

**STATE OF OREGON
LEGISLATIVE FISCAL OFFICE**

900 COURT STREET NE
H-178 STATE CAPITOL
SALEM OR 97301-4048
PHONE 503-986-1828
FAX 503-373-7807



KEN ROCCO
LEGISLATIVE FISCAL OFFICER

LARRY NISWENDER
DEPUTY LEGISLATIVE FISCAL OFFICER

Summary of Emergency Board Action

January 2005

The Legislative Emergency Board met on January 6-7, 2005 and considered an agenda of 37 items. There were nine requests for allocation from the general purpose appropriation made to the Emergency Board, totaling \$15 million, of which \$14.2 million was approved. These requests consisted of restoring funding for indigent defense costs of the Public Defense Services Commission eliminated as a result of the defeat of Ballot Measure 30, backfilling a cigarette tax revenue shortfall in the Department of Revenue, providing additional funding for gang intervention activities through the Department of State Police and Oregon Youth Authority, financing costs associated with the Oregon Student Assistance Commission's exit from the federal student loan guarantee programs, providing supplemental funding for criminal background checks in the Department of State Police, paying administrative costs related to claims processing under Ballot Measure 37 in the Departments of Administrative Services and Land Conservation and Development, covering a revenue shortfall in the Oregon State Fair and Exposition Center, and supplementing the Legislative Assembly budget for unbudgeted costs expected to be incurred by the 73rd Legislative Assembly. In addition, the Emergency Board approved a transfer of four expired special purpose appropriations totaling \$10.5 million to the general purpose Emergency Fund. After these actions, the unallocated Emergency Fund balance that will revert to the General Fund on June 30, 2005, absent any subsequent legislative action, is \$9.6 million.

The agenda included seven requests for additional authority to spend \$40.5 million of Other Funds (including \$27.4 million by the Department of Higher Education for Article XI-F(1) bonds to purchase the Williams' Bakery site in Eugene and \$8.6 million by the Department of Administrative Services for Certificates of Participation to finance a system security project for the state's computing and networking infrastructure) and approximately \$440,000 of Federal Funds (\$200,000 from a federal grant received by the Department of Community Colleges and Workforce Development and \$240,000 for increased federal revenues for the Opportunity Grant program through the Oregon Student Assistance Commission). Also included was a request from the Department of Transportation to transfer Other Funds expenditure limitation within the Highway Program.

The agenda included 17 reports, 10 of which were considered on a consent agenda, and four requests for approval to submit federal grant applications, three of which were considered on a consent agenda. The grant request considered individually was in conjunction with a request to increase expenditure limitation. The Emergency Board also approved the establishment of seven limited duration positions (1.38 FTE), five for implementation of the Ballot Measure 37 claims processing procedures and two to support a new Public Commission on the Oregon Legislature.

The following is a summary of significant Emergency Board actions taken at the January 2005 meeting:

Education

- Established a \$27.4 million Other Funds Capital Construction expenditure limitation (Article XI-F(1) Bonds) for the Department of Higher Education to acquire the Williams' Bakery property and adjoining parcels in Eugene adjacent to the University of Oregon campus for potential use as the site of a new basketball arena. The approval was provided with the understanding that the Department will report to either the Joint Committee on Ways and Means or the Emergency
- Board prior to the beginning of any construction of such an arena on the property.
- Increased the Other Funds Capital Construction expenditure limitation (Article XI-F(1) Bonds) by \$2.2 million and established a \$1.8 million Other Funds Capital Construction expenditure limitation (Other Revenues) for the Department of Higher Education to finance required seismic upgrades at the Ondine student housing facility at Portland State University.
- Allocated \$488,000 from the Emergency Fund to the Oregon Student Assistance Commission for

expenses related to the agency's withdrawal from the Federal Family Education Loan Program. The Emergency Board also increased the Federal Funds expenditure limitation by \$241,000 to permit expenditure of additional federal revenues for the agency's Opportunity Grant program.

Human Services

- Acknowledged receipt of reports from the Department of Human Services on efforts to enhance the use of mail order pharmacy services in the Oregon Health Plan fee-for-service program; on the Oregon State Hospital forensic population; and on a proposed premium policy change in the Oregon Health Plan Standard program.

Public Safety/Judicial

- Allocated \$7 million from the Emergency Fund to the Public Defense Services Commission to restore the remaining budget shortfall for the indigent defense program, resulting from the failure of Ballot Measure 30. The Emergency Board had previously restored \$2.9 million of the total \$9.9 million Ballot Measure 30-triggered reduction to the indigent defense program in June 2004.
- Allocated \$396,000 from the Emergency Fund to the Department of State Police for addressing revenue shortfalls and backlogs in the Identification Services Section.
- Allocated \$2 million from the Emergency Fund for gang intervention services; \$750,000 of the allocation was provided to the Criminal Justice Services Division of the Department of State Police for distribution to Multnomah County and the cities of Gresham, Troutdale, and Fairview for east Multnomah County gang enforcement activities; the remaining \$1.25 million of the allocation was provided to the Oregon Youth Authority for gang intervention programs in local communities.

Natural Resources

- Allocated \$325,000 from the Emergency Fund and authorized the establishment of two limited duration positions (0.42 FTE) for the Department of Land Conservation and Development for Ballot Measure 37 implementation costs, with the understanding that \$185,000 of the allocation would be uncheduled by the Department of Administrative Services until the need for the funds is determined. The agency is the likely recipient of the majority of claims filed with the state under the provisions of Measure 37.
- Acknowledged receipt of a report by the Department of Forestry on recommendations for the privatization of the state's forest nursery program.
- Approved an Other Funds expenditure limitation increase of \$450,000 for the Water Resources

Department to accommodate new contracts with federal agencies and an interagency agreement with the Parks and Recreation Department for reimbursement for scenic waterway work.

Transportation

- For the Department of Transportation, authorized the transfer of \$5 million Other Funds expenditure limitation from the Preservation program and \$30 million Other Funds expenditure limitation from the Local Government program to the Bridge program.

Economic Development

- Allocated \$543,000 from the Emergency Fund to the Oregon State Fair and Exposition Center for maintenance of operations through the remainder of the 2003-05 biennium. The Fair also reported on its financial status and revenue shortfall. The Emergency Board allocated the funding with the understanding that the Department of Administrative Services would unchedule the funds and release them to the Fair on a monthly basis as required to meet Fair operational costs.

Administration

- Allocated \$3 million to the Department of Revenue from the Emergency Fund to support operations through the beginning of 2005, due to a shortfall in collections of cigarette tax revenue.
- Approved an Other Funds expenditure limitation increase of \$8,605,000 for the Department of Administrative Services for system security of the state's computing and networking infrastructure. The revenue for this project will be derived from the sale of Certificates of Participation.
- Allocated \$259,000 from the Emergency Fund and authorized the establishment of three limited duration positions (0.63 FTE) for the Department of Administrative Services for costs of processing claims submitted under Ballot Measure 37.
- Approved the transfer of \$10.5 million from expired, unallocated special purpose appropriations to the Emergency Board's general purpose appropriation legal citation.
- Allocated \$150,000 from the Emergency Fund and authorized the establishment of two limited duration positions (0.33 FTE) for the 73rd Legislative Assembly. The funds will be used for unbudgeted expenses related to out-of-Salem travel of House and Senate committees during session and to support a new Public Commission on the Oregon Legislature.
- Approved an Other Funds expenditure limitation increase of \$52,500 for the Board of Licensed Professional Counselors and Therapists to continue essential enforcement services and purchase a new licensing and compliance information system.

Emergency Fund Balance Summary

	Request	Approved
General Purpose Emergency Fund		
Appropriation Total (HB 5077)		40,000,000
Allocations to Date		(34,738,237)
Reservations		(7,035,000)
Transfers from Expired Special Purpose Appropriations		8,012,562
Unallocated/Unreserved Balance		6,239,325
# January 2005 Requests - General Purpose		
3 Public Defense Services Commission - Public Defense Services Account restoration	(7,000,000)	(7,000,000)
15 Department of Administrative Services - Measure 37 implementation costs	(497,106)	(259,426)
18 Department of Revenue - Tobacco tax revenue shortfall backfill	(3,000,000)	(3,000,000)
22 Oregon Student Assistance Commission - Loan program termination costs	(686,417)	(488,021)
26 Oregon State Police - Identification Services Section supplemental funding	(553,652)	(396,194)
29 Oregon State Fair and Exposition Center - Cash flow shortfall	(650,000)	(543,073)
31 Department of Land Conservation and Development - Measure 37 implementation costs	(500,000)	(325,000)
35 Legislative Fiscal Office - Transfer of expired Special Purpose Appropriations	10,525,369	10,525,369
36 Legislative Fiscal Office - Oregon Youth Authority gang intervention funding	(2,000,000)	(2,000,000)
37 Legislative Administration Committee - Legislative Assembly 2005 Session funding	(150,000)	(150,000)
Total Requests - General Purpose	(4,511,806)	(3,636,345)
Revocation of reservations no longer needed	7,035,000	7,035,000
General Purpose Unallocated Balance		9,637,980
Special Purpose Emergency Fund		
Appropriations Total		56,442,994
Allocations to Date		(45,917,625)
Unallocated Balance		10,525,369
# January 2005 Requests - Special Purpose		
35 Legislative Fiscal Office - Transfer of expired Special Purpose Appropriations	(10,525,369)	(10,525,369)
Total Requests - Special Purpose	(10,525,369)	(10,525,369)
Special Purpose Unallocated Balance		-