

**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 September 2004

The Legislative Emergency Board met on September 16-17, 2004 and considered an agenda of 45 items. There were two requests for allocation from the general purpose appropriation made to the Emergency Board, totaling under \$100,000 (both by the Military Department for construction projects at the Salem Army Aviation Support Facility and the Lane County Armed Forces Reserve Center Complex). Two items on the agenda requested allocations from the special purpose appropriations made to the Emergency Board (\$9 million for state employee health benefit plan changes and \$30,000 for the Columbia River Gorge Commission implementation of work plan components). The Emergency Board approved the Columbia River Gorge Commission request, but deferred action until the Board's November 2004 meeting on the request by the Department of Administrative Services for the allocation to fund state employee health benefit costs. After these actions, the general purpose unallocated, unreserved Emergency Fund balance is \$12.3 million and the special purpose unallocated balance is \$29.8 million.

The agenda included thirteen requests for additional authority to spend \$53.2 million of Other Funds (\$37.5 million by the Department of Administrative Services for a laboratory building and a data center consolidation facility), and approximately \$12.7 million of Federal Funds (\$11.7 million by the Department of Education). One additional request by the Department of Human Services to increase Other Funds and Federal Funds expenditure limitations to implement the restructured Oregon Health Plan Standard program was denied with the expectation that the expenditure authority will be included in the agency's next rebalance plan.

Also on the agenda were 17 reports, four of which were considered on a consent agenda, and 13 requests for approval to submit federal grant applications, eight of which were considered on a consent agenda. Of the five requests regarding federal grant applications heard individually, one was in conjunction with a request to increase expenditure limitation.

The Emergency Board approved the establishment of 33 permanent full-time positions (12.48 FTE) and the conversion of 15 limited duration positions to permanent status (6.90 FTE) in the Department of Corrections to implement the agency's plan to operate the community corrections program in counties opting out of participation in the program. Also approved was the addition of nine months each to two existing limited duration positions (0.75 FTE) in the Department of Environmental Quality.

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

Education

- Approved a rebalance of the Department of Education's federal funding by approving a transfer of \$8 million Federal Funds expenditure limitation from All Other Federal Programs to Title IA - Grants to Local Educational Agencies; an increase of \$11.7 million Federal Funds expenditure limitation for Title IA - Grants to Local Educational Agencies, IDEA, Title I - Migrant Education, Vocational Education, and the Oregon State Schools for the Deaf and for the Blind; and a request to the Department of Administrative Services to reschedule a net \$22.2 million Federal Funds expenditure limitation for various programs.
- Approved an Other Funds Capital Construction expenditure limitation increase for the Department of Higher Education of \$4.7 million and established an Other Funds Capital Construction expenditure limitation of \$500,000 for expenses related to the expansion of a new student housing project at Southern Oregon University.
- Acknowledged receipt of a report from the Oregon Student Assistance Commission on the agency's participation in the Federal Family Education Loan Program and its efforts to resolve the current financial problems in the program.

Human Services

- Denied a request by the Department of Human Services to increase the Other Funds expenditure limitation by \$107 million, increase the Federal Funds expenditure limitation by \$168.1 million, and establish 29 limited duration positions to implement the restructured Oregon Health Plan Standard program. The agency's request involved the use of federally approved provider tax revenue. While the Emergency Board expressed support for the use of such revenue, the agency was directed to include the requested increases in expenditure limitations within its next rebalance plan, which is expected to be presented to the Emergency Board at its November 2004 meeting.
- Approved the submission of two federal grant applications by the Department of Human Services, one to enhance housing options for persons with psychiatric and developmental disabilities and the other to support evidence-based mental health treatment.
- Acknowledged receipt of two reports from the Department of Human Services, one related to efforts to increase community acute psychiatric care capacity in lieu of opening more wards at the Oregon State Hospital and the second in regard to the impact of premiums and other cost-sharing mechanisms on the Oregon Health Plan Standard caseload.

Public Safety

- Allocated \$48,558 from the Emergency Fund to pay 2003-05 debt service costs from the sale of Certificates of Participation and established a \$1.97 million Other Funds Capital Construction expenditure limitation for the Military Department for the purchase of land at the Salem Army Aviation Support Facility.
- Allocated \$39,258 from the Emergency Fund to pay 2003-05 debt service costs from the sale of Certificates of Participation and established a \$2.99 million Other Funds Capital Construction expenditure limitation for the Military Department for the design and construction of Phase II of the Lane County Armed Forces Reserve Center Complex.
- Acknowledged receipt of reports from the Department of Corrections (DOC) on the use and causes of overtime in the agency and on the agency's efforts to implement state-operated community corrections programs in counties that have opted out of participation in the program. The Emergency Board authorized the establishment of 33 permanent full-time positions (12.48 FTE) and the conversion of 15 limited duration positions to permanent full-time status (6.90 FTE) for DOC to operate the community corrections program in the two counties that have

officially opted out (Douglas and Linn). Curry County has provided notification of its intent to opt-out, but is waiting to see if additional state resources will be provided.

- Acknowledged receipt of reports from the Oregon State Police on the geographic distribution of sworn staff for the Patrol, Fish and Game, and Criminal Divisions and from the Department of Public Safety Standards and Training on the construction schedule and costs for the new public safety training facility and the development of a 16-week basic law enforcement training course.

Natural Resources

- Allocated \$30,000 to the Columbia River Gorge Commission from a special purpose appropriation for implementation of work plan components. The Commission received \$20,000 from the special purpose appropriation in November 2003 to develop the work plan and was directed to seek the remainder after making progress in implementing the plan.
- Acknowledged receipt of reports from the Department of Forestry on the Harvest and Habitat modeling project, funding for emergency wild-land fire fighting, the Tillamook Interpretive Center, and the implementation plan for Salmon Anchor Habitat strategies.
- Approved expenditure limitation increases for the Department of Environmental Quality of \$397,843 Other Funds for the purchase of chemical analysis and emergency preparedness equipment and \$266,507 Federal Funds to improve environmental reporting required by the federal government.
- Approved a Federal Funds expenditure limitation increase of \$750,000 for the Department of Agriculture for unexpended specialty crops grant funds.
- Approve an Other Funds expenditure limitation increase of \$800,000 for the Marine Board for a high priority facility project in Rainier.
- Acknowledged receipt of a report from the Oregon Watershed Enhancement Board on the criteria used to consider land acquisition proposals.

Transportation

- Approved submission of a federal grant application by the Department of Aviation to the Federal Aviation Administration for \$3 million and established an Other Funds Capital Construction expenditure limitation in the same amount for improvements at the Aurora State Airport.

Economic Development

- Approved an Other Funds expenditure limitation increase for the Oregon State Fair and Exposition Center of \$600,000 for completion of bond-

financed Pavilion enhancements and for construction and repair projects related to the Fair Facilities Master Plan using interest earnings on lottery-backed bonds.

- Approved an Other Funds expenditure limitation increase for the Economic and Community Development Department/Oregon Arts Commission of \$720,300 for arts grants using revenues available from the Cultural Trust Account.

Administration

- Deferred action on the Department of Administrative Service’s request to allocate \$9 million from a special purpose appropriation, distribute \$15 million Other Funds from the PEBB Stabilization Fund, and increase Other, Federal, and Lottery Funds expenditure limitations to fund state employee health benefit plan changes for the 2003-05 biennium until the November 2004 meeting of the Emergency Board. The Board

expressed its intention to meet the funding need in November after additional information regarding the request is collected.

- Approved a \$17.5 million Other Funds Capital Construction expenditure limitation increase for the Department of Administrative Services for the design and construction of improvements for a laboratory building to be shared by the Departments of Environmental Quality and Human Services.
- Approved the establishment of a \$20 million Other Funds Capital Construction expenditure limitation for the Department of Administrative Services for the design and construction of a consolidated data center facility.
- Acknowledged receipt of report from the Department of Administrative Services on the Oregon Prescription Drug Program.

Emergency Fund Balance Summary		
	<u>Request</u>	<u>Approved</u>
General Purpose Emergency Fund		
Appropriation Total (HB 5077)		40,000,000
Allocations to Date		(20,138,026)
Reservations		<u>(7,425,000)</u>
Unallocated/Unreserved Balance		12,436,974
# September 2004 Requests - General Purpose		
47 Military Department - Salem Airport Land Purchase	(48,558)	(48,558)
48 Military Department - Lane County Armed Forces Reserve Center Construction	<u>(39,258)</u>	<u>(39,258)</u>
Total Requests - General Purpose	(87,816)	(87,816)
General Purpose Unallocated/Unreserved Balance		12,349,158
Special Purpose Emergency Fund		
Appropriations Total		56,442,994
Allocations to Date		(26,648,071)
Unallocated Balance		29,794,923
# September 2004 Requests - Special Purpose		
11 Columbia River Gorge Commission - Work Plan Reporting	(30,000)	(30,000)
35 Department of Administrative Services - State Employee Benefit Plan Changes	<u>(9,000,000)</u>	<u>Deferred</u>
Total Requests - Special Purpose	(9,030,000)	(30,000)
Special Purpose Unallocated Balance		29,764,923

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