

**2008 Special Session**  
**FISCAL ANALYSIS OF PROPOSED LEGISLATION**  
**Prepared by the Oregon Legislative Fiscal Office**

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**MEASURE NUMBER:** HB 3607                      **STATUS:** A-Engrossed  
**SUBJECT:** Oregon Declared Emergency Recovery Fund  
**GOVERNMENT UNIT AFFECTED:** Governor's Office, Oregon Military Department, Department of Human Services, Economic and Community Development Department, local government and special districts.  
**PREPARED BY:** John F. Borden  
**REVIEWED BY:** Dallas Weyand, Robin LaMonte, and Doug Wilson  
**DATE:** February 12, 2008

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	<u>2007-2009</u>	<u>2009-2011</u>
<b>EXPENDITURES:</b> See Comments		

**EFFECTIVE DATE:** January 1, 2009

**INTERIM JOINT COMMITTEE ON WAYS AND MEANS:** The budgetary impact of this bill was neither reviewed nor approved by the Interim Joint Committee on Ways and Means Committee and is not included in the omnibus budget bill to be introduced by the committee.

**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.

**ANALYSIS:** This measure establishes the Oregon Declared Emergency Disaster Recovery Fund (ODEDRF) to fund recovery efforts in response to a state of emergency declared by the Governor or by an appropriate federal agency. The revenue sources for this interest-bearing Fund are: (a) an unspecified amount of General Fund appropriation; (b) an unspecified allocation of Lottery Funds; and (c) any other moneys pursuant to law. The measure would not require any General Fund appropriation remaining in the Fund at the end of a biennium to revert or return to the State General Fund as is typically required in Oregon Statute. Any remaining Lottery Funds allocation would also carry-forward into the next biennium.

The Fund is continuously appropriated to the Governor, however, moneys in the fund shall be disbursed by the Military Department through the Office of Emergency Management. The Fund may be used for:

- (a) Loans or grants to local governments, and school districts on such terms and conditions as the Governor deems appropriate;
- (b) Provide funds to local governments and school districts to match federal funds for emergency relief for any local government or school district federal matching requirement that exceeds ten percent of the total matching requirement;
- (c) Department of Human Services for direct aid to individuals;
- (d) Housing and Community Services Department for direct aid to individual through existing department Programs; and
- (e) Provide funds for costs that the Governor determines are appropriate and necessary fund urgent for the State's response [i.e., pre-disaster] to a declared state of emergency.

At the direction of the Governor, the Military Department is also to establish a review board for the fund to identify recipients, set priorities, and determine disbursements. The review board is to be comprised of up to ten members, including county governing bodies (3); city governing bodies (3); Economic and Community Development Department (1); the Military Department (2); and special districts (1). The measure does not make provision for board members to be compensated, reimbursed for actual and necessary expenses associated with their duties on the Board, nor receive travel expenses or per diem.

The fiscal impact of this measure is indeterminate because the measure does not include a specific amount of General Fund appropriation and therefore the corresponding Lottery Funds matching requirement [3:1]. The Legislative Fiscal Office (LFO) notes that General Fund and Lottery Funds are viewed as fungible or interchangeable. In other words, a General Fund appropriation and a Lottery Fund allocation are essentially considered as the same funding source.

If a General Fund appropriation and a matching Lottery Funds allocation were to be included in a budget, for the ODEDRF, there could be fiscal impacts to the Governor's Office, the Military Department, Office of Emergency Management, the Department of Human Services, Economic and Community Development Department, local governments, school districts, special districts, and the State's General Fund.

This measure currently has a subsequent referral to the Joint Committee on Ways and Means. This referral is appropriate at this time.