

OYA *In the Loop*

May 19, 2009

Co-Chairs Recommended Budget

I have good news to share with you. Some of the reductions to OYA's 2009-2011 budget that were anticipated probably will not occur.

The co-chairs of the Joint Committee on Ways and Means, Senator Margaret Carter and Representative Peter Buckley, yesterday held a press conference to present their 2009-2011 recommended budget (the "C-CRB"). You can see the C-CRB by [clicking here](http://www.leg.state.or.us/budget/2009_11Co_ChairRecommendedBudget.pdf) (the URL is http://www.leg.state.or.us/budget/2009_11Co_ChairRecommendedBudget.pdf).

The co-chairs are facing a budget situation that looks roughly like this:

Revenues and other resources:	\$13.093 billion
Cost to maintain existing budget level:	\$17.279 billion
Difference:	(\$4.185 billion)

To balance the budget, the Legislature will consider a balanced package that reduces funding to schools and agencies, increases taxes by \$800 million, and uses some federal stimulus funds and state reserves (like the Rainy Day Fund) to help fill the shortfall.

Every program area is expected to take reductions, including OYA. To understand them, remember back to February when we were asked to make reductions to balance this current biennium (2007-09). The reductions we identified in February were intended to carry over into 2009-11. As you look at the OYA budget on page 15 of the attachment, every line item except for the last two are budget reductions carried forward.

The only additional reductions announced in the Co-Chairs' budget are \$2.44 million Central Office reductions. The Central Office reorganization that I am instituting accounts for eight positions that will be eliminated. Additionally, seven positions we requested for the Systems Improvement Project are lost in these new reductions.

The reduction scenarios that caused anxiety for so many of us are not part of the Co-Chairs' budget reductions, so for now I expect to hear a sigh of relief from Eastern YCF, Rogue Valley YCF, Tillamook YCF, Camp Tillamook, MacLaren YCF, Hillcrest YCF, parole and probation offices, and foster care providers and certifiers. Additional cuts to community funding streams like JCP, Diversion, Multnomah County Gang, and residential partners are also not part of the reductions in the Co-Chairs' budget..

However, a word of caution: this process is not finished. Some unknowns:

- The co-chairs have many discussions ahead of them with other members of the Ways and Means Committee, legislative leadership and the Governor's Office. Ultimately, each budget will have to be voted on and approved before it is a done deal.
- There may be changes to sentencing laws and policies that impact (reduce) the number of youth we serve, and therefore our budget.
- There was little or no news today about salaries, benefits and furloughs. As you probably are aware, labor negotiations will affect the shape of our final budget.

I think that the Co-Chairs' budget will be close to what the final state budget will look like, but there may be changes in the hopper that we don't know about yet. We have come out so far better than I ever expected.

Bobby