

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

MEASURE NUMBER: HB 3198 **STATUS:** Original
SUBJECT: Oregon Military Emergency Financial Assistance Fund
GOVERNMENT UNIT AFFECTED: Oregon Military Department
PREPARED BY: John F. Borden
REVIEWED BY: Theresa McHugh
DATE: June 23, 2007

EXPENDITURES:	<u>2007-2009</u>	<u>2009-2011</u>
Oregon Military Department		
Emergency Financial Assistance Fund - General Fund	\$ 500,000	\$ --

EFFECTIVE DATE: July 1, 2007

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget. *The Co-Chairs of the Joint Committee on Ways and Means budget, however, does anticipate this expenditure under HB 5549.*

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 appropriates \$500,000 to the Military Department for the Emergency Financial Assistance Fund established under ORS 396.364.

The Emergency Financial Assistant Fund provides hardship grants and loans to members and immediate family of members of the Oregon National Guard on active duty. According to the Military Department, the majority of grants from the fund have been to support families during guard member deployments.

Beginning with the 2006 tax year, this fund began receiving Oregon personal income tax refund revenue through an income tax check-off program transferred from the Department of Revenue (DOR). DOR will begin transferring this revenue to the Military Department during the Spring of 2007.

Expenditures out of the Emergency Financial Assistant Fund occur as Other Funds. This measure does not contemplate a corresponding \$500,000 increase in Other Funds expenditure limitation. The Legislative Fiscal Office believes that this should not be an issue given the Department’s base budget includes \$500,000 Other Funds expenditure limitation for this program. This limitation was originally designed for tax check-off supported expenditures. According to the DOR, 2006 tax check-off revenue is anticipated to be well below this amount. However, additional check-off revenue is anticipated during the biennium from the 2007 tax year. The amount of that revenue is indeterminate.

This measure’s appropriation was not anticipated in the agency’s 2007-09 Governor’s recommended budget. The appropriation is, however, anticipated in the Co-Chairs of the Joint Committee on Ways and Means budget in HB 5549.