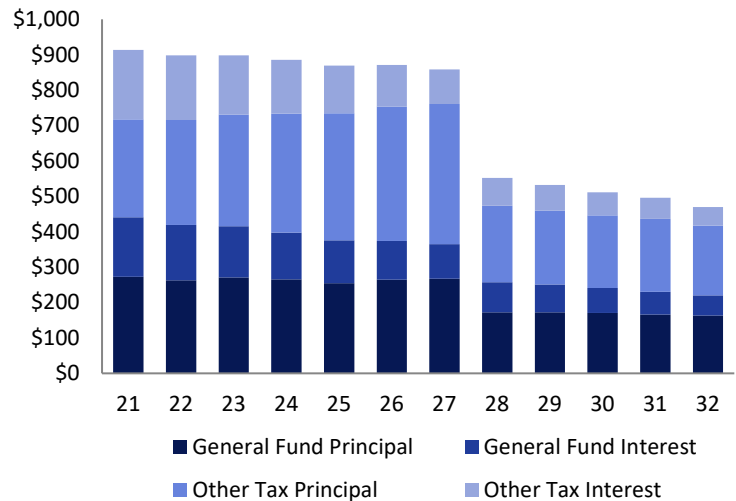


## Future Debt Service

Expected future debt service payments are the amounts to be paid using General Fund monies and other tax revenues. The amounts in this section are not inflation adjusted. Other tax revenues include lottery revenue bond debt and highway user bond debt. As of June 30, 2020, the outstanding General Fund debt was \$3.9 billion and the outstanding other tax supported debt totaled \$4.5 billion. The State expects to make approximately \$11.5 billion in future debt payments (principal and interest) until the debt is satisfied in 2045, with a decrease in annual debt service payments beginning in 2028 due to the completed repayment of pension obligation bonds.

**Chart 28: Future Debt Service Payments 2021-2032**

(in millions)

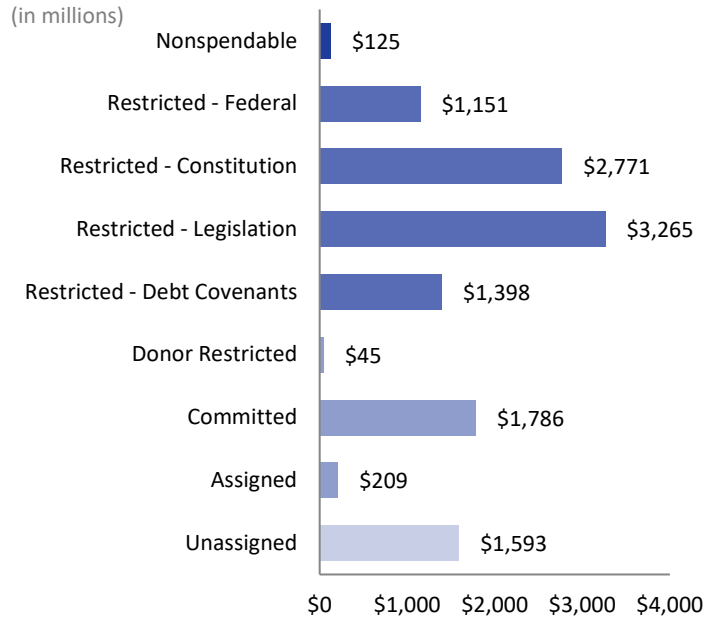


# Fiscal Health

## Governmental Fund Balance

Fund balance is the excess of assets over liabilities. Accounting standards require governments to report fund balance based upon constraints on the use of the resources reported in governmental funds. The five fund balance classifications are: nonspendable, restricted, committed, assigned, and unassigned. In general, nonspendable balances are “not in spendable” form, such as inventories. Restricted fund balances identify constraints imposed by state or federal law, the Oregon Constitution, or external parties such as creditors or grantors. Committed balances are constrained through the legislative process. Assigned balances reflect the state’s intent to use the funds for specific purposes. Unassigned balances are General Fund amounts not otherwise restricted, committed, or assigned.

**Chart 29: Governmental Fund Balance**  
June 30, 2020

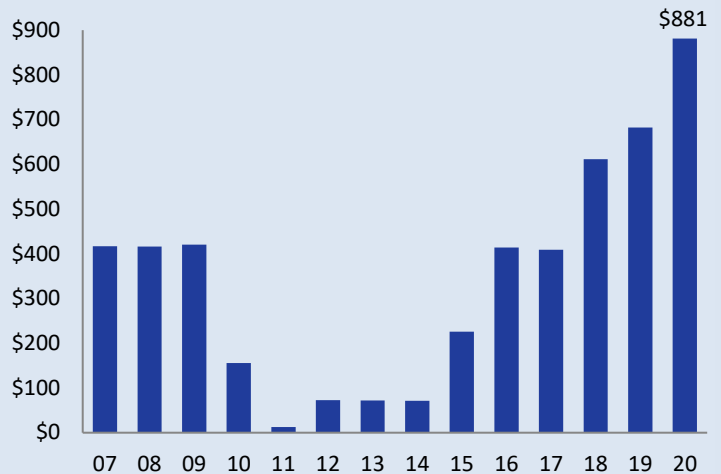


## Oregon Rainy Day Fund

The 2007 Legislature established the Oregon Rainy Day Fund through a transfer of excess corporate income taxes. Its purpose is to serve as a resource in times of economic downturns that significantly affect state government. State law requires General Fund transfers to the Oregon Rainy Day Fund when General Fund revenues exceed appropriations. For example, \$198 million was transferred to the Oregon Rainy Day Fund in 2020.

**Chart 30: Oregon Rainy Day Fund**

Adjusted for inflation (in millions), FY ended June 30



## State Retirement Liabilities

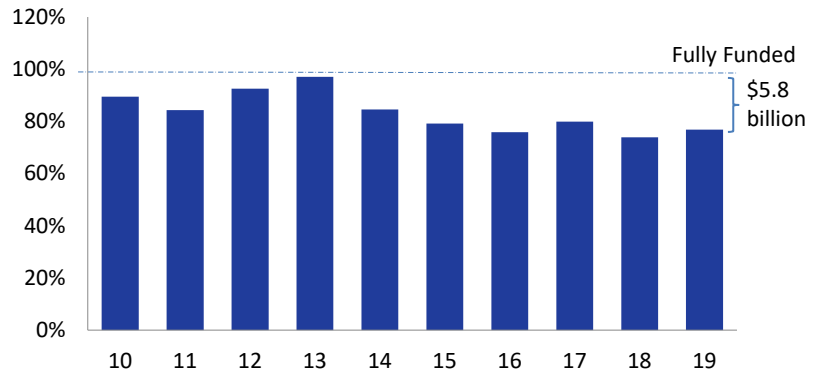
The State of Oregon provides pension and other retirement benefits to its employees, administered through the Public Employees Retirement System (PERS). PERS also administers pension plans for local governments, including cities, counties, and school districts. The following charts are limited to only the state's share of the pension liabilities and are not intended to provide a comprehensive analysis of all plans administered by PERS. The PERS fiscal year 2020 financial statements are located on the PERS website.<sup>3</sup>

The funded ratio is an analysis of resources to pay estimated pension obligations; however, the funded ratio is only one factor to consider when evaluating the health of a pension plan. Other factors include the size of the pension obligation relative to the sponsor, the financial health of the sponsor, the funding or contribution policy and whether contributions are made in accordance with policy, and investment strategy. As of June 30, 2020, the estimated average funded status of the 100 largest U.S. public pension plans was 71.2%.

Over the past 25 years, the state's pension plans have been reevaluated, and adjustments made to contributions and future benefits, to allow for a 95% funded status by 2038. As of December 31, 2019, the state's funded liability was about 77%, resulting in an unfunded PERS liability of about \$5.9 billion. As expressed in the PERS system-wide actuarial valuation for 2019, the funded status declined in recent years due to the combined effects of the *Moro v. State of Oregon* ruling which reversed reductions to future cost of living adjustments and investment losses.

Chart 31: Funded Ratio: State Agencies

Calendar Year ended Dec 31

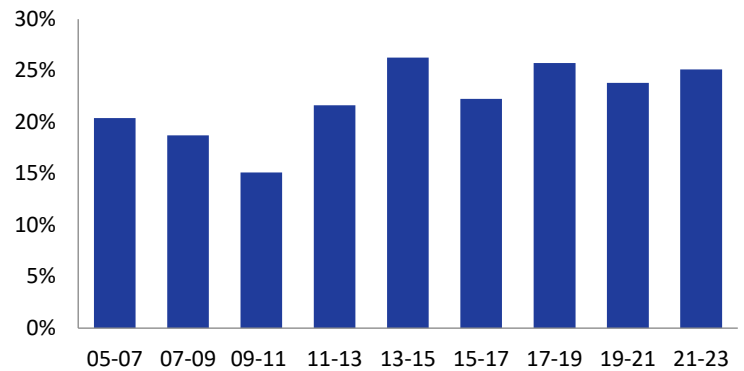


<sup>3</sup> <https://www.oregon.gov/pers/Pages/Financials/Actuarial-Financial-Information.aspx>

To fund pension benefits, agencies made required contributions based on a percentage of employee payroll. The required contribution includes a PERS employee rate, a member contribution rate, and a pension bond rate. The PERS Board sets the employer rate every two years, changing July 1 of odd-numbered years. In 2004, the state issued \$2 billion (not inflation adjusted) in pension obligation bonds to reduce the state's pension liability. The pension bond rate covers the payments on these bonds.

**Chart 32: State Agency Retirement Contribution Rates**

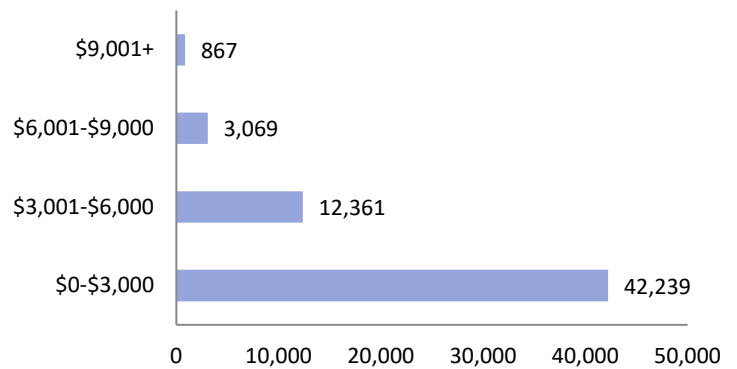
Percentage of Payroll, Biennia ended June 30



The state paid approximately \$1.6 billion in retiree benefit payments in 2019 to 58,536 retirees. About 72% of the monthly payments were for \$3,000 or less.<sup>4</sup> The average monthly state service payment was \$1,961 in 2019.<sup>5</sup>

**Chart 33: State Service Retirement Monthly Payment**

Month ended December 31, 2019



## Employee Health Care Costs

There has been significant attention on rising health care costs in recent years. Beginning in January 2012, state employees began contributing a portion of their salary to their health insurance premiums, slowing the increase of costs to the state. From 2009 to 2011, the average annual increase in employee healthcare costs was 3.5%. By comparison, from 2012 to 2020, the average annual increase in employee healthcare costs was only 0.8%. In 2020 the state paid, on average, \$18,561 per employee.

**Chart 34: Average Annual Health Care Costs per State Employee**

Adjusted for inflation (in thousands), FY ended June 30



<sup>4</sup> Not inflation adjusted

<sup>5</sup> Not inflation adjusted

## Tax Expenditures

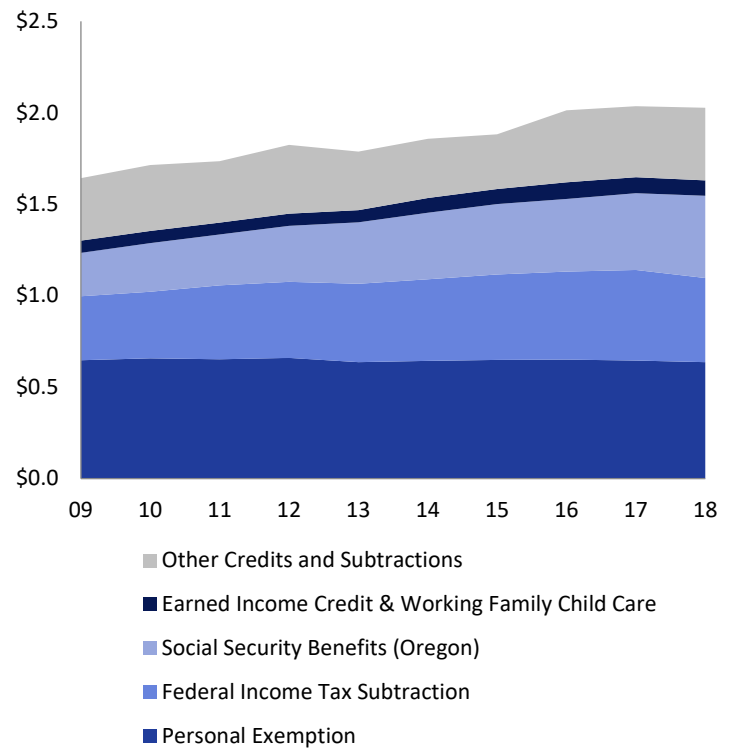
Tax expenditures are federal or state laws that exempt certain persons, property, income, goods, or services from the impact of established taxes. These provisions primarily support specific activities or assist specific groups of taxpayers. Thus, tax expenditures often accomplish the same goals as direct spending programs at the cost of reduced tax revenues.

The Legislature, as the law-making and budget-setting branch of state government, decides how to balance tax expenditures with other policies. While the Legislature can define most tax expenditures, some are beyond its ability to change due to pre-existing laws and regulations. For example, Article IX, Section 9, of the Oregon Constitution prohibits the taxation of social security benefits. Many other tax expenditures are the result of the Legislature's desire for Oregon's income tax laws to align with federal income tax laws.

The Governor issues a report outlining the estimated tax expenditures for the upcoming biennium pursuant to Oregon's 1995 Budget Accountability Act. This Tax Expenditure Report helps legislators and Oregonians to understand the nature and estimated fiscal impact of tax expenditures. The complete tax expenditures report is available on the Department of Revenue website.<sup>6</sup>

**Chart 35: Selected Oregon Income Tax Expenditures  
Tax Years 2009-2018**

Tax Credits and Subtractions  
Adjusted for inflation (in billions)



<sup>6</sup> <https://www.oregon.gov/dor/programs/gov-research/Pages/research-tax-expenditure.aspx>



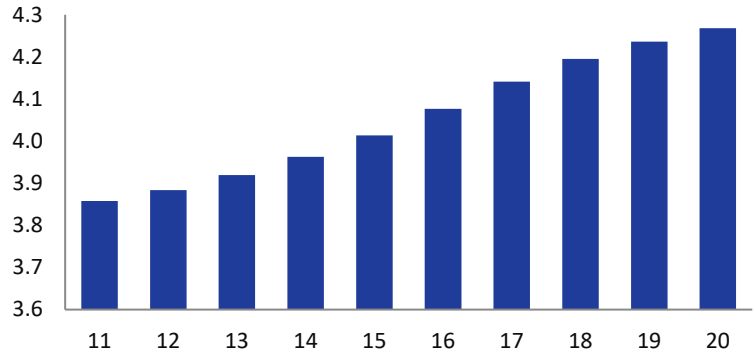
# Demographics

## Population

Oregon has an estimated population of 4,268,055 as of July 1, 2020. The state's population has grown 11% since July 1, 2011.

Chart 36: Oregon Population

(in millions), July 1

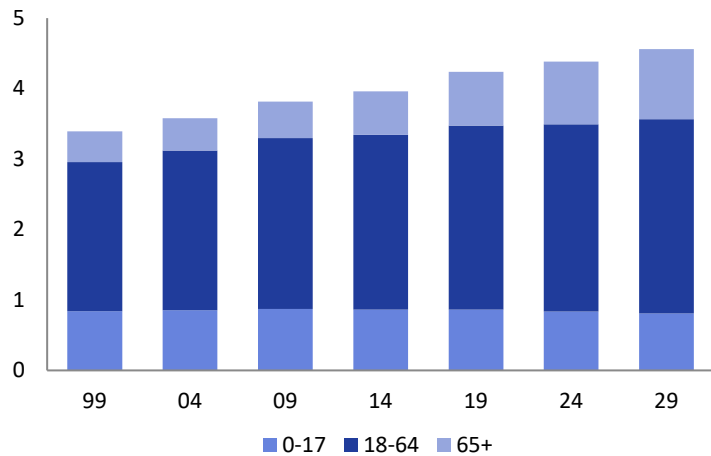


## Age Demographics

Oregon's population is aging. The eldest members of the baby boom generation are eligible for Social Security benefits and many are retired, which also means greater demand for health care services. The expected average annual growth rate of the population over age 65 is 2.7% over the next decade. By 2029, roughly one in every five Oregonians will be over 65.

Chart 37: Age Structure (1999-2029)

(in millions), July 1



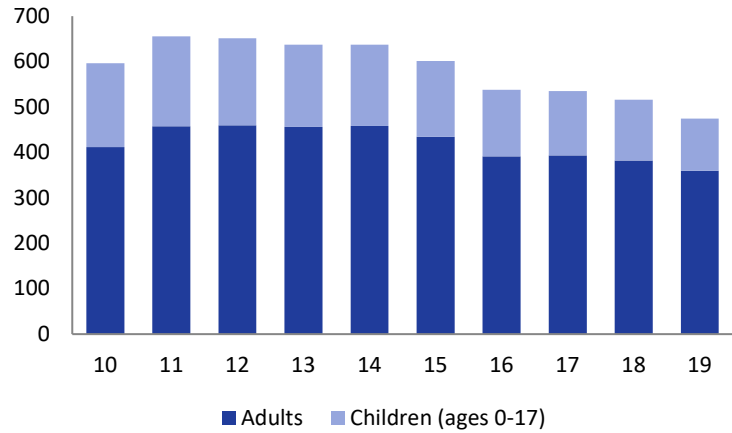
## Poverty

The poverty threshold is the minimum level of income necessary to achieve a minimum standard of living. For example, in calendar year 2019, a family of four with a gross annual income of less than \$26,172 (not inflation adjusted) would be considered living in poverty. People living in poverty drive demand for many state services such as health care, unemployment, and public assistance.

The population living in poverty has decreased 21% since 2010. For 2019, Clackamas County had the lowest poverty rate in the state at 7.2% and Malheur County had the highest at 21.0%.

**Chart 38: Number of Persons in Poverty 2010-2019**

(in thousands), December 31



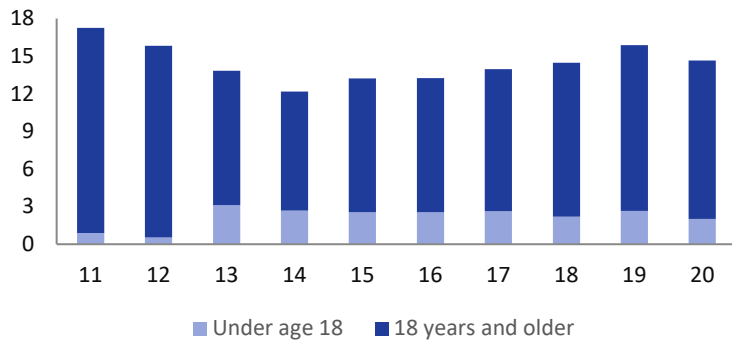
## Unhoused Population

Oregon has an unhoused population of approximately 14,600 individuals, with about 2,000 individuals under the age of 18, and 1,300 veterans. Approximately 8,900 of those individuals identified as unsheltered. The different types of shelters for the unhoused include:

- **Emergency Shelters**, which are facilities with the primary purpose of providing temporary shelter;
- **Transitional Housing**, which are facilities that provide shelter combined with supportive services; and
- **Safe Havens**, which are facilities that provide temporary shelter and services to hard-to-serve individuals.

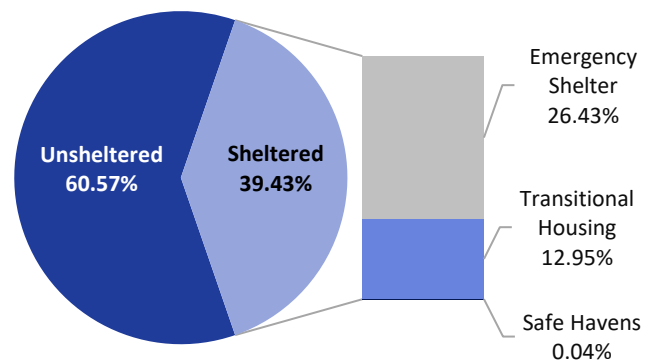
**Chart 39: Unhoused Population**

(in thousands), Point in time, January



**Chart 40: 2020 Sheltered vs. Unsheltered Population**

Point in time, January

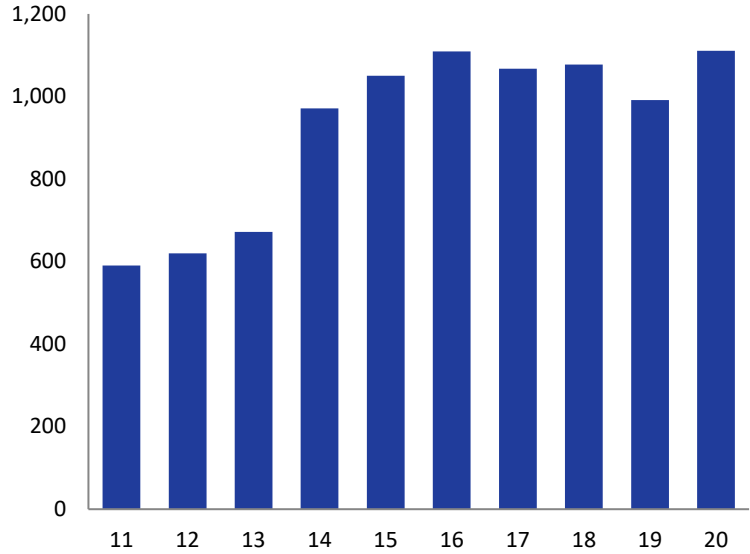


## Oregon Health Plan

The Oregon Health Plan is a public/private partnership that provides access to basic health care for Oregonians. Medicaid, the single largest state program, is the primary component of the plan. The sharp increase in 2014 was the result of changes to eligibility requirements due to the implementation of the ACA. In 2020, 26% of Oregon's population was enrolled in the Oregon Health Plan; this is an increase of over 88% since 2011.

**Chart 41: Oregon Health Plan Clients**

(in thousands), FY ended June 30

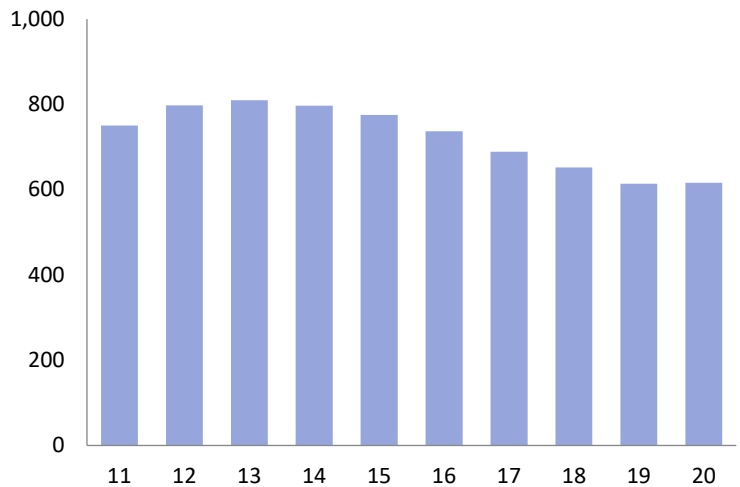


## Supplemental Nutrition Assistance Program (SNAP)

In 2020, 14% of Oregonians participated in SNAP, formerly known as food stamps, relying partly on the government for supplemental nutritional assistance. In recent years, Oregon typically ranked in the top five states in terms of SNAP participants per capita. Increases through 2013 are due to the Great Recession; however, total SNAP participants have declined 5% overall since 2018, but due to the COVID-19 pandemic, have increased over the prior year.

**Chart 42: Supplemental Nutrition Assistance Program Average Number of Individuals**

(in thousands), FY ended June 30

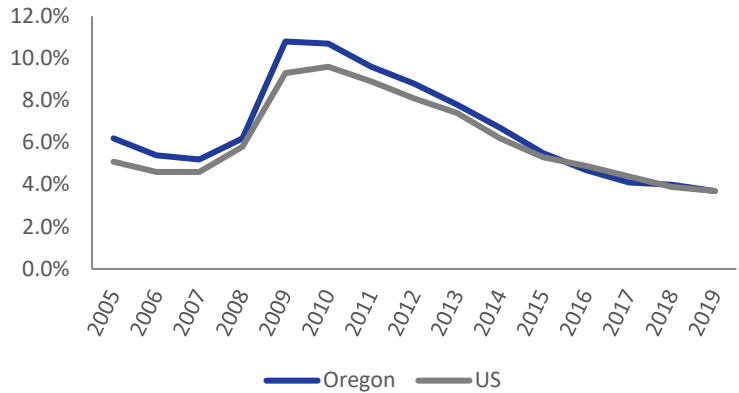


## Percent Unemployed

The unemployment rate measures those without employment actively seeking employment. Oregon is tied for 21st with three other states. Within Oregon, Benton and Hood River counties have the lowest unemployment rates at 2.5% and 2.6%, respectively, while Klamath and Grant counties have the highest rates of 5.4% and 5.7%, respectively.

**Chart 43: Percent Unemployed**

Seasonally Adjusted, Calendar year ended December 31

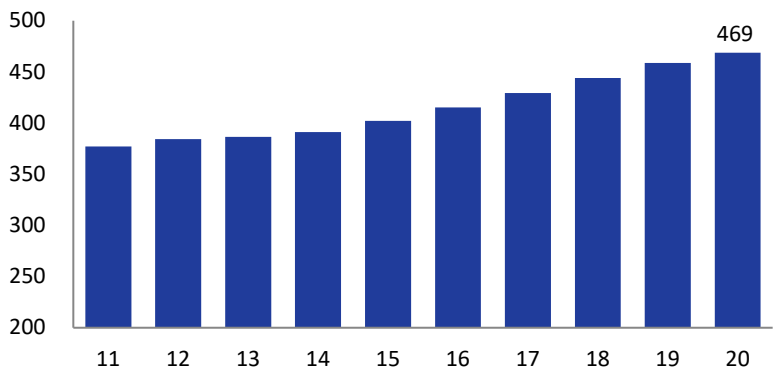


## Oregon Businesses

One measure of economic strength is the number of businesses in the state. Businesses provide goods and services for consumers and provide jobs and benefits for employees. The number of Oregon businesses increased 24% since 2011, despite fewer new registrations in 2020 than 2019.

**Chart 44: Number of Businesses Registered in Oregon**

(in thousands), FY ended June 30

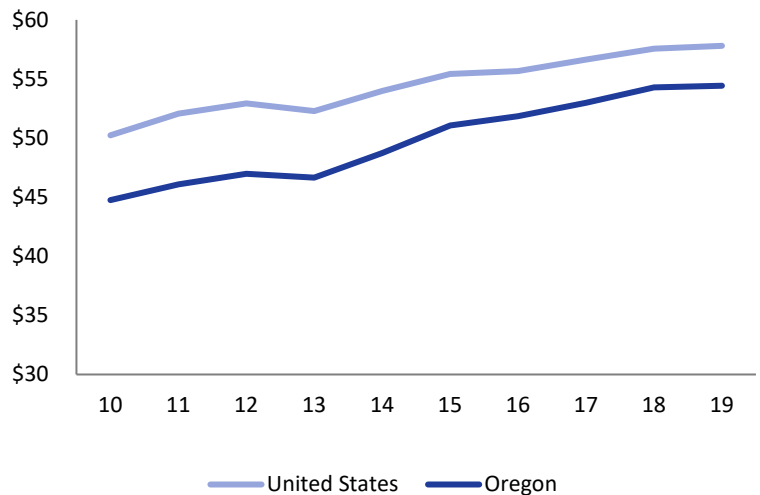


## Per Capita Personal Income

Oregon's per capita personal income (PCPI) followed national trends in recent years, but remains below the national average. In 2019, Oregon's PCPI was 94% of the national average at \$54,427 annually, making Oregon 25<sup>th</sup> among states. The gap has steadily improved since 2011, when Oregon's PCPI was 88.4% of the national average. A recent report issued by the Oregon Employment Department cited lower wages and a fast-growing population as key contributors to the PCPI gap.

**Chart 45: Per Capita Personal Income**

Adjusted for inflation (in thousands), Calendar Year Basis

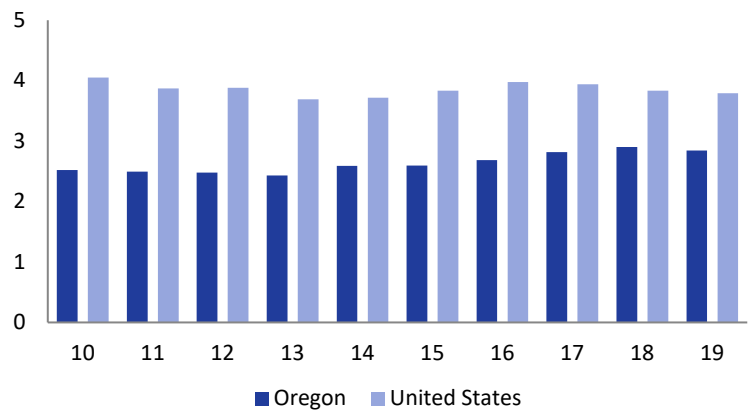


## Violent Crime Rate

Oregon's crime rate affects public safety expenditures, such as prisons and state police. The Federal Bureau of Investigation's (FBI) Uniform Crime Reporting Program defines violent crimes as those offenses involving force or threat of force. Violent crime is composed of four offenses: murder, rape, robbery, and aggravated assault. Oregon has historically had a lower violent crime rate than the nation as a whole, ranking 36<sup>th</sup> in 2019.

**Chart 46: Violent Crime Rate**

Crimes per 1,000 residents, Calendar Year Basis

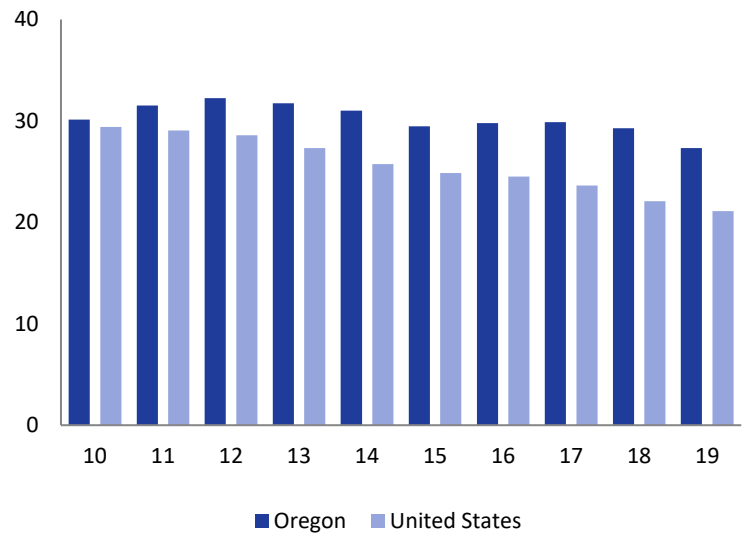


## Property Crime Rate

In the FBI's Uniform Crime Reporting Program, property crime is composed of four offenses: burglary, larceny-theft, motor vehicle theft, and arson. The object of the theft-type offense is the taking of money or property, but there is no force or threat of force against the victims. Historically, Oregon has had a higher property crime rate than the nation as a whole, ranking eighth in 2019.

**Chart 47: Property Crime Rate**

Crimes per 1,000 residents, Calendar Year Basis



# 2020 Significant Events

## COVID-19 Pandemic

The COVID-19 pandemic began in January 2020 and has continued to impact the day-to-day lives of every Oregonian. As of December 31, 2020, COVID-19 had claimed 1,490 Oregon lives out of 115,339 cases.<sup>7</sup>

As a result of the pandemic, both the state and federal governments have taken action to address the related economic impacts.

## State Response

### ***K-12 Education***

The Education Stability Fund (ESF) is a reserve fund, similar to the Oregon Rainy Day Fund, intended to serve as a resource in times of economic downturns to specifically help finance public education. The Legislature approved a \$400 million withdrawal from the ESF when reduced General Fund and Lottery Fund revenues would have otherwise required reduction of public education funding.

### ***Other Assistance***

During 2020, the Oregon Legislative Emergency Board also approved \$34.6 million in additional expenditures to assist Oregonians impacted by the pandemic and economic conditions. Additional assistance included \$14 million for rental assistance and safe shelter alternatives, \$5 million for small business financial assistance, and \$3.35 million for proactive COVID-19 testing and specialized training for long-term care workers.

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<sup>7</sup> Case count includes confirmed and presumptive cases.

## Federal Response

### Coronavirus Relief Fund

The Coronavirus Aid, Relief, and Economic Security (CARES) Act was signed into law on March 27, 2020. The CARES Act included assistance for state and local governments through the Coronavirus Relief Fund (CRF). The state was provided \$1.39 billion in CRF and was responsible for allocating funds to both state agencies and local governments.

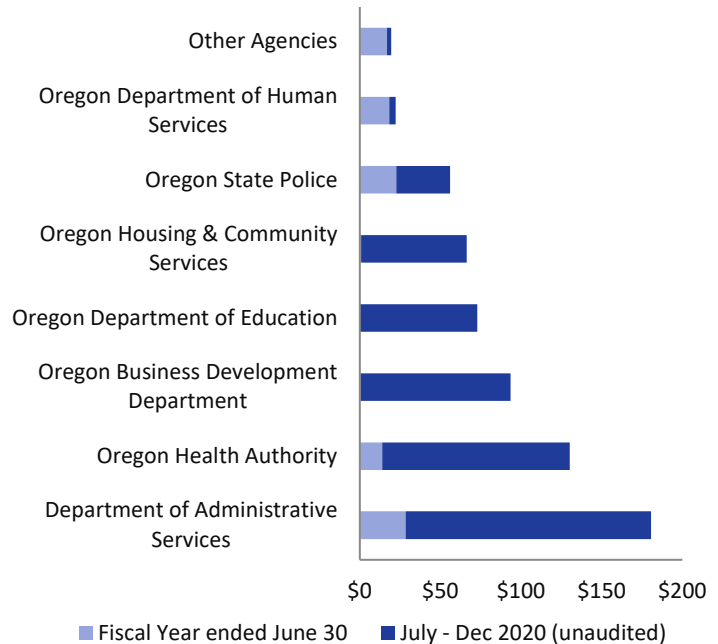
State agencies received approximately \$641 million in CRF reimbursement, with 63% of reimbursements provided to the Department of Administrative Services, the Oregon Health Authority, and Oregon Business Development Department. Expenditures included purchasing personal protective equipment, ensuring pandemic testing, making tracing and education available, as well as support services for those disproportionately impacted by the pandemic and small business assistance for stabilizing operations.

Local governments received \$232 million, with \$140 million reimbursed to counties (60%) and \$56.8 million reimbursed to cities (24%). Eligible expenditures include COVID-19 testing, personal protective equipment, payroll costs for employees dedicated to COVID-19 activities, expanded family and medical leave, and telework capability, among other things.

Approximately \$515 million remains available for COVID-19 related costs allowed by the CRF guidance. Remaining CRF funds are available for use through December 31, 2021.

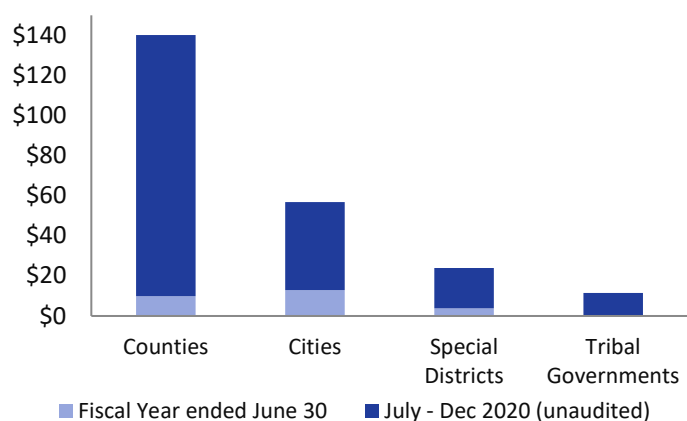
**Chart 48: State Agency Coronavirus Relief Fund Expenditures**

(in millions)



**Chart 49: Local Government Coronavirus Relief Fund Expenditures**

(in millions)



## Unemployment Insurance

The CARES Act also provided for federal funding for new and expanded unemployment programs to help states address the sudden increase in unemployment benefits. The four major programs included:

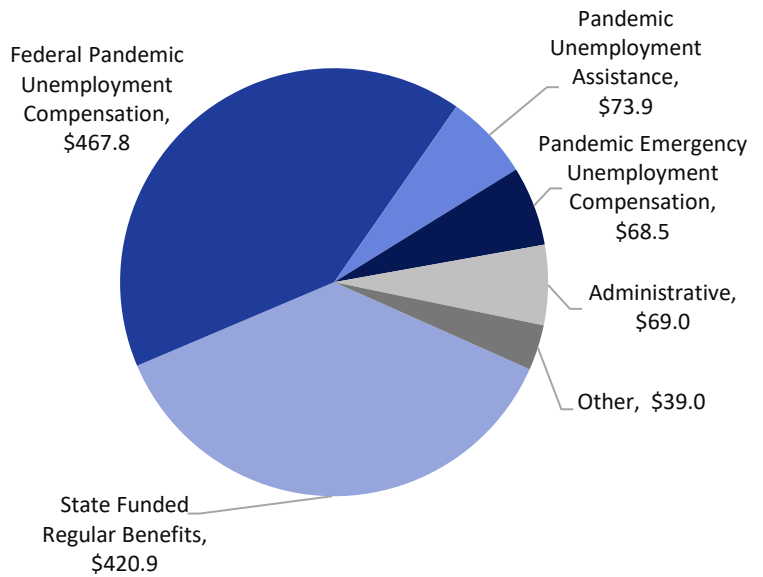
- **Pandemic Emergency Unemployment Compensation**, which provided for an additional 13 weeks of unemployment benefits once a claimant has exhausted other available benefit programs.
- **Pandemic Unemployment Assistance**, which provided benefits for individuals who do not typically qualify for regular unemployment benefits; for example, self-employed individuals or those seeking part-time employment.
- **Federal Pandemic Unemployment Compensation**, which provided for an additional \$600 per week benefit if a claimant received any type of unemployment benefit.
- **Waiting Week**, which provided payment to claimants for their waiting week, which is not ordinarily paid.

From July to December 2020, Oregon distributed \$1.1 billion in unemployment expenditures, of which approximately \$718 million (63%) were federally funded.

Oregon's unemployment rate increased to 13.2% in April 2020, surpassing the high of 10.8% during the Great Recession. The unemployment rate steadily declined to 6.3% by December 2020. Oregon's unemployment rate generally remained lower than the national average.

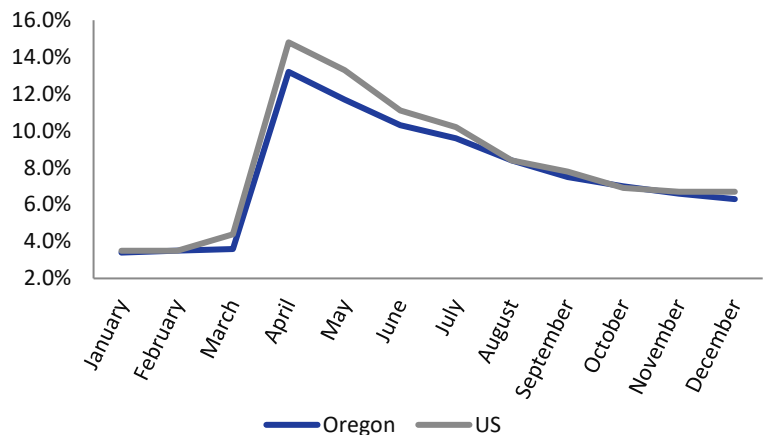
**Chart 50: Unemployment Insurance Expenditures by Benefit Program**

(in millions), July - December 2020 (unaudited)



**Chart 51: 2020 Percent Unemployed**

Seasonally Adjusted





## Wildfires

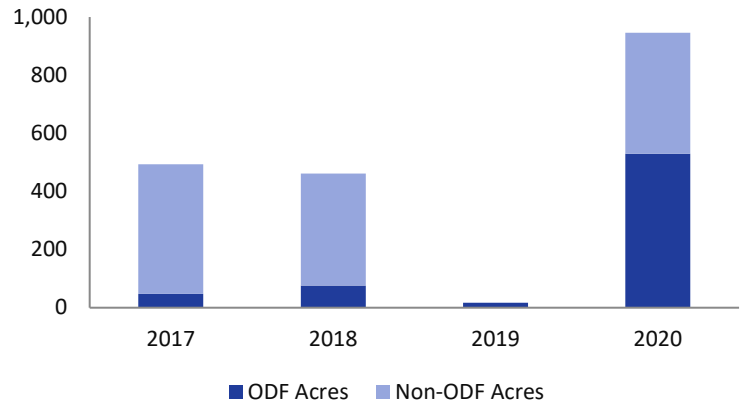
The Oregon Department of Forestry (ODF) fire program protects 16.1 million acres of public and private forestland; about one-half of the state’s total forest acreage. Additionally, the Governor can authorize the state to assist in the protection of land that is outside the state’s responsibility through the Emergency Conflagration Act in response to fire, a heightened danger of fire, or a significant reduction in available firefighting resources.

Acreage outside of ODF’s protection responsibility can include federal, municipal, county, tribal, or private land. In calendar year 2020, there were 981 wildfires that burned over 945 thousand acres, including 530,229 acres (56%) within ODF’s fire protection responsibility.

Five of those wildfires accounted for over 83%, or 787,283 acres, of the total acres burned, each burning more than 100,000 acres. In contrast, calendar years 2017 and 2018 each had only one fire that exceeded 100,000 burned acres: the Chetco Bar fire (190,592 acres), and the Klondike fire (175,258 acres), respectively.

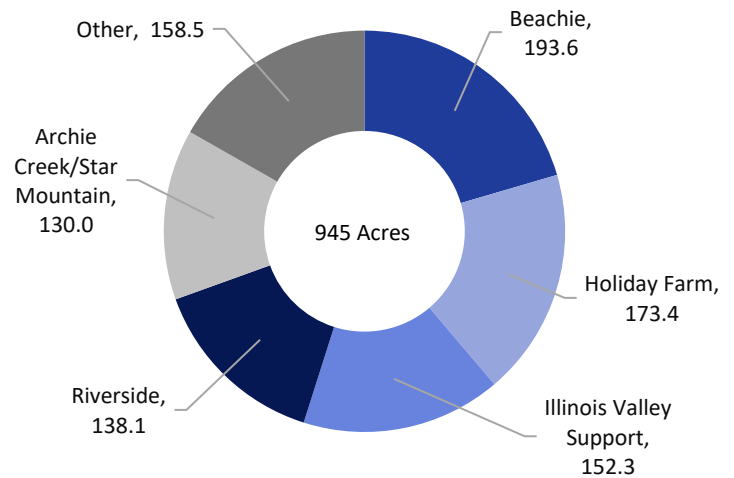
**Chart 52: Acres Burned**

ODF vs. Non-ODF Acres  
(in thousands), Calendar Year



**Chart 53: 2020 Wildfire Acres Burned**

(in thousands)



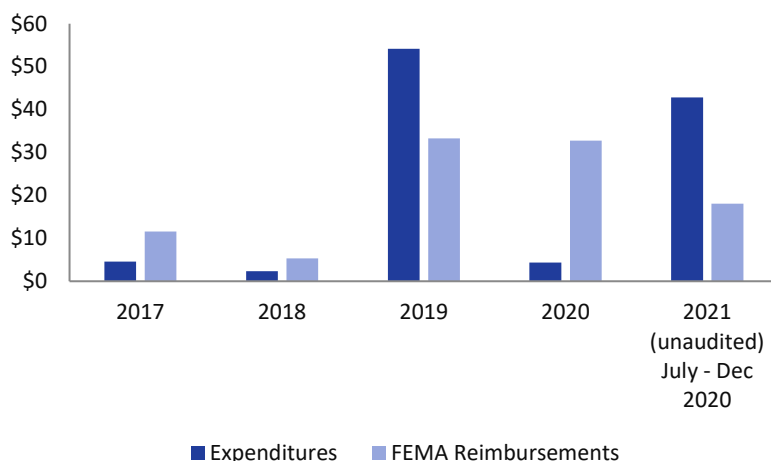
Firefighting costs for large fires are covered through a combination of the state General Fund, federal funds, public and private landowner funds, and a catastrophic wildfire insurance policy. The Federal Emergency Management Agency (FEMA) reimburses the state for qualified fires through a Fire Management Assistance Grant. Qualified fires are those that have significant potential to destroy homes and businesses, or to displace or risk lives.

Wildfire clean-up has two distinct steps. Step one consists of state and federal environmental protection agencies partnering to evaluate each property for hazardous waste and other dangerous substances, and safely removing them when necessary. Examples of hazardous waste include fuel, car batteries, bleach, fertilizers, propane tanks, and asbestos materials. This phase is funded by the federal and state government and was completed in December 2020 for the large 2020 fires.

Step two provides cleanup crews hired by the state to remove hazardous trees, ash, and debris from burned properties to ready the properties for rebuilding. Step two began in December 2020 and is estimated to take six to 18 months depending on weather, access limitations, and the amount of land damaged by the fires.

**Chart 54: FEMA Firefighting Expenditures and Reimbursements**

(in millions), FY ended June 30



## Appendix: Oregon Expenditures by Program Area and State Agency not adjusted for inflation

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Chief Education Office	-	-	-	2,381,231	18,123,218	3,585,915	4,160,245	1,913,201	2,869,605	(99)
Higher Education	-	-	-	1,620,737	3,420,841	1,057,704,449	1,095,955,804	1,241,856,431	1,187,523,712	1,423,871,182
Coordinating Commission										
Oregon Student Access	21,450,546	50,383,523	62,928,227	65,597,267	67,942,412	(369,191)	-	-	-	-
Commission										
Department of Education	3,684,207,454	3,708,816,167	3,619,194,996	4,077,959,368	4,388,400,994	4,571,698,837	4,722,392,027	5,148,109,407	5,285,662,650	5,591,143,536
Teacher Standards &	2,662,584	2,640,800	2,267,216	2,377,376	2,582,331	3,177,438	3,417,280	3,317,914	3,348,190	3,497,778
Practices Commission										
Community Colleges &	307,025,177	355,991,743	202,992,798	349,729,652	261,269,192	15,265,331	-	-	-	-
Workforce Development										
Oregon University System	2,180,845,000	2,326,969,000	2,441,081,000	2,566,484,000	334,943,000	-	-	-	-	-
<b>Education Total</b>	<b>6,196,190,761</b>	<b>6,444,801,234</b>	<b>6,328,464,238</b>	<b>7,066,149,631</b>	<b>5,076,681,987</b>	<b>5,651,062,779</b>	<b>5,825,925,356</b>	<b>6,368,196,953</b>	<b>6,479,404,157</b>	<b>7,018,512,398</b>
Department of Human	7,843,270,249	4,133,108,249	4,221,991,892	4,424,369,756	4,699,810,770	4,966,442,591	5,098,817,160	5,217,100,155	5,457,587,480	6,134,236,012
Services <sup>1</sup>										
Long Term Care	1,325,130	1,074,342	1,149,697	1,488,455	1,695,144	2,586,841	3,120,550	3,066,948	3,760,924	4,034,613
Ombudsman										
Psychiatric Security Review	761,373	912,323	1,050,010	1,076,936	1,119,413	1,230,104	1,475,477	1,339,570	1,520,358	1,555,177
Board										
Oregon Health Authority <sup>1</sup>	-	4,536,689,010	5,349,648,204	6,655,470,892	8,218,683,330	8,715,629,335	8,696,037,875	9,058,159,448	9,642,807,473	10,502,704,973
Commission for the Blind	7,688,565	7,333,942	7,662,147	8,031,352	8,006,035	8,508,364	10,557,455	10,579,162	10,868,692	12,209,846
State Commission on	36,583,999	27,744,409	(590,610)	-	-	-	-	-	-	-
Children & Families										
Office of Private Health	41,570,965	-	50	-	-	-	-	-	-	-
Partnerships <sup>1</sup>										
<b>Human Services Total</b>	<b>7,931,200,282</b>	<b>8,706,862,275</b>	<b>9,580,911,390</b>	<b>11,090,437,391</b>	<b>12,929,314,691</b>	<b>13,694,397,236</b>	<b>13,810,008,518</b>	<b>14,290,245,284</b>	<b>15,116,544,926</b>	<b>16,654,740,621</b>
Department of Justice	125,646,144	122,991,895	202,041,579	215,331,259	222,477,424	282,236,828	275,772,782	290,703,768	269,800,933	322,993,432
District Attorneys and their	5,223,293	5,232,585	5,321,950	5,293,070	5,623,530	5,959,513	6,032,223	6,385,608	6,856,171	6,571,000
Deputies										
Oregon Criminal Justice	7,930,924	10,275,997	10,979,968	23,510,631	8,491,938	28,387,534	30,702,716	35,376,176	37,741,801	36,525,007
Commission										
Military Department	191,297,547	202,724,251	163,691,125	140,344,795	128,023,076	115,047,885	159,643,769	147,333,804	132,398,798	170,589,708
State Board of Parole and	1,785,098	1,797,905	1,736,730	2,004,623	2,113,098	2,780,013	3,776,537	4,033,0326	4,404,525	5,049,328
Post-Prison Supervision										
Department of State Police	156,368,108	155,562,285	160,413,772	167,558,374	174,961,634	198,975,385	198,363,099	223,662,527	236,536,110	248,233,586
Department of Public Safety	22,611,882	46,758,337	22,515,445	18,786,119	21,431,558	25,878,985	26,012,586	29,487,479	31,761,811	30,128,862
Standards Training										
Department of Corrections	795,294,247	906,931,987	692,132,552	747,886,443	749,221,836	800,121,631	815,786,500	868,701,995	897,758,843	968,759,505
Oregon Youth Authority	148,344,698	148,093,573	145,394,100	150,265,560	152,077,639	158,553,166	163,195,741	167,170,831	171,314,461	179,323,017
<b>Public Safety Total</b>	<b>1,454,501,941</b>	<b>1,600,368,814</b>	<b>1,404,227,220</b>	<b>1,470,980,875</b>	<b>1,464,421,732</b>	<b>1,617,940,940</b>	<b>1,679,285,952</b>	<b>1,772,885,514</b>	<b>1,788,573,453</b>	<b>1,968,173,446</b>
Business Oregon	132,896,239	171,500,567	79,237,750	90,519,961	95,951,211	99,304,806	121,316,618	162,520,148	200,111,511	223,220,389
Oregon Department of	33,855,880	33,867,367	39,580,880	40,374,181	49,014,487	64,657,724	72,087,935	81,071,848	79,733,896	84,594,698
Veterans' Affairs										

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Employment Department	2,531,998,677	1,950,595,759	1,449,080,620	973,798,408	708,225,743	678,274,757	674,229,641	671,733,993	681,991,650	4,148,309,561
Housing & Community Services Department	307,210,136	268,252,533	264,503,212	222,652,456	219,451,998	239,362,052	245,554,059	251,922,890	284,889,990	305,063,550
Oregon State Lottery	517,269,921	540,089,847	499,364,470	500,963,009	526,946,242	600,010,390	589,576,034	616,000,884	644,486,752	595,251,591
<b>Economic and Community Development Total</b>	<b>3,523,230,853</b>	<b>2,964,306,072</b>	<b>2,331,766,932</b>	<b>1,828,308,015</b>	<b>1,599,589,682</b>	<b>1,681,609,729</b>	<b>1,702,764,286</b>	<b>1,783,249,763</b>	<b>1,891,213,798</b>	<b>5,356,439,790</b>
Department of State Lands	22,656,341	19,891,410	20,274,903	23,418,078	24,917,287	25,240,500	25,426,006	36,303,711	42,594,546	22,183,218
Oregon State Marine Board	14,729,742	12,215,128	15,683,158	12,393,581	16,922,197	13,675,010	16,636,629	14,397,289	16,411,004	13,332,583
Oregon Department of Energy	49,585,863	58,004,870	32,616,650	23,766,536	26,564,385	21,659,299	22,492,997	19,755,665	18,550,588	18,911,742
Department of Environmental Quality	104,995,742	91,359,218	85,409,562	86,495,836	95,341,695	95,551,769	103,691,408	100,488,525	120,688,965	131,712,168
Columbia River Gorge Commission	394,990	391,139	387,700	427,472	461,579	446,512	469,251	476,319	515,593	546,796
Oregon Department of Agriculture	39,739,662	40,410,477	42,091,796	43,573,717	45,500,571	49,204,836	51,121,561	53,545,935	55,765,081	59,025,546
Oregon Forest Resources Institute	2,834,631	3,346,177	3,649,448	3,734,086	3,870,971	4,172,094	4,206,238	4,101,673	4,092,929	3,837,329
Department of Forestry	104,125,459	116,589,373	121,659,570	185,743,692	181,081,293	193,026,253	158,702,725	190,553,019	256,625,314	202,287,830
Department of Geology & Mineral Industry	7,596,218	6,933,788	8,422,781	6,458,609	9,635,344	9,045,406	6,833,962	7,746,413	7,070,758	6,101,932
Parks and Recreation Department	97,930,477	87,890,615	87,334,264	87,493,442	93,098,026	83,240,184	98,855,445	94,633,462	103,981,149	101,012,495
Oregon Department of Fish & Wildlife	135,901,795	138,604,711	153,027,578	142,964,483	147,208,816	145,873,040	156,386,687	161,142,114	165,266,175	165,236,949
Department of Land Conservation & Development	10,449,030	7,874,648	9,212,411	8,020,075	9,981,742	8,317,511	9,565,295	7,821,949	12,381,309	9,943,611
Land Use Board of Appeals	703,137	690,689	709,325	792,281	856,298	915,082	931,726	1,000,834	973,327	1,038,852
Water Resources Department	15,174,806	14,396,534	15,450,496	16,215,802	19,043,178	20,412,688	23,143,073	28,635,769	26,742,659	40,546,542
Oregon Watershed Enhancement Board	46,699,818	46,785,707	44,913,141	38,267,939	35,381,892	41,141,201	45,038,690	43,451,462	46,678,220	55,770,702
<b>Natural Resources Total</b>	<b>653,517,711</b>	<b>645,384,485</b>	<b>640,842,786</b>	<b>679,765,629</b>	<b>709,865,273</b>	<b>711,921,386</b>	<b>723,201,692</b>	<b>764,144,142</b>	<b>878,337,618</b>	<b>831,488,296</b>
Department of Aviation	2,466,950	5,648,333	4,175,686	5,276,643	5,120,346	5,837,991	6,512,078	8,637,979	8,799,018	9,683,785
Department of Transportation	1,908,440,864	1,743,491,104	1,190,088,347	1,336,185,306	1,197,282,929	1,238,945,548	1,135,053,784	1,304,315,606	1,435,344,912	1,516,186,187
<b>Transportation Total</b>	<b>1,910,907,814</b>	<b>1,749,139,437</b>	<b>1,194,264,033</b>	<b>1,341,461,949</b>	<b>1,202,403,275</b>	<b>1,244,783,538</b>	<b>1,358,565,863</b>	<b>1,312,953,585</b>	<b>1,444,143,930</b>	<b>1,525,869,972</b>
Board of Licensed Professional Counselors & Therapists	462,810	430,163	448,992	472,603	516,102	644,654	674,297	-	-	-
Mental Health Regulatory Agency <sup>3</sup>	-	-	-	-	-	-	-	1,428,007	1,761,290	1,869,133
State Board of Tax Practitioners	464,492	519,107	517,592	546,236	533,631	602,976	512,956	529,286	437,329	430,409
State Board of Accountancy	821,993	865,435	957,171	1,144,836	1,168,638	1,114,850	1,159,860	1,151,440	1,180,163	1,263,344

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
State Board of Psychologists Examiners	476,709	503,970	441,527	516,955	531,006	648,667	613,558	-	-	-
State Board of Licensed Social Workers	551,838	614,105	612,753	597,191	658,345	692,594	718,439	780,627	866,740	969,951
Department of Consumer & Business Services <sup>1,4</sup>	364,591,113	188,117,644	174,475,825	200,571,691	190,112,140	207,538,583	210,546,721	195,324,259	209,106,901	727,740,511
State Board of Chiropractic Examiners	629,612	657,001	703,788	751,760	705,714	795,478	877,769	1,052,246	924,966	881,408
Oregon Health Licensing Agency	3,280,510	3,397,162	3,570,090	3,618,705	(106,215)	-	-	-	-	-
Health Related Licensing Boards	1,890,681	1,769,474	1,866,121	2,166,492	2,247,289	2,340,031	2,562,587	3,010,120	2,934,341	3,673,069
Board of Dentistry	1,225,404	1,126,320	1,184,548	1,313,857	1,346,039	1,380,272	1,469,712	1,478,009	1,521,009	1,583,705
Bureau of Labor and Industries	11,290,562	11,247,955	10,665,227	10,930,377	11,994,990	11,701,520	12,809,502	12,588,195	13,402,077	13,716,931
Oregon Medical Board	4,653,029	4,582,325	4,441,598	4,933,583	4,798,897	5,173,655	5,104,893	5,523,524	5,936,661	6,252,065
Board of Nursing	6,509,687	6,227,809	6,165,589	6,583,483	6,947,295	7,513,440	7,880,622	8,086,215	8,535,952	9,311,821
State Board of Pharmacy	2,147,593	2,350,699	2,338,381	2,570,414	3,052,531	3,055,459	3,261,800	3,445,004	3,528,579	4,058,029
Public Utility Commission	60,955,307	55,153,900	57,831,170	60,108,856	59,702,358	55,206,255	51,268,803	51,850,963	51,497,022	50,643,962
Construction Contractors Board	6,424,797	6,496,701	6,144,190	6,612,310	6,347,075	6,426,351	6,791,268	6,379,967	7,515,941	8,127,126
Real Estate Agency	3,265,888	3,249,677	3,022,426	3,176,033	3,544,553	3,312,991	3,529,201	3,777,699	3,689,199	5,319,095
<b>Consumer and Business Services Total</b>	<b>469,642,026</b>	<b>287,309,446</b>	<b>275,386,986</b>	<b>306,615,380</b>	<b>294,100,389</b>	<b>308,147,775</b>	<b>310,141,988</b>	<b>294,977,554</b>	<b>312,838,169</b>	<b>833,971,428</b>
Legislative Counsel Committee	5,392,384	4,642,923	5,608,148	4,800,477	6,086,962	5,558,239	6,148,870	5,956,105	7,186,094	7,722,118
Legislative Policy & Research Committee	-	-	-	-	-	-	-	3,973,176	4,917,875	4,505,804
Legislative Revenue Officer	973,183	948,642	1,036,073	1,156,757	1,437,078	1,397,672	1,363,473	1,306,424	1,427,935	1,344,271
Legislative Fiscal Officer	2,851,198	2,699,150	2,827,124	2,961,250	3,385,923	3,504,400	3,752,938	4,011,468	4,388,657	4,717,798
Legislative Assembly	16,941,840	15,391,896	18,233,134	17,170,132	19,110,903	17,852,634	21,141,424	18,826,856	24,777,367	22,913,375
Legislative Administration Committee	15,320,219	14,404,812	15,569,616	16,886,034	18,038,811	10,703,439	17,735,986	19,255,727	32,698,891	61,940,767
Commission on Indian Services	183,549	185,483	195,061	180,231	215,249	223,927	199,487	308,415	202,425	387,133
<b>Legislative Total</b>	<b>41,662,373</b>	<b>38,272,906</b>	<b>43,469,156</b>	<b>43,154,881</b>	<b>48,274,926</b>	<b>39,240,311</b>	<b>50,342,178</b>	<b>53,638,171</b>	<b>75,599,243</b>	<b>103,531,265</b>
Commission on Judicial Fitness	76,997	80,428	86,529	88,764	112,538	276,561	134,406	144,111	131,344	136,511
Judicial Department <sup>4</sup>	185,913,248	208,869,245	187,487,935	204,704,938	228,398,956	257,007,848	258,901,373	282,203,379	322,432,409	367,139,457
Office of Public Defense Services	113,328,263	118,743,887	110,898,614	130,667,820	128,782,935	141,893,541	145,587,215	154,862,235	159,699,231	175,846,753
<b>Judicial</b>	<b>299,318,508</b>	<b>327,693,560</b>	<b>298,473,078</b>	<b>335,461,522</b>	<b>357,294,429</b>	<b>399,177,950</b>	<b>404,622,994</b>	<b>437,209,725</b>	<b>482,262,984</b>	<b>543,122,722</b>
Department of Administrative Services	334,648,462	390,189,235	465,050,114	491,832,768	800,847,779	1,282,744,192	826,415,875	606,897,501	682,235,935	1,029,552,035
Employment Relations Board	1,557,557	1,753,917	1,881,769	1,966,345	1,976,809	2,115,962	2,143,976	2,292,253	2,422,240	2,571,285

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Office of the Governor	7,112,055	7,558,892	36,077,912	8,781,121	8,983,611	8,722,991	8,685,488	12,630,231	10,401,554	12,188,270
Oregon Advocacy Commissions Office	207,782	178,839	194,829	189,595	240,838	297,155	331,495	304,105	403,308	300,763
Department of Revenue <sup>4</sup>	83,214,871	84,986,667	85,204,683	91,363,171	110,707,689	100,851,923	141,149,361	139,131,572	156,640,914	587,950,617
Secretary of State	30,939,439	20,359,809	24,764,359	26,387,812	30,007,598	33,317,980	33,419,538	36,340,657	38,342,392	42,883,555
Oregon State Treasury	2,313,781	1,910,113	19,206,461	21,397,221	22,896,672	29,314,901	30,739,487	34,585,543	39,977,253	42,774,914
Oregon Facilities Authority	275,424	217,685	208,859	204,656	237,775	277,541	324,495	297,413	219,899	232,270
Oregon Government Ethics Commission	685,091	750,363	767,602	918,540	1,076,765	1,236,946	1,249,855	1,243,843	1,325,828	1,407,614
Oregon Public Employees Retirement System <sup>2</sup>	3,611,058,332	3,889,352,293	4,182,946,399	4,590,438,649	4,700,710,394	4,990,121,863	5,138,220,721	5,604,638,747	5,646,995,528	5,996,214,349
Oregon State Library	6,872,346	6,618,696	6,548,719	6,690,677	6,511,071	6,907,249	8,210,690	7,432,842	8,012,945	6,891,303
Oregon Liquor Control Commission	326,025,159	345,172,016	367,834,925	385,255,945	404,347,404	427,625,200	453,471,369	478,153,278	508,431,761	563,223,825
Oregon Racing Commission	2,390,469	2,483,567	2,408,927	2,747,883	2,396,591	2,825,259	3,063,905	3,002,340	3,130,694	2,171,159
Central Agency/State General Fund	4,074,309	2,447,939	1,843,013	10,166,109	1,391,759	1,759,931	4,281,236	5,462,095	934,797	-
Citizens' Initiative Review Commission	-	-	111,881	-	-	-	-	-	-	-
<b>Administration Total</b>	<b>4,411,375,078</b>	<b>4,753,980,031</b>	<b>5,195,050,452</b>	<b>5,638,340,493</b>	<b>6,092,332,754</b>	<b>6,888,119,092</b>	<b>6,651,707,490</b>	<b>6,932,412,419</b>	<b>7,099,475,049</b>	<b>8,288,361,961</b>

<b>Total Expenditures</b>	<b>26,891,547,347</b>	<b>27,518,118,261</b>	<b>27,292,856,271</b>	<b>29,800,675,767</b>	<b>29,774,279,139</b>	<b>32,236,400,737</b>	<b>32,516,566,318</b>	<b>34,009,883,109</b>	<b>35,568,393,328</b>	<b>43,124,211,897</b>
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<sup>1</sup>The 2009 Legislature passed House Bill 2009, which split a portion of the Department of Human Services into the Oregon Health Authority. In the reorganization, the Office of Private Health Partnerships and a portion of the Department of Consumer and Business Services dealing with the Oregon Medical Insurance Pool was incorporated into the Oregon Health Authority.

<sup>2</sup>The Public Employees Retirement System (PERS) expenditures include distributions on non-state resources held in an agent capacity for local governments as PERS includes pensions for both state and non-state employees and retirees.

<sup>3</sup>The Mental Health Regulatory Agency was formed on May 8, 2017, pursuant to ORS 675.160 through 178. It provides administrative and regulatory oversight to the Board of Psychology and the Board of Licensed Professional Counselors and Therapist.

<sup>4</sup>Implementation of Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities in fiscal year 2020 included new requirements to report inflows and outflows related to activities where the State is holding assets on the behalf of others. This resulted in increased expenditures in various agencies.



## **Audit Team**

Mary Wenger, CPA, Deputy Director

Amy Dale, CPA, Audit Manager

Shelly Cardenas, CPA, Principal Auditor

Hannah Creighton, Senior Auditor

Austin Moore, Senior Auditor

Emily Axtell, Staff Auditor

Morgan Blankers, Staff Auditor

The courtesies and cooperation extended by state agencies during the course of this engagement were commendable and sincerely appreciated.

## **About the Secretary of State Audits Division**

The Oregon Constitution provides that the Secretary of State shall be, by virtue of the office, Auditor of Public Accounts. The Audits Division performs this duty. The division reports to the elected Secretary of State and is independent of other agencies within the Executive, Legislative, and Judicial branches of Oregon government. The division has constitutional authority to audit all state officers, agencies, boards and commissions as well as administer municipal audit law.

This report is intended to promote the best possible management of public resources.  
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### **Oregon Audits Division**

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