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Summary of Emergency Board Action

November 2004

The Legislative Emergency Board met on November 18-19, 2004 and considered an agenda of 59 items. There were six requests for allocation from the general purpose appropriation made to the Emergency Board, totaling \$21 million, of which \$14.5 million was approved. These requests consisted of restoring community corrections funding in the Department of Corrections, backfilling a tobacco tax revenue shortfall in the Department of Revenue, paying for voter pamphlet costs in the Office of the Secretary of State, reimbursing fire costs in the Department of State Police, and providing state match for two facilities to be constructed by the Military Department. Also on the agenda were three requests for allocations from special purpose appropriations made to the Emergency Board, totaling \$11.5 million, of which \$11.2 million was approved (\$2.1 million for the Department of Forestry for fire severity funding, \$104,673 for the Department of Land Conservation and Development for its work plan, and \$9 million for the Department of Administrative Services for state employee health benefit plan changes). In addition, the Emergency Board approved a transfer of four expired special purpose appropriations totaling \$8 million to the general purpose Emergency Fund. After these actions, the general purpose unallocated, unreserved Emergency Fund balance is \$6.2 million and the special purpose unallocated balance is \$10.5 million.

The agenda included 17 requests for additional authority to spend \$62.1 million of Other Funds (\$33.8 million by the Department of Administrative Services included as part of the state employee health benefit plan item), and approximately \$84.6 million of Federal Funds (\$52.8 million by the Department of State Police as part of the agency rebalance). One additional request by the Board of Licensed Professional Counselors and Therapists to increase its Other Funds expenditure limitation to fund enforcement activities was denied, with the expectation that the agency will return to the January 2005 meeting of the Emergency Board.

Also on the agenda were 31 reports, 17 of which were considered on a consent agenda; and five requests for approval to submit federal grant applications, three of which were considered on a consent agenda. One of the two requests considered individually was in conjunction with a request to increase expenditure limitation and establish one limited duration position.

The Emergency Board approved the establishment of four limited duration positions (0.92 FTE), approved the conversion of five limited duration positions to permanent status in the Department of Transportation for improvements in the access permitting process, and authorized 74 additional positions (25.90 FTE) as part of the Department of Human Services' rebalance plan.

The following is a summary of significant Emergency Board actions taken at the November 2004 meeting:

Human Services

- Approved a rebalance of the Department of Human Services by authorizing the transfers of General Fund appropriations and increasing Other Funds and Federal Funds expenditure limitations. The rebalance plan did not require any additional General Fund and resulted in the unscheduling of \$2.7 million of General Fund within the Seniors and People with Disabilities budget. The Emergency Board also addressed the issue of overcrowding at the Oregon State Hospital by approving the use of rebalance savings to develop 75 community-based placements for forensic patients able to be safely released from the hospital and to study the hospital's role within the state's overall mental health system.
- Acknowledged receipt of reports from the Department of Human Services on pharmaceutical savings from returning unused prescriptions to institutional pharmacies; Oregon Project Independence fees and the feasibility of matching with federal Medicaid revenue; changes to the children's mental health system; community-based care for persons with mental illness and the

state hospital's forensic population; and mental health prescription drug management review.

Education

- Approved the submission of federal grant applications to the U.S. Department of Labor for a total of \$1 million to support innovative workforce development and education activities.

Public Safety

- Approved a rebalance of the Department of State Police by authorizing the transfers of General Fund appropriations, increasing Other Funds and Federal Funds expenditure limitations, establishing a Federal Funds expenditure limitation for the Forensics Services and State Medical Examiner program, and allocating \$645,259 from the Emergency Fund for fire costs.
- Within the Department of Corrections, authorized the transfer of \$1.5 million from the appropriation for central support/operations and administration to the appropriation for community corrections and allocated \$7.4 million from the Emergency Fund for county community corrections grants. This action fully restored the community corrections grant funding that had been reduced as a result of Ballot Measure 30's defeat.
- For the Military Department, established a General Fund Capital Construction budget category for design and construction of a Weapons of Mass Destruction/Civil Support Team facility, allocated \$300,000 from the Emergency Fund, and established a Federal Funds Capital Construction expenditure limitation of \$3 million for the facility.
- For the Military Department, established a General Fund Capital Construction budget category for design and construction of a flight operations building at the Salem Army Aviation Facility, allocated \$650,000 from the Emergency Fund, and established a Federal Funds Capital Construction expenditure limitation of \$5.5 million for the building.
- Acknowledged receipt of a report from the Oregon Youth Authority on Multnomah County gang intervention funding.
- Acknowledged receipt of a report from the Judicial Department and Public Defense Services Commission on the Application Contribution Program.

Natural Resources

- Approved a Federal Funds expenditure limitation increase of \$7.2 million for the Department of Environmental Quality for base programs and federal grants.
- Allocated \$2.1 million to the Department of Forestry from a special purpose appropriation to pay costs associated with contracting for large air tankers and helicopters to supplement fire

suppression resources for the 2004 fire season.

- Approved an Other Funds expenditure limitation increase of \$17.3 million for the Department of Forestry for Protection from Fire Program activities in the 2004 fire season.
- For the Department of Land Conservation and Development, acknowledged receipt of a report on the agency's progress in implementing a legislatively approved work plan and allocated \$104,673 from special purpose appropriations to the Grants program, Landowner Notification program, and Operations program.
- Acknowledged receipt of a report from the Department of State Lands and Department of Forestry on the status of ongoing projects related to the management of Common School Fund forestlands, including the Elliott State Forest.
- For the Department of State Lands, approved the submission of a federal grant application to the Cooperative Institute for Coastal and Estuarine Environmental Technology, the establishment of one limited duration position (0.17 FTE), and a Federal Funds expenditure limitation increase of \$27,000.
- Acknowledged receipt of a report from the Department of State Lands on the progress made by the agency in implementing its legislatively approved biennial work plan.

Transportation

- Acknowledged receipt of a report from the Department of Transportation on access management performance and approved the conversion of five limited duration positions to permanent status.
- Acknowledged receipt of a report from the Department of Transportation on the Highway Division reorganization costs.
- Approved an Other Funds expenditure limitation increase of \$524,080 for the Department of Transportation for costs related to the sale of lottery bonds for industrial rail spurs, short line rail, and the South Metro Commuter Rail project.

Economic Development

- Approved an Other Funds expenditure limitation increase of \$58,005 for the Economic and Community Development Department for the Oregon Arts Commission from revenues available from the Cultural Trust Account for arts grants and administrative costs.
- For the Oregon State Fair and Exposition Center, to facilitate retiring the debt on the 1986 revenue bonds, established a Lottery Funds debt service expenditure limitation of \$556,855 to expend the funds reserved in June 2000, authorized the expenditure of \$75,145 in reserved Other Funds, and requested the unsheduling of \$600,000 from interest earned on Lottery-backed bonds.

Administration

- Allocated \$9 million from a special purpose appropriation and approved increases in Other Funds, Federal Funds, and Lottery Funds expenditure limitations to fund state employee health benefit plan changes for the 2003-05 biennium in all state agencies.
- Allocated \$5 million to the Department of Revenue from the Emergency Fund to support operations through the beginning of 2005.
- Allocated \$512,926 to the Secretary of State from the Emergency Fund for 2004 General Election voters' pamphlet costs.
- Approved a Federal Funds expenditure limitation increase of \$3.2 million for the Secretary of State for implementation of the Help America Vote Act.
- Approved an Other Funds expenditure limitation increase of \$900,000 for the Racing Commission for expenditures from the Racing Development Fund created by higher than anticipated revenue from pari-mutuel taxes from hubs.
- Approved an Other Funds expenditure limitation increase of \$1.5 million for the Department of Revenue to continue development of a digital base map system to be used in the property tax system.
- Approved an Other Funds expenditure limitation increase of \$3.5 million for the Oregon Liquor Control Commission for agent compensation.
- Acknowledged receipt of a report from the Bureau of Labor and Industries on a potential shortfall in the Wage Security Fund.
- Approved a Federal Funds expenditure limitation increase of \$97,000 for the Department of Administrative Services, Office of Oregon Health Policy and Research for expanded review and assessment of healthcare access and safety net issues.
- For the Public Employees Retirement System, approved the establishment of three limited duration positions (0.75 FTE) and requested the rescheduling of \$2.1 million Other Funds expenditure limitation to begin conversion of the existing Retirement Information Management System to the *j-Clarety* system.
- Denied a request by the Board of Licensed Professional Counselors and Therapists for an increase in Other Funds expenditure limitation for enforcement activities and computer consultation, and directed the agency to return to the January 2005 meeting of the Emergency Board.

Emergency Fund Balance Summary		
	<u>Request</u>	<u>Approved</u>
General Purpose Emergency Fund		
Appropriation Total (HB 5077)		40,000,000
Allocations to Date		(20,225,842)
Reservations		<u>(7,035,000)</u>
Unallocated/Unreserved Balance		12,739,158
# November 2004 Requests - General Purpose		
8 Secretary of State - General Election voters' pamphlet (includes \$390,000 reservation)	(573,951)	(512,926)
38 Department of Revenue - Tobacco tax revenue shortfall backfill	(10,000,000)	(5,000,000)
54 Department of Corrections - Community Corrections funding restoration (\$8,904,210)	(8,904,210)	(7,404,210)
55 Military Department - Weapons of mass destruction civil support team facility	(300,000)	(300,000)
56 Military Department - Army Aviation Operations facility	(650,000)	(650,000)
58 Oregon State Police - Fire cost reimbursement	(645,259)	(645,259)
64 Legislative Fiscal Office - Transfer of expired Special Purpose Appropriations	<u>8,012,562</u>	<u>8,012,562</u>
Total Requests - General Purpose	(13,060,858)	(6,499,833)
General Purpose Unallocated/Unreserved Balance		6,239,325
Special Purpose Emergency Fund		
Appropriations Total		56,442,994
Allocations to Date		(26,678,071)
Unallocated Balance		29,764,923
# November 2004 Requests - Special Purpose		
12 Department of Forestry - Protection from Fire severity funding	(2,351,831)	(2,122,319)
15 Department of Land Conservation and Development - Work plan progress report	(138,694)	(104,673)
30 Department of Administrative Services - State Employee benefit plan changes	(9,000,000)	(9,000,000)
64 Legislative Fiscal Office - Transfer of expired Special Purpose Appropriations	<u>(8,012,562)</u>	<u>(8,012,562)</u>
Total Requests - Special Purpose	(19,503,087)	(19,239,554)
Special Purpose Unallocated Balance		10,525,369

Complete minutes of Emergency Board meetings are available on the Legislative Fiscal Office website:
www.leg.state.or.us/comm/lfo/home.htm