

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: SB 39

STATUS: A Engrossed

SUBJECT: Appropriates moneys from General Fund to the Office of Rural Health for certain rural health safety net programs and services.

GOVERNMENT UNIT AFFECTED: Office of Rural Health

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REVIEWED BY: John Britton, Laurie Byerly

DATE: April 8, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES: See Analysis		
REVENUES: See Analysis	<u>2009-2011</u>	<u>2011-2013</u>

EFFECTIVE DATE: July 1, 2009

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.

ANALYSIS: Senate Bill 39 appropriates an unspecified amount of General Funds to the Oregon Department of Administrative Services for the Rural Health Care Revolving Account for the 2009-11 biennium. The bill also stipulates that 3.5 percent of the moneys credited to the General Fund from the tax imposed on cigarette products will be credited to the Office of Rural Health for the following purposes:

- 0.70 percent to enhance emergency medical service systems in rural communities;
- 0.85 percent to provide rural communities with technical and financial assistance necessary to develop or enhance rural health safety net services; and
- 2.00 percent to award grants to rural health care providers.

The bill specifies that no more than 10 percent of the 0.70 percent to enhance emergency medical service systems in rural communities may be used by the Office of Rural Health for administrative costs.

The bill does not identify new money or raise new revenue, but repartitions the General Fund portion of the tobacco tax, channeling that money to the Office of Rural Health. The Office of Rural Health is a semi-independent agency. With the transfer of funds to the Office of Rural Health, the administrative costs of the programs listed above and the interest earnings of the Rural Health Care Revolving Account will no longer be subject to the state's budgetary process. The proposed legislation does limit administrative expenditures for the 0.70 percent allocated to enhance emergency medical services systems. Funds for Office of Rural Health are appropriated to the Department of Administrative Services to pass through to the Office of Rural Health.

The fiscal impact of the bill is indeterminate at this time because the General Fund amount to be appropriated to the Oregon Department of Administrative Services for the Rural HealthCare Revolving Account for the 2009-11 biennium is unspecified.