

Joint Committee on Ways and Means

Carrier – House: Rep. Buckley
Carrier – Senate: Sen. Johnson

Revenue: Revenue statement issued

Fiscal: Fiscal statement issued

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 18 – 3 – 1

House

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

Nays: Gilman, Richardson

Exc:

Senate

Yeas: Bates, Carter, Girod, Johnson, Monroe, Verger, Walker, Winters

Nays: Whitsett

Exc: Nelson

Prepared By: Ken Rocco, Legislative Fiscal Office

Meeting Date: February 27, 2009

WHAT THE MEASURE DOES: This measure, commonly referred to as the “Program Change” bill, implements legislative changes that are necessary to rebalance the 2007-09 budget in conjunction with the budget reconciliation measure, SB 5552.

This measure provides for the transfer of a portion of Other Funds balances from 40 accounts and subaccounts to the General Fund (\$82.9 million). The affected Other Funds accounts were reviewed to ensure they retain sufficient resources to meet working capital requirements, as needed, for continued operations. The actions provided in this measure are one-time in nature and affect only the 2007-09 biennium. The transfers are to be made on or before June 30, 2009. The transfers included in this measure are part of the combined actions necessary to rebalance the 2007-09 biennial General Fund budget.

The measure also expands the use of proceeds from the sale of salmon license plates to allow the monies to be used to pay the cost of any activities “...related to the restoration and protection of native salmonid populations, watersheds, fish and wildlife habitats and water quality, including but not limited to activities under the Oregon Plan.” The measure includes language to implement two changes for the Department of Human Services’ December 2008 rebalance plan relating to the Law Enforcement Medical Liability Account and the Oregon JOBS Individual Education Account.

The measure also includes language to eliminate the Employment Department component of the JOBS Plus program as part of the transfer of the remaining balance in the Oregon JOBS Plus Unemployment Wage Fund to the General Fund. The Employment Department JOBS Plus program has not existed for the past two biennia.

The measure also establishes a new account for the remainder of the 2007-09 biennium, the School Day Restoration Fund, and provides criteria for school districts to access the funds appropriated to the new fund in SB 5552.

The measure also reduces the transfer of Lottery Funds to the Problem Gambling Treatment Fund, which will not affect the Department of Human Services programs funded by the Problem Gambling Treatment Fund, and reduces the April 2009 Lottery Funds transfer to counties for economic development programs.

Lastly, the measure specifies that revenue resulting from Oregon Liquor Control Commission operations reductions and revenue enhancements accrues solely to the General Fund.

ISSUES DISCUSSED:

- Purpose of the bill and its relationship to balancing the 2007-09 budget
- Major actions included in the bill that would increase available General Fund resources

EFFECT OF COMMITTEE AMENDMENT: Replaces original measure.

BACKGROUND: This measure is one of a series of strategies the Legislature is using to balance the 2007-09 state budget. As of the March 2009 economic and revenue forecast, the state's General Fund budget has an assumed deficit of \$855.2 million. The other strategies, which are in SB 5552, include: the disappropriation from state agencies of approximately \$311.1 million General Fund; the addition of \$401.2 million in federal stimulus funding from the American Recovery and Reinvestment Act of 2009; the transfer of the remaining \$53.2 million General Fund balance from the Emergency Board; the addition of \$2.2 million to the General Fund; the use of \$9.3 million of Lottery Funds resources; and the unscheduling of \$2.5 million General Fund from state agencies resulting from Executive Branch Management salary freeze savings.

During the 2001-03 budget shortfall, a similar "program change" measure became law (SB 859).