

**STATE OF OREGON
LEGISLATIVE FISCAL OFFICE**

900 Court Street NE
H-178 State Capitol
Salem, OR 97301
Phone 503-986-1828
FAX 503-373-7807



KEN ROCCO
LEGISLATIVE FISCAL OFFICER

Summary of Emergency Board Action

October 2005

The Legislative Emergency Board met on October 27-28, 2005 and considered an agenda of 28 items. There were three requests for allocation from the general purpose appropriation made to the Emergency Board, totaling \$1.9 million, of which \$0.8 million was approved. These requests consisted of instituting a reintegration program for the Oregon National Guard by the Military Department, funding elements of the Youth Safety and Abuse Prevention Review Committee's recommendations for the Oregon Youth Authority, and initiating planning for communications interoperability in the Department of State Police. Also on the agenda were two requests for allocations from special purpose appropriations made to the Emergency Board, totaling \$7.4 million, both of which were approved (\$4.9 million for the Department of Education for Early Intervention/Early Childhood Special Education caseload growth and \$2.5 million for the Department of Human Services for child welfare caseworker legal representation). In addition, the Emergency Board approved an allocation of \$2.9 million from a \$4 million special purpose appropriation for the Insurance Pool Governing Board to address Family Health Insurance Assistance Program (FHIAP) enrollment issues. The agency did not request an allocation, but the Board, upon Legislative Fiscal Office recommendation, decided to allocate a portion of the special purpose appropriation to address maintenance of effort under the federal waiver on the Oregon Health Plan. After these actions, the general purpose unallocated, unreserved Emergency Fund balance is \$29.2 million and the special purpose unallocated balance is \$153.5 million (\$140 million of which is earmarked for state employee and home care worker salary and benefit adjustments).

The agenda included 12 items that requested additional 2005-07 biennium authority to spend \$3.8 million of Other Funds (\$2 million by the Department of Education for the establishment of the Oregon Virtual School District), approximately \$6.1 million of Federal Funds (\$2.5 million by the Department of State Police as part of the communications interoperability issue), and \$718,000 Lottery Funds (debt service for the Economic and Community Development Department related to the North Bend airport project).

Also on the agenda were seven reports, four 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. One of the reports was from the Department of Human Services regarding the 2003-05 biennium financial close-out. The Department reported that only \$22.8 million from a \$77.7 million General Fund loan provided by the Legislature in April 2005 would be returned to the state's General Fund; the Emergency Board also authorized General Fund transfers and increases in Other Funds and Federal Funds limitations for the 2003-05 biennium.

The Emergency Board approved the establishment of 45 permanent positions (33.46 FTE) and 12 limited duration positions (6.97 FTE). Forty-two of the permanent positions were associated with the allocation of the special purpose appropriation to improve legal representation of child welfare caseworkers in juvenile court proceedings involving child protective services in the Departments of Human Services and Justice.

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

Human Services

- Allocated \$2.9 million to the Insurance Pool Governing Board (now the Office of Private Health Partnerships) from a special purpose appropriation to continue the state subsidy for individual insurance applications in the Family Health Insurance Assistance Program (FHIAP) through November 15, 2005. The agency did not request the allocation, instead recommending

waiting for a federal Centers for Medicare and Medicaid Services (CMS) response to a state request concerning FHIAP maintenance of effort requirements. The remaining \$1.1 million of the special purpose appropriation may be available for either additional FHIAP funding or for increasing coverage in the Children's Health Insurance Program (CHIP) in the Department of Human Services, depending on the CMS decision

on the maintenance of effort requirements under the Oregon Health Plan waiver.

- Acknowledged receipt of a report from the Department of Human Services (DHS) on the 2003-05 biennium budget close-out, transferred General Fund between clusters, increased the Other Funds limitation by \$32.6 million, and increased the Federal Funds limitation by \$10.9 million to implement the close-out plan. In April 2005, the Legislature approved a DHS rebalance plan and loaned the agency \$77.7 million General Fund to address short-term cash flow issues in DHS related to Other Fund revenue receipt. It was anticipated that approximately \$60 million of the loaned amount would be reverted to the state's General Fund at the close of the biennial budget period. The close-out report made by DHS identified a reversion of only \$22.8 million from the loan instead of the anticipated \$60 million.
- Allocated \$2.5 million to the Department of Human Services from a special purpose appropriation to address child welfare staffing and legal representation, increased the Federal Funds expenditure limitation by \$2.2 million, and approved the establishment of 32 permanent full-time positions (24.00 FTE) in DHS. The Board also approved an Other Funds expenditure limitation increase of \$1.6 million and approved the establishment of 10 permanent full-time positions (7.50 FTE) for the Department of Justice. The funding and positions will be used to improve legal representation of child welfare caseworkers in juvenile court proceedings involving child protective services.
- Acknowledged receipt of reports by the Department of Human Services on a capital construction project at the Oregon State Hospital's leased Portland facility and on implementing the Medicare Modernization Act.

Education

- Allocated \$4.9 million to the Department of Education from a special purpose appropriation for caseload growth in the Early Intervention/Early Childhood Special Education program.
- Approved an Other Funds expenditure limitation increase of \$2 million and the establishment of 2 permanent positions (1.13 FTE) for the Department of Education for the implementation of the Oregon Virtual School District (SB 1071). The funding derives from moneys previously appropriated to the State School Fund.

Public Safety

- Allocated \$235,035 from the Emergency Fund to the Department of State Police and authorized the establishment of 3 limited duration positions (0.81 FTE) for initial planning work on the development

of the Public Safety Wireless Infrastructure Replacement Plan; the Department is expected to report to the Joint Legislative Committee on Information Management and Technology and return to the Emergency Board with an update on the plan and additional financial needs. The Board also approved an increase in the Department's Federal Funds expenditure limitation of \$2.5 million for the Integrated Wireless Network project with the U.S. Department of Justice.

- Allocated \$248,617 from the Emergency Fund to the Military Department and authorized the establishment of 3 limited duration positions (1.66 FTE) for administration of the Oregon National Guard Reintegration Program and to enhance the agency's Public Affairs Program.
- Approved a Federal Funds expenditure limitation increase of \$98,186 for the Military Department and authorized the establishment of one permanent full-time position (0.83 FTE) to support the Civil Engineering Squadron at Kingsley Field in Klamath Falls.
- Allocated \$334,066 from the Emergency Fund to the Oregon Youth Authority, increased the Federal Funds expenditure limitation by \$20,124, and authorized the establishment of one limited duration position (0.75 FTE) to implement recommendations of the Youth Safety and Abuse Prevention Review Committee regarding improved hiring practices, better training, and policy review activities. Additional recommendations are to be reviewed by the interim Judiciary Committee before a request for additional funding is made to the Emergency Board.

Natural Resources

- Approved a Federal Funds expenditure limitation increase of \$364,080 for the Department of State Lands and authorized the establishment of 5 limited duration positions (3.75 FTE) for activities related to two federal grants received from the U.S. Environmental Protection Agency. The funding will be used for required monitoring under the State Programmatic General Permit process and for implementing a wetland conservation strategy.
- Approved a Federal Funds expenditure limitation increase of \$446,261 for the Department of State Lands for a U.S. Fish and Wildlife Service grant to assist in the revision of the Elliott State Forest Habitat Conservation Plan.
- Approved an Other Funds expenditure limitation increase of \$60,000 for the Department of State Lands for the costs of changing the Bend office location.
- Acknowledged receipt of a report by the Department of Forestry on the 2005 forest fire

season and the agency's use of fire severity resources.

- Acknowledged receipt of a report by the Department of Land Conservation and Development and Department of Administrative Services on the progress in implementing Ballot Measure 37.

Transportation

- Approved a 2003 Other Funds Capital Construction expenditure limitation increase of \$1.9 million, established an Other Funds expenditure limitation for debt service, and transferred \$112,050 from existing Other Funds expenditure limitation for the Department of Aviation for replacement of the Aviation Salem Office Building.

Economic Development

- Approved a Lottery Funds expenditure limitation increase of \$718,297 for the Economic and Community Development Department to pay the debt service on lottery backed bonds that are scheduled to be sold for the construction of a new passenger terminal at the North Bend airport. The agency was also given authorization to provide

interim financing to the North Bend Airport District until the bonds are sold once the agency director certifies the project.

Business and Consumer Services

- Established a \$50,000 Federal Funds expenditure limitation for the Board of Pharmacy to develop a revised proposal for a prescription drug monitoring program.

Administration

- Approved a Federal Funds expenditure limitation increase of \$397,467 for the Department of Administrative Services' Office for Oregon Health Policy and Research to develop plans to reduce the number of Oregonians without health insurance under a federal grant received from the U.S. Department of Health and Human Services.
- Acknowledged receipt of reports from the Department of Administrative Services on compensation plan changes and position allocations required under ORS 291.371 and on the status of the Computing and Networking Infrastructure Consolidation (CNIC) project.

Emergency Fund Balance Summary		
	<u>Request</u>	<u>Approved</u>
General Purpose Emergency Fund		
Appropriation Total (HB 5077)		30,000,000
Allocations to Date		-
Unallocated/Unreserved Balance		30,000,000
# October 2005 Requests - General Purpose		
16 Military Department - Oregon National Guard Reintegration Program	(266,980)	(248,617)
20 Oregon Youth Authority - Youth Safety and Abuse Prevention Review Committee recommendations	(724,832)	(334,066)
21 Oregon State Police - Interoperability planning	(893,660)	(235,035)
Total Requests - General Purpose	(1,885,472)	(817,718)
General Purpose Unallocated/Unreserved Balance		29,182,282
Special Purpose Emergency Fund		
Appropriations Total		163,800,764
Allocations to Date		-
Unallocated Balance		163,800,764
# October 2005 Requests - Special Purpose		
1 Department of Education - Early Intervention/Early Childhood Special Education caseload	(4,893,114)	(4,893,114)
10 Department of Human Services - Child welfare caseworker legal representation	(2,500,000)	(2,497,924)
15 Insurance Pool Governing Board - FHIAP enrollment	-	(2,910,293)
Total Requests - Special Purpose	(7,393,114)	(10,301,331)
Special Purpose Unallocated Balance		153,499,433