

**76th OREGON LEGISLATIVE ASSEMBLY – 2012 Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 4176-B

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Nathanson
Carrier – Senate: Sen. Whitsett**

Action: Do Pass the A-Engrossed Measure as Amended and as Printed B-Engrossed

Vote: 24 – 0 – 1

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, McLane, Nathanson, Nolan, Read, Richardson, G. Smith, Thatcher, Whisnant
– Nays:
– Exc:

Senate – Yeas: Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc: Bates

Prepared By: Blake Johnson, Department of Administrative Services

Reviewed By: Laurie Byerly, Legislative Fiscal Office

Meeting Date: March 2, 2012

Agency

Department of Administrative Services

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Biennium

2011-13

Budget Summary

	2011-13 Legislatively Adopted Level		2012 Committee Recommendation		Committee Change from 2011-13 Leg. Adopted	
					\$\$ Change	% Change
Fiscally Distressed Counties Fund						
Other Funds – Limited	\$	0	\$	1	\$	1
Total	\$	0	\$	1	\$	1

Position Summary

Authorized Positions	0	0	0
Full-time Equivalent (FTE) positions	0.00	0.00	0.00

Summary of Revenue Changes

House Bill 4176 establishes the Fiscally Distressed Counties Fund within the budget for the Department of Administrative Services. Fund expenditures are expected to be at least half supported by county funds required to be transferred into the fund under the bill. The fund may also receive contributions from other public or private sources.

Summary of Committee Action

House Bill 4176 permits a county to seek a declaration of a fiscal emergency from Governor, if the following criteria are met:

- a) An assessment by the county that it is unable (or will be unable) to provide a minimally adequate level of state-required services.
- b) The county having received – in the fiscal year beginning July 1, 2007 – federal payments under the Secure Rural Schools and Community Self-Determination Act of 2000 in an amount equal to at least 10 percent of the county’s property tax revenues.

This last provision makes the following counties potentially eligible for a declaration: Benton, Columbia, Coos, Curry, Douglas, Grant, Jackson, Josephine, Klamath, Lane, Linn, Polk and Tillamook.

The Governor is required to consult with the county and other parties to gather information about state-required services in the county and their level of adequacy. If they are found to be less than minimally adequate, then the declaration is issued and a fiscal assistance board is established to develop a recovery plan for the county; board membership is set out in the bill. The recovery plan is to restore or sustain minimally adequate state-required services; the tools available to the board are identified in the bill. These include reallocating county funds, eliminating services, and entering into intergovernmental agreements.

The fiscal impact associated with the work of a fiscal assistance board is indeterminate as it will vary based on several factors, including the county affected and specific services at risk. A county must pay at least one-half of the costs of administering a fiscal assistance board and must deposit its moneys in a special fund established in the bill for this purpose; that fund has been attached to the Department of Administrative

Services along with \$1 Other Funds expenditure limitation as a placeholder. The bill contemplates that state General Fund will also be used to cover board costs, through either a direct appropriation or an Emergency Board allocation.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 4176-B

Department of Administrative Services
 Blake Johnson -- (503) 378-3195

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 LEGISLATIVELY ADOPTED BUDGET	\$0	\$0	\$0	\$0	\$0	\$0	\$0	0 #	0.00
<u>SUBCOMMITTEE ADJUSTMENTS (from LAB)</u>									
Fiscally Distressed Counties Fund Services and Supplies	0	0	1	0	0	0	1	0	0.00
TOTAL ADJUSTMENTS	\$0	\$0	\$1	\$0	\$0	\$0	\$1	0	0.00
SUBCOMMITTEE RECOMMENDATION *	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1</u>	<u>0</u>	<u>0.00</u>
% Change from 2011-13 Leg Adopted Budget	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

* Excludes Capital Construction Expenditures