1) **Call to Order:** (Laura Maffei, Board Chair)

Chair Laura Maffei called the meeting to order at 9:02 a.m.

2) **Introductions:** (Laura Maffei, Board Chair and staff)

All were in attendance via phone.

Chair Maffei, Vice-Chair Katie Jeremiah, and Board Members Scott Ashford, Diane Teeman and Linda Kozlowski.

Department of Geology and Mineral Industries (DOGAMI) staff in attendance:
- Brad Avy, Director/State Geologist
- Lori Calarruda, Recording Secretary/Executive Assistant
- Dania Ballard, Chief Financial Officer (CFO)
- Sarah Lewis, MLRR Program Manager
- Bob Houston, Interim GS&S Program Manager and Legislative Coordinator

Others in attendance:
- John Terpening, Legislative Fiscal Office (LFO)
- Renee Klein, DAS Office of the Chief Financial Officer (CFO)
- Diane Lloyd, Department of Justice (DOJ)

3) **Financial Update:**

Dania Ballard, Chief Financial Officer, provided a financial update to the Board.

Ballard discussed the FY21 Budget Update and 2021-23 Biennium Budget Planning memo in the board packet. She stated DOGAMI was tasked with budget reduction scenarios of 8.5% which is actually equal to about 17% for one year since the first year of the biennium is almost complete. The reductions were posted Tuesday (May 12) on DOGAMI’s website. The list is prioritized by what would be cut first to reach the 8.5% General Fund reduction. Ballard said the parameters were strictly related to General Fund money for services and supplies and positions. She then explained that state-wide actions such as furloughs, COLA freezes and other pay freezes would need to first be negotiated with the unions. Ballard considers it a pre-list because the actions taken on the list will occur after the May 20th state revenue forecast comes out. Since DOGAMI was given a one-year budget of $2,534,180, the exercise required the Agency to double the current budget to come up with the expected General Fund reduction.

Ballard explained the exercise process in more detail and reviewed the list in order with the Board. She stated the Leadership Team met for at least 2 hours every day and methodically went through
the list of services and supplies by line item for potential cuts followed by individual staff positions. All positions including leadership were discussed regarding what each one did, what the impact would be if the position was lost, and how the work could be covered. A balanced approach to reducing direct and indirect functions was used to best maintain the Agency going forward.

DOGAMI already has a very tight services and supplies budget so the list started with and contained the least negative impact to the Agency. The TriMet commuting pass program in Portland, has been used by the GS&S Program for many years. Ballard said there are really no other services and supplies cuts that could be made without looking at personal services. Chair Maffei confirmed there are no other program cuts that can be made that are not related to personnel because the budget is already cut to the bone.

The two vacant NRS 3 positions, were looked at first. One NRS 3 position was in the process of being underfilled as an NRS 1 but the recruitment was ended. Ballard stated the positions are not being lost, only the funding for them. If the budget for the next biennium is available, these positions could be filled. Kozlowski asked if the NRS 1 was the early learner intern position. Dania said yes and explained it was originally for an intern on a grant with an early career opportunity for landslide mapping. The Agency decided to try and fill it as an NRS 1 permanent employee who met those qualifications to serve on multiple projects. Avy added the hiring process had made it through candidate screening.

The Chief Information Officer (CIO) position was created in 2016 when there was a need for higher-level IT services. Over time, as needs were met, the level of support required has decreased and the Agency has been on more of a maintenance status with the role under capacity. Connor Anderson has been contracting with other agencies to help them and to save on General Fund. There are also other staff supporting the IT needs. Avy stated Anderson was part of the Leadership Team for this exercise and offered up his position because he understood current Agency IT needs. Kozlowski said it was impressive that he stepped up in that manner.

The Publications position serves to do copy editing and consistency control of project report and print production and distribution. This position is also partially funded by Federal Funds and Other Funds. This position was under capacity at times and contracting work with other agencies, so was reduced to half time. The Agency recognizes the continuing value of this position because there is an ongoing need to support the projects.

The Fiscal Analyst 3 position was listed to maintain a balanced approach across the Agency. Ballard said the Business Office now has a Grant Accountant processing accounts payable activity and grant reporting, and a Contract Specialist producing and monitoring contracts as well as accounts receivable activities. The Fiscal Analyst has been doing review work, creating tools to support grant monitoring and has done a phenomenal job in helping with reconciliations and building tools to help better manage things going forward. Ballard said in looking at the big picture and recognizing the Agency still has services with DAS, the Agency could absorb the analytical functions easier than trying to cover the processing activities.

Ballard said direct staff are also impacted, explaining a lengthy Leadership Team discussion took place regarding every programmatic service the Agency has, including tsunami, landslide, STATEMAP, and other services. The Resiliency position is an NRS 4 that deals with resiliency and emergency preparedness. It is on the reduction list because it relies heavily on General Fund, has one staff
member, and will be the next least hurtful to the Agency if it had to lose the program. Also, this
function can be served in other ways by the State.

Kozlowski asked what products or service is delivered by this position. Avy answered the position
work includes consulting with local groups on how to be better prepared for earthquakes and
provides it from an engineering background. Also included is some work with the coastal hospitals in
producing smaller projects in conjunction with Oregon Health Authority (OHA). The position has a
long history of advocating for awareness and preparedness in the resiliency area linked to
earthquakes, but OEM has picked up part of that role, as well as other groups. Not to say this
position is not important, but in comparison to all the other program areas, this proposed reduction
is the least damaging to the mission of the Agency in a collective sense.

Kozlowski said this is very discouraging as a coastal representative, this position has had significant
impact on their infrastructure preparedness and in general as a resource. From her perspective,
DOGAMI’s leadership and outreach makes and supports its effectiveness. She asked if these are in
order of priority, where this position falls in the order, or if it is a package reduction. Ballard said it is
in a prioritized order of least negative impact to most to reach the 8.5 percent scenario. It will
depend on the outcome of the May 20 state revenue forecast. For example, DOGAMI may only be
asked to take 5 percent at first, but she does expect more budget cuts later on (in addition to
furloughs and other types of cuts due to the economic environment).

Avy explained that during the reduction evaluation process, to remain objective, it was important to
not look at the individual’s skillset or experience. When a person’s bumping rights, if any, come into
play, skills will transfer where they are qualified to do the new position’s work. He described
potential bumping scenarios. Avy stated the Agency may not necessarily lose the person in a cut
position and their contribution to the Agency, though they may be in a different role. The deeper the
cuts, the more bumping scenarios will likely occur. Kozlowski said those are hard decisions and she
appreciates the effort that went into the process.

Maffei asked what the next steps are. Ballard replied after the May revenue forecast, the
expectation is direction will be given on the required percentage cut, which will then cause layoff
notices and any bumping. Avy emphasized the Agency still does not have a second-year budget and
hopes to have it through an Emergency Board or Special Session in the near future. There is no
guarantee DOGAMI will get a second-year budget.

Ballard discussed the second year requested budget and the previous issues that led to the one-year
budget. She explained that last spring there were issues within fiscal operations and knowledge of
where the Agency was at in terms of spending. This led to LFO and DAS CFO to strongly participate in
guiding the Agency’s financial direction. At the time, LFO did recommend a one-year budget based
on the information they knew, which the Agency is finding does not support normal Agency
operations. Because the first-year budget is so thin, the Agency expects to have a cash shortfall by
the end of May, which would be covered had the second-year budget been approved during the last
legislative session. DOGAMI has been told they are a priority for the Emergency Board. Ballard said
the Agency approached LFO and DAS CFO about if it should be looking at ceasing agency operations
and laying off staff, but was told to keep moving forward as status quo for the present.
Ashford said that just because there are no questions from the Board, it does not mean they are not listening. They understand how difficult this situation is. Maffei said it seems the Agency cannot catch a break.

**Briefing: No Board Action Required.**

4) **Review of Agency’s Legislative Concepts (LCs):**

Maffei explained this meeting was scheduled prior to the shutdown and was done to be better prepared for the next biennium and have time to review these ideas instead of waiting until July and having no input.

Bob Houston, Interim GS&S Program Manager and Legislative Coordinator and Sarah Lewis, MLRR Program Manager, presented the Agency’s draft Legislative Concepts (LCs) for DOGAMI for the 2021-23 Session.

For the 2021-23 biennium, the Agency is moving forward with two Legislative Concepts, the MLRR Fee Increase and MLRR E-Permitting. Houston explained the MLRR program is supported only by fees, and with the current fee structure the program will run short on money by early 2021. The previous bill was proposed in the Short Session under SB 1579-1. The bill made it through the Joint Committee on Ways and Means, but did not get a floor vote because of no quorum. The proposed LC represents a collaborative agreement across the aggregate, oil and gas, and geothermal industries. Due to the immediate funding needs, the Agency will be proposing to ask for an emergency clause with implementation upon the Governor’s signature.

Houston stated during conversations with the aggregate industry, OCAPA was advocating for an e-permitting system. The E-Permitting LC is the Agency’s good faith attempt to bring that request forward. Lewis stated that permit, inspections, customer and other business records, and payments, are still being done by paper. During this telework time, staff are having to go into the office to do deposits to maintain revenue flow, and mail out paper permit renewals, which is causing inefficiencies in core business tasks. Implementation of a modern, paperless e-permitting system and online customer service would result in significant performance improvement, including streamlined operations, more efficient delivery of service and higher customer satisfaction (including public records requests). The e-permitting business case was developed in 2018 and a Policy Option Package was included in the 2019 Legislative Session. Other agencies like State Lands are also looking at a similar system. Lewis has been working with DOGAMI’s CIO and Enterprise Information Services to refine the logistics and costs in order to develop a more reasonable estimate, which is looking to be about $700,000 to $1.1 million over 5-7 years. This would be covered with a fee across all permits and would have a sunset date. There is very strong indication this is something the industry would support. Lewis stated it is a difficult time to consider an additional fee on top of a fee increase, but it is important to continue moving this concept forward.

Jeremiah said she is in full support of this fee for the long-term big picture by seeing cost savings due to Agency efficiencies in the future. Maffei asked how this would be impacted if the CIO position is eliminated. Lewis explained the CIO’s role was instrumental in the first portion of this project and that the contract would be done by DAS and Enterprise Information Services, then a project manager would be hired to manage it through implementation.
Maffei asked about the MLRR program being over budget this summer and how it would be impacted if needed to wait until the long session for the fee increase. Houston said they would try to get the fee increase through a Special Session after the May 20th state revenue forecast. Lewis said her understanding is the revenue cushion will not go below zero until this winter. Ballard said the Agency is attempting to get the fee increase now and explained the program is burning through the balance faster than the fees are being brought in, and by winter the program will be in a negative cash flow situation. Due to the revenue coming in through peaks throughout the year, if the fee increase is not approved this year, the Agency will have to look at programmatic reductions because the current fees do not support the operations.

Maffei asked what the likelihood is of getting the fee bill passed. Houston answered he thinks it is going to be a challenge based on the COVID-19 economic impact. He stated one of the recommendations received is to make sure it is a very clean bill and that stakeholders are all on the same page. Avy said if the fee increase did not happen in a Special Session, the chances for passage in full session diminish significantly due to competition with COVID related issues. Kozlowski asked if there was full stakeholder support for the fee increase. Houston explained they met with OCAPA and have an agreement with where it was left off at the 2020 Short Session for the fee bill, and there is support from the Oil and Gas, and Geothermal programs as well.

Houston explained the challenges the Agency has been facing with the COVID-19 pandemic. He said the Emergency Board can only approve the second-year budget, but it will not be able to address the fee bill, only a legislative session can. Houston said it is difficult to move a fee increase forward when there is an economic downturn. It will require the bill to be consistent with the version passing out of full Ways and Means to have the greatest potential to move forward.

Board Action: Jeremiah moved to approve moving forward with the Agency’s Legislative Concepts (LCs) as presented. Teeman seconded. Motion carried.

5) Review Agency’s Policy Option Packages (POPs):

Dania Ballard, Chief Financial Officer, presented the Agency’s Policy Option Packages (POPs) to the Board. She explained that each biennium the service level budget gets incremental percentage increases, if the budget for an item goes above that, it needs to be brought in as a Policy Option Package for approval. She went through the list, which is in descending priority.

In order of priority, DOGAMI is considering the following POPs:

- IT computer and server replacement;
- General Fund match for grants and grant development;
- Increased funding to support “normal” levels of travel, agency representation, and technical proficiency;
- Two GS&S program supervisors (assuming the second-year budget continues to include a GS&S Program Manager);
- Position cleanup (matching position classification to actual duties); and
- General Fund to develop a probabilistic tsunami model.
IT Computer and Server Replacement
The IT computer and server replacement is for equipment that is at end of life, the last ones were purchased in 2016 and 2017. The current budget does not support replacement of computer equipment, this funding ask is to support acquiring new equipment for staff to continue functioning in their roles.

General Fund Match for Grants and Grant Development
The General Fund match for grants and grant development, would allow the Agency to leverage those dollars against Federal Funds or Other Funds for projects that better support DOGAMI’s mission. Ashford asked if the Agency would be subsidizing those federal grants with state funds. Ballard answered yes and no, it would open up the opportunity to pursue new grants, which the Agency currently is unable to do, because there are grants that require some type of a match from the state. There are currently two grants on the books, one for STATEMAP, which has been supported since 1992, it is 50% federal money and 50% state money, and is done on a yearly basis. The second is landslide mapping that is 75% federal money and 25% state money (General Fund). Ballard stated anything that is asked for in terms of General Fund money is going to be a tough ask, and the likelihood that the Agency will receive it might be slim. She would still like to pursue asking for it to support DOGAMI’s ability to look elsewhere for other types of funding.

Travel, Agency Representation, and Technical Proficiency
The increased funding to support “normal” levels of travel, agency representation, and technical proficiency is being asked for due to the budget being skinny and that travel expense is more than budgeted for and is being offset in other categories. This ask for increased funding is in support of normal travel activities related to agency business. Under technical proficiency, the Agency has cut any type of professional development or training opportunities for staff. In a normal circumstance, the Agency would like to have some funding to support the technical expertise it has in house.

GS&S Program Supervisors
The two GS&S program supervisors have been discussed for some time. In the second-year budget, the Agency has asked for a Program Manager role and these supervisors would support that role.

Position Cleanup
Position cleanup is to match staff, working out of class, with what they are doing and what they are being paid. This is not an actual increase in General Fund.

Probabilistic Tsunami Model
The General Fund to develop a probabilistic tsunami model is an idea supported by the Governor’s Office and the Agency wanted to move forward with it as a POP. Ballard said that given all these items, the changes with budget reductions, and the economic environment, the Agency recognizes the likelihood of anything moving forward is going to be difficult. The list has since been revised and the Agency requests preliminary approval to move forward with the following POPs.

- The IT computer and server replacement because it is a serious need for the work being done, the physical equipment is going to die within the next year or two and there is no funding to support it.
• The General Fund match for grants and grant development to have the ability to leverage whatever federal funds and other funds are out there to help provide more funding for the Agency.

• The position cleanup because it improves budgeting with no financial impact.

Ballard said that with the Board’s approval to move forward the Legislative Concepts, there are two more POPs related to e-permitting and the fee increase to support those items as well. Maffei asked for clarification on the list of POPs of which ones were being asked for. Ballard went through the list. Maffei wanted to verify the position cleanup is not a General Fund ask. Ballard said that is correct.

Ashford said he has concern about the General Fund match. When he joined the Board there was a culture of getting work to keep the Agency busy. His concern is that the Agency not go after grants to grow the Agency or to keep people busy versus using General Fund in a really targeted way to do projects that makes sense for the Agency. Ashford is uneasy about the General Fund match for grants. He wants to make sure the Agency is spending state funds on the highest priority projects for the state and not just to get federal money for the work.

Avy said Ashford is correct that the Agency does not want to be in a position of chasing grants to keep people busy if it is not in line with the mission. Avy believes this POP request is to support grants that are central to the Agency and that it historically goes after like USGS STATEMAP that is fundamental geologic mapping. Because it is a nationally awarded grant, the Agency does not have a lot of flexibility in terms of refusing the match. For the Agency to do the work a match is required (in some cases an in-kind match can be found). Currently the Agency has not been going after grants that require a match and without General Fund support DOGAMI could lose grants that are vital to its work.

Ashford asked if the Agency would only use the match for federal grants where it is required to compete. Ballard said yes, that is the expectation. Ashford said sometimes the Agency has put in match where it is not required and one of the criteria he wants is that the General Fund match is used only for grants that require a match. Ballard said the other part of the POP request would also support project managers in providing General Fund hours to go seek these grants. Ashford asked who will approve which grants the Agency goes after and its priorities. Avy explained the internal grant pipeline process that is used to approve seeking a grant. Ashford wants this to have quite a bit of oversight. Ballard described more of the process used to determine if grants are pursued.

Board Action: Kozlowski moved to approve the Agency’s Policy Option Packages (POPs) as follows: IT computer and server replacement, the General Fund match for grants and grant development, and the position cleanup, along with the Fee Bill and E-Permitting Legislative Concepts that are also POPs. Jeremiah seconded. Motion carried.

Board Action: Teeman moved to accept the Agency’s other Policy Option Packages (POPs) that were described in the Board Packet being: increased funding to support normal levels of travel, the two GS&S program supervisors, and the probabilistic tsunami model to be considered at a later date when we are not facing the current budget situation. Kozlowski seconded. Motion carried.
6) **Public Comment:**

Only written comments received prior to or by 11 a.m. on the day of the meeting will be accepted. Chair Maffei asked for any written public comments. No public comments.

7) **Board Adjourn:**

At the conclusion of the public comment period, Chair Maffei adjourned the meeting at 10:34 a.m.

APPROVED

Laura Maffei, Chair