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## Summary of Emergency Board Action

June 2008

The Legislative Emergency Board met on June 26-27, 2008 and considered an agenda of 78 items. The agenda included nine agency requests for allocations from the general purpose appropriation made to the Emergency Board, totaling \$7.6 million, of which \$7 million was approved. There were nine requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$37.1 million (\$37.3 million was allocated); in addition, another request was for allocation of the \$125 million special purpose appropriation for state employee compensation for the 2007-09 biennium (\$100 million of which was allocated to state agencies). Additional details on these allocations are described below. After the Emergency Board actions, the unallocated unreserved balance of the general purpose Emergency Fund is \$23 million and the special purpose unallocated balance is \$31.6 million (\$17.5 million of which is earmarked for the Department of Human Services for the Oregon State Hospital and rebalance and caseload needs). In addition, \$25 million that was not allocated from the special purpose appropriation for state employee compensation will be available to the Emergency Board for any legally authorized purpose when the Board meets in September.

The agenda included 32 items that requested additional 2007-09 biennium authority to spend Other Funds and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$269.6 million Other Funds (including \$145.8 million for various agencies for compensation adjustments, \$50.3 million for the Department of Forestry for fire fighting, and \$42.3 million for the Department of Higher Education for four construction projects) and \$65.7 million Federal Funds (including \$34.2 million for various agencies for compensation adjustments). 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 22 agency reports, nine 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. In addition, the Emergency Board approved the establishment of nine limited duration positions, with an overall increase of 4.50 FTE, and 27 permanent positions, with a net increase of 12.89 FTE.

The following is a summary of significant Emergency Board actions taken at the June 2008 meeting:

### Education

- Allocated \$25 million from the special purpose appropriation for the Department of Education for the Oregon Prekindergarten program.
- Allocated \$1.825 million from the special purpose appropriation for the Department of Education for the Early Intervention/Early Childhood Special Education program.
- Allocated \$392,246 from the special purpose appropriation for the Department of Education for Local Option Equalization Grants for the 2007-08 school year.
- Allocated \$215,244 from the Emergency Fund for the Department of Higher Education for staff at Oregon State University to conduct research on honey bee health.
- Increased the Other Funds Capital Construction expenditure limitation for the Department of Higher Education by \$15.5 million for the Student Housing project at the Oregon Institute of Technology.
- Established an Other Funds Capital Construction expenditure limitation in the amount of \$20 million for the Department of Higher Education for the University of Oregon baseball park, and increased the Other Funds Capital Construction expenditure limitations for the University of Oregon, College of Education Building by \$4.7 million and the University of Oregon, School of Music project by \$2.1 million.
- Acknowledged receipt of a report from the Department of Higher Education and the State Treasurer on changes to the University of Oregon arena project that occurred after the project had been approved by the Legislature during the February 2008 special session.
- Increased the Other Funds expenditure limitation for the Teacher Standards and Practices

Commission by \$308,000 to fund additional investigator positions.

#### **Human Services**

- Allocated \$2,435,028 from the special purpose appropriation for the Department of Human Services for the Oregon State Hospital (OSH) improvement plan and authorized the establishment of 22 positions (10.76 FTE) for OSH; allocated \$2,420,237 from the special purpose appropriation for the Department of Human Services for caseloads, cost-per-case, and program needs and increased the Federal Funds expenditure limitation by \$8,732,930 for vocational rehabilitation services.
- Acknowledged receipt of several reports by the Department of Human Services, including reports on major federal regulations and audits with potential revenue effects, the OSH replacement project, Medicaid reimbursement for Type A and B hospitals, health care disparities among Oregon Health Plan clients, the OSH continuous improvement plan, progress in implementing SB 328, and the fiscal status of Cascadia Behavioral Healthcare.

#### **Public Safety and Judicial Branch**

- Allocated \$500,000 from the special purpose appropriation for the Department of Justice for legal costs incurred in protecting the state's interest in the Tobacco Master Settlement Agreement.
- Allocated \$53,493 from the Emergency Fund to the Military Department's Community Support Program for costs of snow removal in Marion County and sandbagging in Tillamook County.
- Increased the Other Funds expenditure limitation of the Military Department by \$340,000 for the purchase of 2.38 acres of property at Camp Rilea.
- Increased the Federal Funds expenditure limitation of the Military Department by \$7,263,200 for the Operations Program, by \$13,495,000 for the Equipment Refurbishment subprogram, and by \$1,100,000 for telecommunications upgrades at nine installations.
- Established new Other Funds and Federal Funds Capital Construction expenditure limitations for the Military Department for The Dalles Readiness Center project.
- Denied an increase in the Other Funds expenditure limitation of the Department of State Police for the Oregon Wireless Interoperability Network project. The agency had requested an increase of \$76 million; the LFO recommendation was for approval of a \$39 million increase in expenditure limitation.
- Acknowledged receipt of a report by the Judicial Department on the eCourt project.

- Deferred a request to increase the Other Funds expenditure limitation of the Judicial Department by \$1,336,000 and establish 14 positions (5.75 FTE) for revenue administration until a subsequent meeting of the Emergency Board.
- Increased the Other Funds expenditure limitation of the Judicial Department by \$800,000 for audio and video conferencing equipment and mediation training.

#### **Natural Resources**

- Allocated \$500,000 from the Emergency Fund to the Economic and Community Development Department for direct cash assistance payments through the Department of Agriculture to fishers and charter boat operators affected by the closure of commercial salmon fisheries along the Oregon coast.
- Allocated \$427,500 from the Emergency Fund to the Department of Forestry for the continued efforts to eradicate Sudden Oak Death disease in Curry County.
- For the Department of Forestry, allocated \$2,257,550 from the special purpose appropriation made to the Emergency Board to cover costs of the 2007 fire season air tanker and severity program, allocated \$2,233,886 from the Emergency Fund to pay for the General Fund match for fire protection activities in the 2007-09 biennium, and increased the Other Funds expenditure limitation by \$50.3 million for Protection from Fire Program activities in the 2007 and 2008 fire seasons.
- Increased the Federal Funds expenditure limitation of the Department of Agriculture by \$179,063 for additional funding made available to the Animal Health Division primarily for disease mitigation.
- Approved the submission of two federal grant applications by the Oregon Watershed Enhancement Board to the U.S. Fish and Wildlife Service for acquisition of coastal wetlands in Nehalem Bay.
- Authorized transfers of Lottery Funds and Other Funds, and increased Lottery Funds, Other Funds, and Federal Funds expenditure limitations of the Parks and Recreation Department to realign expenditures with revenue sources.
- Increased the Other Funds expenditure limitation of the Department of Energy by \$500,000 for energy facility siting responsibilities and by \$500,000 for renewable energy feasibility studies; authorized the reclassifications of three positions and the establishment of a new position to provide additional administrative support to the Global Warming Commission and other work groups.

### **Economic and Community Development**

- Increased the Other Funds expenditure limitation of the Housing and Community Services Department by \$1,060,295 for Low Income Weatherization.
- Increased the Federal Funds expenditure limitation of the Housing and Community Services Department by \$303,831 and the Other Funds expenditure limitation by \$85,401 for a federal grant for foreclosure mitigation counseling.

### **Consumer and Business Services**

- Increased the Other Funds expenditure limitation of the Board of Clinical Social Workers by \$152,500 and authorized the establishment of a limited duration position (0.50 FTE) to address a backlog of investigative cases.
- Increased the Other Funds expenditure limitation of the Board of Pharmacy by \$191,772 and increased the FTE of two existing part-time positions by 0.25 FTE each for securing confidential records, unexpected Attorney General costs, and workload related to a change in license requirements.

### **Administration**

- Allocated \$1,767,151 from the special purpose appropriation for the Secretary of State for reimbursement of costs associated with the November 2007 special election.
- Authorized the establishment of the position of Chief Audit Executive (0.38 FTE), and increased the Other Funds expenditure limitation of the State Treasurer by \$764,435 for costs associated with the new position and for potential calendar year 2008 bonus payments to agency investment officers.
- Increased the Other Funds expenditure limitation of the Department of Administrative Services by \$977,722 and authorized the establishment of three permanent positions (1.14 FTE) for administration of the new education benefit system; by \$154,923 and four commission member positions (0.00 FTE) and one limited duration position (0.17 FTE) for support of the Public Officials Compensation Commission; by \$3,967,729 for the state's internship and technical training program; and by \$41,195 and one half-time permanent position (0.23 FTE) for coordination of the Committee on Performance Excellence.
- Established an Other Funds expenditure limitation for the Department of Administrative Services in the amount of \$3,024,167 for the cost of issuing and transferring net lottery bond proceeds to Oregon Public Broadcasting.
- Acknowledged receipt of a request by the Department of Administrative Services to adjust

agency budgets for rate changes at the State Data Center. The changes resulted in an allocation of \$2,274,777 from the Emergency Fund to cover the General Fund costs of various state agencies; the General Fund and Lottery Funds, Other Funds, and Federal Funds expenditure limitation changes associated with the State Data Center were combined with adjustments made for state employee compensation changes.

- Allocated \$100 million of the \$125 million special purpose appropriation for various state agencies to cover the costs of negotiated state employee salary and benefit changes for the 2007-09 biennium. After combining the employee compensation and State Data Center rate changes, increased various state agency expenditure limitations by a net \$2,931,624 Lottery Funds, \$145,778,527 Other Funds, and \$34,194,257 Federal Funds.
- Allocated \$1,188,837 from the Emergency Fund and increased Lottery Funds expenditure limitations by \$623,250 and Other Funds expenditure limitations by \$17,745,284 for various state agencies that incurred costs responding to the December 2007 winter storms.
- For the Government Ethics Commission, allocated \$52,800 from the Emergency Fund for higher than anticipated legal expenses and \$51,979 from the Emergency Fund (and authorized the establishment of a limited duration position – 0.46 FTE) for increased workload related to the 2007 ethics reform legislation.
- Allocated \$75,000 from the special purpose appropriation for the Government Ethics Commission for the development and implementation of an on-line, electronic reporting system.
- Increased the Other Funds expenditure limitation of the State Library by \$150,000 to purchase digital talking book players and supplies.

### **Legislative Branch**

- Established an Other Funds Capital Construction expenditure limitation for the Legislative Administration Committee Capitol Renovation Project-Terrace and transferred \$2,981,117 from the existing Capitol Renovation Project expenditure limitation for the repair of leaks at the terrace level of the State Capitol Building.
- Allocated \$600,000 from the special purpose appropriation for the Legislative Administration Committee for costs associated with the Court Facilities Assessment Project.

<b>Emergency Fund Balance Summary</b>		
	<b>Agency Request</b>	<b>E-Board Approved</b>
<b>General Purpose Emergency Fund</b>		
Appropriation (SB 5549)	30,000,000	30,000,000
Allocations to date	-	-
Unallocated/Unreserved Balance	30,000,000	30,000,000
<b># June 2008 Requests - General Purpose</b>		
17 Department of Higher Education - Bee Colony Collapse Disorder study at OSU	(250,000)	(215,244)
42 Military Department - State Active Duty missions (snow removal and levy sandbagging)	(53,493)	(53,493)
53 Department of Agriculture - Assistance for salmon troll and ocean charter fleets	(500,000)	(500,000)
58 Department of Forestry/Agriculture - Eradication of Sudden Oak Death disease	(427,500)	(427,500)
59 Department of Forestry - Fire protection costs (plus special purpose appropriation)	(2,233,886)	(2,233,886)
72 Department of Administrative Services - State Data Center rate changes for various agencies	(2,139,712)	(2,274,777)
75 Department of Administrative Services - 2007 storm damage reimbursement for various agencies	(1,891,084)	(1,188,837)
77 Oregon Government Ethics Commission - Clerical support for increased ethics reform workload	(53,449)	(51,979)
78 Oregon Government Ethics Commission - Attorney General costs above budgeted amount	(52,800)	(52,800)
Total Requests - General Purpose	(7,601,924)	(6,998,516)
<b>General Purpose Unallocated/Unreserved Balance after 6/08</b>		
	<b>22,398,076</b>	<b>23,001,484</b>
Special Purpose Appropriation - Agency Supplemental Funding	125,000,000	125,000,000
Allocations/Transfers to Date	-	-
Unallocated Balance	125,000,000	125,000,000
<b># June 2008 Requests - Special Purpose Appropriation - Agency Supplemental Funding</b>		
71 Department of Administrative Services - Salary and health benefit changes for various state agencies	(125,000,000)	(100,000,000)
Total Requests - Special Purpose - Agency Supplemental Funding	(125,000,000)	25,000,000
<b>Special Purpose - Agency Supplemental Funding Unallocated Balance after 6/08</b>		
	<b>-</b>	<b>25,000,000</b>
Special Purpose Appropriations - Agency Specific (includes February 2008 Special Session action - SB 5556)	68,884,567	68,884,567
Allocations/Transfers to Date	-	-
Unallocated Balance	68,884,567	68,884,567
<b># June 2008 Requests - Special Purpose Appropriations - Agency Specific</b>		
7 Department of Justice - Costs for litigation in Master Tobacco Settlement Agreement	(1,000,000)	(500,000)
8 Secretary of State - November 2007 special election costs	(1,767,151)	(1,767,151)
14 Department of Education - Oregon PreKindergarten second year expansion	(25,000,000)	(25,000,000)
15 Department of Education - EI/ECSE second year caseload growth	(1,825,000)	(1,825,000)
16 Department of Education - Local Option Equalization Grants	(392,246)	(392,246)
25 Department of Human Services - Oregon State Hospital and Vocational Rehabilitation programs	(4,145,237)	(4,855,265)
59 Department of Forestry - 2007 fire season costs (plus general purpose appropriation)	(2,257,550)	(2,257,550)
76 Oregon Government Ethics Commission - Electronic filing system	(75,000)	(75,000)
83 Legislative Administration Committee - Court Facilities Assessment project	(600,000)	(600,000)
Total Requests - Special Purpose - Agency Specific	(37,062,184)	(37,272,212)
<b>Special Purpose - Agency Specific - Unallocated Balance after 6/08</b>		
	<b>31,822,383</b>	<b>31,612,355</b>

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](http://www.leg.state.or.us/comm/lfo/home.htm)