



Summary of Emergency Board Action

December 2006

The Legislative Emergency Board met on November 30 and December 1, 2006 and considered an agenda of 71 items. The agenda included 12 agency requests for allocation from the general purpose appropriation made to the Emergency Board, totaling \$20.2 million, of which \$15.4 million was approved. There were five requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$76.9 million; in addition, one request transferred \$12.1 million from unallocated special purpose appropriations to the general purpose appropriation legal citation. Additional details on these allocations are described below. After the Emergency Board actions, the unallocated unreserved balance of the general purpose Emergency Fund is \$1.7 million and the special purpose unallocated balance is \$9.9 million (all of which is earmarked for the Department of Human Services for rebalance and caseload needs). Due to the lack of sufficient funding in the Emergency Fund, several requests were deferred to the 2007 legislative session for final action.

The agenda included 24 items that requested additional 2005-07 biennium authority to spend Other Funds and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$106 million Other Funds (including \$47.5 million for the Department of Transportation for additional Highway Preservation Program projects and \$39.7 million for the Department of Higher Education for three construction projects at the University of Oregon and Portland State University) and \$133.1 million Federal Funds (including \$114.6 million for the Department of Human Services as part of the agency's rebalance plan). In addition, the Emergency Board approved various transfers of Other Funds and Federal Funds expenditure limitations between expenditure categories within agencies.

Also on the agenda were 31 agency 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. In addition, the Emergency Board approved the establishment of 9 positions, but with an overall decline of 6.85 FTE, and extended one existing position from part-time to full-time status (for an additional 0.19 FTE). The Emergency Board also received a report from the Public Commission on the Oregon Legislature outlining its recommendations.

The following is a summary of significant Emergency Board actions taken at the December 2006 meeting:

Education

- Established two Other Funds Capital Construction expenditure limitations in the total amount of \$51 million for the Department of Higher Education for the Portland State University PCAT Block Redevelopment, Phase I project; included in the action was the transfer of \$42 million from an existing Other Funds Capital Construction expenditure limitation to the newly established limitation.
- Increased the Other Funds Capital Construction expenditure limitation for the Department of Higher Education for the Hayward Field Improvement Project at the University of Oregon by \$25 million.
- Established an Other Funds Capital Construction expenditure limitation of \$5.7 million for the Department of Higher Education for the purchase of the Romania Property in Eugene for the University of Oregon.
- Acknowledged receipt of reports from the Department of Higher Education on fee remissions and on operating a statewide articulation and transfer system (in conjunction with the Department of Community Colleges and Workforce Development).
- Allocated \$646,039 from the special purpose appropriation for the Department of Education for Local Option Equalization Grants for the 2006-07 fiscal year.
- Increased the Federal Funds expenditure limitation for the Department of Education by \$449,837 for the Youth Corrections Education Program/Juvenile Detention Education Program and by \$1,060,204 for an enhanced assessment grant from the U.S. Department of Education.

- Increased the Other Funds expenditure limitation for the Teacher Standards and Practices Commission by \$220,000 to cover unanticipated expenses.

Human Services

- For the Department of Human Services 2005-07 rebalance plan, allocated \$73,438,729 from the special purpose appropriation made to the Emergency Board for costs of increased caseload, increases in cost-per-case, and program needs; authorized the transfers of General Fund appropriations and Other Funds and Federal Funds expenditure limitations; increased the Federal Funds expenditure limitation by \$114,610,268; and approved the establishment of 7 positions and a reduction of 7.31 FTE. There is \$9.9 million of the special purpose appropriation remaining for April 2007 rebalance or other departmental needs.
- Acknowledged receipt of several reports by the Department of Human Services, including reports on the agency's staffing study, the children's mental health system, actions to improve Oregon State Hospital patient safety and care, the Oregon State Hospital facility replacement project, implementing the Medicare Part D prescription drug benefit, increasing community-based delivery of services, and implementation of the Department's Operations Review Team recommendations on cash flow and financial management.

Public Safety

- Allocated \$750,000 from the Emergency Fund to the Department of State Police for grants to Marion County, City of Canby, and City of Gresham for methamphetamine and gang-related activities, for State Police support of the Marion County Strike Force, and for a grant program open to all communities to address methamphetamine-related issues; and allocated \$600,000 from the Emergency Fund to the Oregon Youth Authority for local community gang intervention services.
- For the Department of State Police 2005-07 rebalance plan, increased the Other Funds expenditure limitation by \$2,268,923 and authorized the transfer of General Fund appropriations between divisions, but deferred action on determining the source of funding for the state's share of Conflagration Act costs until the 2007 legislative session.
- Allocated \$2,944,875 from the Emergency Fund to the Public Defense Services Commission for higher than anticipated caseload costs. In September, the agency requested \$7.9 million and received half the amount due to concerns about the Emergency Fund's cash balance and potential

demands on the Fund. In December, the agency requested the remainder and was allocated 75% of the requested amount. The Commission is expected to return to the 2007 Legislative Assembly to address the balance of the need.

- Deferred a request to the 2007 legislative session for an allocation of \$1,657,462 from the Emergency Fund by the Judicial Department for court interpreter funding.
- Increased the Other Funds expenditure limitation for the Judicial Department by \$1,112,043 for continued implementation of court security using funds from the State Court Facilities Account.
- Allocated \$61,944 from the Emergency Fund for the Commission on Judicial Fitness and Disability for unanticipated investigation and prosecution expenses.
- Deferred a request for allocation of \$359,292 from the Emergency Fund to the Department of Justice for legal costs incurred in protecting the state's interest in the Tobacco Master Settlement Agreement until total costs of the litigation are known during the 2007 legislative session.
- Increased the Other Funds expenditure limitation for the Military Department by \$454,724 for firefighting expenses incurred during the 2005 and 2006 fire seasons.

Natural Resources

- Allocated \$10,000,000 from the Emergency Fund to the Department of Forestry for the purpose of crediting the funds to the Forestry Department Account as a result of a judgment by the Tillamook County Circuit Court.
- For the Department of Forestry, allocated \$1,220,979 from a special purpose appropriation made to the Emergency Board to pay for costs associated with the 2006 fire season suppression activities, and allocated \$322,233 from the special purpose appropriation and \$323,080 from the Emergency Fund to pay the premium for catastrophic fire insurance due April 1, 2007.
- Allocated \$621,000 from the special purpose appropriation made to the Emergency Board to fund state employee compensation and benefit adjustments for the 2005-07 biennium to the Department of Forestry for salary and benefit costs related to fire fighting personnel.
- Approved, retroactively, the submission of a federal grant application by the Parks and Recreation Department for the acquisition of property along Beaver Creek in Lincoln County.
- Increased the Federal Funds expenditure limitation for the Department of State Lands by \$412,000 for the expenditure of a federal grant to acquire a conservation easement to protect and

enhance populations of Fender's blue butterfly in Lane County.

- Increased the Federal Funds expenditure limitation for the Department of Agriculture by \$713,431 for the agency's plant health programs.
- Increased the Federal Funds expenditure limitation for the Department of Agriculture by \$700,000 for a federal grant awarded to the agency for The Nature Conservancy towards the acquisition of property in Wallowa County to provide habitat for the federally listed plant, Spalding's Catchfly.
- Increased the Federal Funds expenditure limitation for the Department of Fish and Wildlife by \$3,900,000 for funding from the Bonneville Power Administration mitigation funds to purchase a conservation easement on 199 acres in Benton County.

Economic and Community Development

- Acknowledged receipt of a report by the Employment Department on how federal grant funds will be used by the Oregon Environmental Council's Eco-Healthy Child Care program.
- Increased the Federal Funds expenditure limitation for the Housing and Community Services Department by \$10,500,000 due to increased federal allocations, federal program restorations, and revised forecasts associated with federally funded programs.

Transportation

- Increased the Other Funds expenditure limitation for the Department of Transportation, Transportation Program Development unit, by \$1,400,000 for planning activities related to federal earmarked projects.
- Increased the Other Funds expenditure limitation for the Department of Transportation, Highway Preservation Program, by \$47,500,000 for highway projects.

Consumer and Business Services

- Increased the Other Funds expenditure limitation of the Oregon Liquor Control Commission by \$1,420,000 in the Store Operating Expenses program for agent compensation and by \$230,000 in the Administration program for paying higher bank card fees, both due to liquor sales in excess of original projections.

- Established an Other Funds Capital Construction expenditure limitation for the Oregon Liquor Control Commission of \$6,600,000 for the purchase of a warehouse, and increased the agency's Other Funds expenditure limitation by \$1,586,900 for other costs associated with the purchase and for upgrades to the existing distribution center.

Administration

- Transferred unallocated balances in the amount of \$12,127,188 from special purpose appropriations made to the Emergency Board to the general purpose Emergency Fund legal citation. Such unallocated special purpose appropriation balances can be used by the Emergency Board for any lawful purpose.
- Allocated \$155,675 from the Emergency Fund to the Department of Administrative Services for continued implementation and processing costs for claims filed under Ballot Measure 37.
- Deferred, for a second time, a request by the Department of Administrative Services for a \$4.1 million increase in the Other Funds Capital Construction expenditure limitation for the Eugene State Office Building renovation; action will need to be taken by the 2007 Legislative Assembly on this project.
- Increased the Other Funds Capital Construction expenditure limitation for the Department of Administrative Services by \$2,600,000 for the Justice Building Renovation project.
- Allocated \$635,206 from the special purpose appropriation made to the Emergency Board and allocated \$583,913 from the Emergency Fund to the Secretary of State for reimbursement costs associated with the 2006 General Election Voters' Pamphlet.
- Denied a request for an allocation of \$1,112,020 from the Emergency Fund by the Secretary of State for one-time costs of implementing the requirements of Ballot Measure 47.
- Increased the Other Funds expenditure limitation for the Racing Commission by \$720,422, approved the establishment of one full-time veterinarian position, and increased an existing part-time veterinary technician to full-time status for the remainder of the biennium.

Emergency Fund Balance Summary

	Agency Request	E-Board Approved
General Purpose Emergency Fund		
Appropriation (HB 5023)	30,000,000	30,000,000
Allocations to date	<u>(25,050,582)</u>	<u>(25,050,582)</u>
Unallocated/Unreserved Balance	4,949,418	4,949,418
1 Legislative Fiscal Office - Transfer of expired special purpose appropriations	12,127,188	12,127,188
Unallocated/Unreserved Balance available to Emergency Board after special purpose transfer	<u>17,076,606</u>	<u>17,076,606</u>
# December 2006 Requests - General Purpose		
2 Secretary of State - 2006 General Election voter pamphlet costs (plus special purpose appropriation)	(601,794)	(583,913)
3 Secretary of State - Ballot Measure 47 implementation costs	(1,112,020)	-
5 Judicial Department - Increased interpreter costs	(1,657,462)	-
8 Public Defense Services Commission - Indigent Defense mandated caseload costs	(3,926,500)	(2,944,875)
9 Commission on Judicial Fitness and Disability - Unanticipated prosecution expenses	(75,000)	(61,944)
30 Oregon State Police - Rebalance and fire cost reimbursement	(598,610)	-
31 Department of Justice - Tobacco Master Settlement Agreement litigation costs	(359,292)	-
32 Military Department - Katrina response cost reimbursement	(1,000,000)	-
46 Department of Forestry - 2006 fire season costs (plus special purpose appropriation)	(323,380)	(323,080)
49 Department of Forestry - Tillamook Circuit Court judgment on Forestry Department Account	(10,000,000)	(10,000,000)
69 Department of Administrative Services - Ballot Measure 37 implementation costs	(155,675)	(155,675)
74 Oregon State Police - Methamphetamine and gang intervention	(350,000)	(1,350,000)
Total Requests - General Purpose	<u>(20,159,733)</u>	<u>(15,419,487)</u>
General Purpose Unallocated/Unreserved Balance after 12/06	(3,083,127)	1,657,119
Special Purpose Appropriations		
Salary and Health Benefit Appropriations	140,000,000	140,000,000
Allocations/Disappropriations to Date	<u>(127,253,888)</u>	<u>(127,253,888)</u>
Unallocated Balance	12,746,112	12,746,112
Agency Specific Appropriations (includes April 2006 Special Session action - SB 5644)	107,100,764	107,100,764
Allocations/Disappropriations to Date	<u>(20,974,231)</u>	<u>(20,974,231)</u>
Unallocated Balance	86,126,533	86,126,533
# December 2006 Requests - Special Purpose		
1 Legislative Fiscal Office - Transfer of expired special purpose appropriations	(12,127,188)	(12,127,188)
2 Secretary of State - 2006 General Election voter pamphlet costs (plus general purpose appropriation)	(635,206)	(635,206)
15 Department of Education - Local Option Equalization Grants	(646,039)	(646,039)
26 Department of Human Services - Caseload rebalance	(73,429,053)	(73,438,729)
46 Department of Forestry - 2006 fire season costs (plus general purpose appropriation)	(1,543,212)	(1,543,212)
47 Department of Forestry - Fire Program employee compensation plan	(621,000)	(621,000)
Total Requests - Special Purpose	<u>(89,001,698)</u>	<u>(89,011,374)</u>
Special Purpose Unallocated Balance after 12/06	9,870,947	9,861,271

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