

Joint Committee on Ways and Means

Carrier – House: Rep. Galizio  
Carrier – Senate: Sen. Carter

Revenue: No revenue impact

Fiscal: No fiscal impact

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Action: Do Pass

Vote: 21 – 0 – 1

House

Yeas: Buckley, D. Edwards, Galizio, Garrard, Gilman, Jenson, Komp, Kotek, Nathanson, Richardson, Shields, G. Smith

Nays:

Exc:

Senate

Yeas: Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Whitsett, Winters

Nays:

Exc: Bates

Prepared By: Daron Hill, Legislative Fiscal Office

Meeting Date: 1/15/09

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**WHAT THE MEASURE DOES:** Current law allows for the Oregon Department of Administrative Services (DAS), with the approval of the Governor, to reduce all General Fund allotments to state agencies equally in order to prevent a projected deficit based on General Fund revenue forecasts. This measure amends the current law by not allowing a reduction of General Fund allotments for the payment of debt service to be reduced below the amount needed for payment of debt service. Debt service is a contractually mandated agreement between investors and state agencies. However, across-the-board allotment reductions have not differentiated between an agency's operating appropriations and debt service. This measure effectively limits debt service allotment reductions from the across the board reductions enacted by DAS and the Governor. This measure also defines the meaning of "payment of debt service."

**ISSUES DISCUSSED:**

- The measure will ensure that there is sufficient appropriation available to pay the debt service in the current biennium.
- The bill will still require all reductions to be taken across-the-board for the non-debt service appropriations.
- Without passage of the bill the state will no longer be able to issue debt in the current biennium.
- Passage of the bill will allow the current administrative rule issued by the Department of Administrative Services to conform with current law.

**EFFECT OF COMMITTEE AMENDMENT:** No amendment.

**BACKGROUND:** HB 2148 (2003) established that, when a General Fund deficit is projected in a biennium, the Department of Administrative Services and the Governor may reduce General Fund allotments across-the-board with all appropriations having the same priority and reduced by the same percentage.