

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3535 **STATUS:** Original
SUBJECT: Establishes Oregon State Police Patrol Division Fund
GOVERNMENT UNIT AFFECTED: Department of State Police
PREPARED BY: Ken Rocco
REVIEWED BY: Doug Wilson
DATE: April 23, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
Patrol Division and Dispatch (General Fund)	\$ 126,668,010	\$ 156,759,000

REVENUES:
See Legislative Revenue Office impact statement

EFFECTIVE DATE: July 1, 2007

GOVERNOR'S BUDGET: This bill is not anticipated by the Governor's recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This measure establishes the Oregon State Patrol Division Fund and requires one percent of the amount of revenues projected to be received by the General Fund for the biennium to be appropriated to the fund. Interest earned by the fund is retained in the fund. The moneys in the fund are continuously appropriated to the Department of State Police for patrol division functions and related administrative costs.

Based on the state's March 2007 economic and revenue forecast, \$126.7 million would be required to be appropriated to the Oregon State Patrol Division Fund for the 2007-09 biennium. Currently, the Governor's recommended 2007-09 budget for the patrol division (which includes an increase of 139 troopers) and related administrative functions is approximately \$115.1 million. The proposed budget of the co-chairs of the Joint Committee on Ways and Means for the patrol division and administrative functions is approximately \$111.1 million. The differences between the recommended budget and the measure's appropriation to the fund would need to be reduced from other areas of the budget. Based on the current forecast, the measure would require the appropriation of \$156.8 million to the fund in 2009-11.

The provision to allow the fund to retain interest earnings means that the fund could not be used by the Treasurer for short-term cash flow needs which could increase the cost to the state for short-term borrowing.

For purposes of building the budget, the Legislative Fiscal Office assumes that the amount to be appropriated to the fund would be determined with the economic and revenue forecast that the biennial budget is based upon and would not be subsequently adjusted with later forecasts.