

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2837-A**Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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**Measure Description:**

Implements statutory changes necessary to support the legislatively approved budget for the 2011-13 biennium and to clarify the application of statutes for the budget rebalance plan.

**Government Unit(s) Affected:**

Department of Corrections; Bureau of Labor and Industries; Business Development Department; Department of Education; Office of the Governor; Department of Agriculture; Oregon Health Authority; Oregon University System; Counties

**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 implements the statutory changes necessary to support the legislatively approved budget for the 2011-13 biennium and to clarify the application of statutes for the budget rebalance plan. This measure, relating to state financial administration, is not an appropriation bill and therefore does not include the appropriation of funds. The measure, however, is necessary to achieve a balanced budget for the 2011-13 biennium. The measure is effective on passage.

The measure includes changes to lottery funds allocations as part of the rebalance of the state's lottery budget to the March 2013 forecast. All statutory Lottery Funds allocations, excluding allocations to pay debt service, are decreased by 2.18% to reduce total allocations of Lottery Funds to the amount now forecasted to be available for the 2011-13 biennium.

The budgetary impacts of provisions of this measure are contained in HB 5052, which is the budget rebalance bill for the 2011-13 biennium.

All actions included in this measure are one-time in nature and only affect the 2011-13 biennium. Transfers are to occur before June 30, 2013.

The following table summarizes, by section and agency/program, the fiscal impact of the measure.

| Section/Gov't Unit                     | Program Change  | Fiscal Impact |
|--|---|---------------|
| Sec. 1<br>Department of<br>Corrections | Increases allocation of moneys from the Criminal Fine Account (CFA) for county juvenile and adult corrections programs and facilities and drug and alcohol programs; results in General Fund decline.   | \$3,053,176   |
| Sec. 2<br>Criminal Fine Account        | Clarifies that CFA allocations distributed to counties by the Department of Corrections are for planning, operating, and maintaining county juvenile and adult corrections programs and facilities and for drug and alcohol programs; and clarifies intent that these allocations be distributed based on amounts courts transferred during the 2009-11 biennium. | No Fiscal     |

|   |  |               |
|---|--|---------------|
| Sec. 3<br>Criminal Fine Account               | Adds drug and alcohol programs as eligible use for allocations of CFA to Department of Corrections for period of January 1, 2012 through June 30, 2013.  | No Fiscal     |
| Sec. 4<br>Department of Corrections           | Clarifies that Other Funds expenditure limit in the Department's 2011-13 biennium budget includes both community corrections and planning, operating, and maintaining county juvenile and adult corrections programs and facilities and drug and alcohol programs. | No Fiscal     |
| Sec. 5<br>Criminal Fine Account               | Clarifies that amendments to the 2011-13 biennium CFA allocations apply to unexpended amounts distributed to counties by the Department of Corrections.  | No Fiscal     |
| Sec. 6 (1)<br>Business Development Department | Decreases lottery funds allocation for the Shared Services program due to lottery revenue forecast declines.   | (\$145,632)   |
| Sec. 6 (2)<br>Business Development Department | Decreases lottery funds allocation for the Business, Innovation, and Trade program due to lottery revenue forecast declines.   | (\$990,130)   |
| Sec. 6 (3)<br>Business Development Department | Decreases lottery funds allocation for the Oregon Film and Video Office due to lottery revenue forecast declines.  | (\$24,548)    |
| Sec. 7<br>Department of Education             | Decreases lottery funds allocation for the State School Fund due to lottery revenue forecast declines.   | (\$8,096,204) |
| Sec. 8<br>Office of the Governor              | Decreases lottery funds allocation for ERT due to lottery revenue forecast declines.   | (\$40,436)    |
| Sec. 9<br>Oregon University System            | Decreases lottery funds allocation for the Sports Lottery Account due to lottery revenue forecast declines.  | (\$187,232)   |
| Sec. 10<br>County Economic Development        | Decreases lottery funds allocation for county economic development due to lottery revenue forecast declines.   | (\$808,801)   |
| Sec. 11<br>Oregon Health Authority            | Decreases lottery funds allocation for gambling addiction treatment due to lottery revenue forecast declines.  | (\$230,568)   |
| Sec. 12<br>County Fairs                       | Decreases lottery funds allocation for county fairs due to lottery revenue forecast declines.  | (\$78,446)    |
| Sec. 13<br>Department of Agriculture          | Decreases lottery funds allocation for county fair administration due to lottery revenue forecast declines.  | (\$400)       |
| Sec. 14<br>Bureau of Labor and Industries     | Transfers funds from the Wage Security Fund to the General Fund for general governmental purposes as part of a December 2012 Emergency Board action; results in a General Fund increase.   | \$76,069      |
| Sec. 15                                       | Emergency clause.  | No Fiscal     |

## 2011-13 Biennium Administrative Services Economic Development Fund (Lottery Funds)

|   | Citations                            | Current Law<br>2011-13 Lottery<br>Allocations | HB 2837-A Lottery<br>Allocation<br>Adjustments | Revised 2011-13<br>Lottery Allocations |
|---|--------------------------------------|---|--|--|
| <b><u>Lottery Resources</u></b>               |                                      |   |  |  |
| Beginning Balance                             |                                      | 333,528                                       |  | 333,528                                |
| Interest Income                               |                                      | 890,634                                       |  | 890,634                                |
| Administrative Savings                        |                                      | 8,005,457                                     |  | 8,005,457                              |
| Disappropriations & Reversions                |                                      | 1,361,248                                     |  | 1,361,248                              |
| Net Lottery Proceeds                          |                                      | 1,069,062,146                                 |  | 1,069,062,146                          |
| <b>Total Lottery Resources</b>                |                                      | <b>1,079,653,013</b>                          | -  | <b>1,079,653,013</b>                   |
| <b><u>Transfers and Allocations</u></b>       |                                      |   |  |  |
| <b><u>Dedicated Transfers</u></b>             |                                      |   |  |  |
| Ed Stability Fund 18%                         |                                      | 193,872,169                                   |  | 193,872,169                            |
| Parks & Natural Resources 15%                 |                                      | 161,560,141                                   |  | 161,560,141                            |
| County Video Lottery                          | sec. 10, ch. 622, Oregon Laws 2011   | 37,118,584                                    | (808,801)                                      | 36,309,783                             |
| OUS Sports Lottery Account                    | sec. 9, ch. 622, Oregon Laws 2011    | 8,592,720                                     | (187,232)                                      | 8,405,488                              |
| Gambling Addiction Treatment                  | sec. 11, ch. 622, Oregon Laws 2011   | 10,581,552                                    | (230,568)                                      | 10,350,984                             |
| County Fairs Distribution                     | sec. 12, ch. 622, Oregon Laws 2011   | 3,600,135                                     | (78,446)                                       | 3,521,689                              |
| County Fairs - Administration (to ODA)        | sec. 13, ch. 622, Oregon Laws 2011   | 18,354  | (400)  | 17,954                                 |
| <b>Total Dedicated Transfers</b>              |                                      | <b>415,343,654</b>                            | <b>(1,305,447)</b>                             | <b>414,038,207</b>                     |
| <b><u>Program Allocations</u></b>             |                                      |   |  |  |
| Business Development Dept. - Shared services  | sec. 3(1), ch. 622, Oregon Laws 2011 | 6,683,523                                     | (145,632)                                      | 6,537,891                              |
| Business Development Dept. - BIT              | sec. 3(2), ch. 622, Oregon Laws 2011 | 45,240,368                                    | (990,130)                                      | 44,250,238                             |
| Business Development Dept. - Film & Video     | sec. 3(3), ch. 622, Oregon Laws 2011 | 1,126,578                                     | (24,548)                                       | 1,102,030                              |
| Dept. of Education - State School Fund        | sec. 4, ch. 622, Oregon Laws 2011    | 371,761,717                                   | (8,096,204)                                    | 363,665,513                            |
| Governor's Office - Econ. Revitalization Team | sec. 6, ch. 622, Oregon Laws 2011    | 1,855,731                                     | (40,436)                                       | 1,815,295                              |
| <b>Total Program Allocations</b>              |                                      | <b>426,667,917</b>                            | <b>(9,296,950)</b>                             | <b>417,370,967</b>                     |
| <b><u>Debt Service</u></b>                    |                                      |   |  |  |
| Business Development Dept. - Old bonds        | sec. 8(1), ch. 622, Oregon Laws 2011 | 82,033,209                                    |  | 82,033,209                             |
| Dept. of Transportation - Old bonds           | sec. 8(1), ch. 622, Oregon Laws 2011 | 72,125,048                                    |  | 72,125,048                             |
| Department of Education - Old bonds           | sec. 8(1), ch. 622, Oregon Laws 2011 | 49,179,542                                    |  | 49,179,542                             |
| Housing & Community Services - Old bonds      | sec. 8(1), ch. 622, Oregon Laws 2011 | 10,349,343                                    |  | 10,349,343                             |
| Housing & Community Services - New bonds      | sec. 8(2), ch. 622, Oregon Laws 2011 | -   |  | -                                      |
| DAS - Pass-through bonds - Old bonds          | sec. 8(1), ch. 622, Oregon Laws 2011 | 7,061,856                                     |  | 7,061,856                              |
| DAS - Pass-through bonds - New bonds          | sec. 8(2), ch. 622, Oregon Laws 2011 | 1,327,488                                     |  | 1,327,488                              |
| Oregon University System - Old bonds          | sec. 8(1), ch. 622, Oregon Laws 2011 | 13,448,402                                    |  | 13,448,402                             |
| Oregon University System - New bonds          | sec. 8(2), ch. 622, Oregon Laws 2011 | 222,664                                       |  | 222,664                                |
| CCWD - Old bonds                              | sec. 8(1), ch. 622, Oregon Laws 2011 | 7,077,687                                     |  | 7,077,687                              |
| Water Resources Dept. - Old bonds             | sec. 8(1), ch. 622, Oregon Laws 2011 | 572,118                                       |  | 572,118                                |
| Water Resources Dept. - New bonds             | sec. 8(2), ch. 622, Oregon Laws 2011 | 157,984                                       |  | 157,984                                |
| State Forestry Dept. - Old bonds              | sec. 8(1), ch. 622, Oregon Laws 2011 | 2,347,296                                     |  | 2,347,296                              |
| State Forestry Dept. - New bonds              | sec. 8(2), ch. 622, Oregon Laws 2011 | 182,214                                       |  | 182,214                                |
| State Department of Energy - Old bonds        | sec. 8(1), ch. 622, Oregon Laws 2011 | 2,158,988                                     |  | 2,158,988                              |
| <b>Total Debt Service Allocations</b>         |                                      | <b>248,243,839</b>                            | -  | <b>248,243,839</b>                     |
| <b>Total Resources</b>                        |                                      | <b>1,079,653,013</b>                          | -  | <b>1,079,653,013</b>                   |
| <b>Total Transfers and Allocations</b>        |                                      | <b>1,090,255,410</b>                          | <b>(10,602,397)</b>                            | <b>1,079,653,013</b>                   |
| <b>Ending Balance</b>                         |                                      | <b>(10,602,397)</b>                           | <b>10,602,397</b>                              | <b>(0)</b>                             |