
MEMORANDUM

Legislative Fiscal Office
900 Court St. NE, Room H-178
Salem, Oregon 97301
Phone 503-986-1828
FAX 503-373-7807

To: Capital Construction Subcommittee

From: Steve Bender, Legislative Fiscal Office
(503) 986-1836

Date: March 6, 2014

Subject: SB 5701 – Lottery and Criminal Fine Account Allocations
Work Session Recommendations

SB 5701 modifies and establishes allocations from the Administrative Services Economic Development Fund (Lottery Funds) and from the Criminal Fine Account (CFA). The purpose of these modifications is to distribute lottery and CFA resources as needed to implement 2014 Session budget adjustments, and to adjust lottery debt service allocations to the levels needed to pay debt service costs on lottery revenue bonds.

The Legislative Fiscal Office recommends adoption of the SB 5701-3 amendments, which are needed to conform allocations to the budget reconciliation implemented by HB 5201. The forecast for current biennium lottery revenues has declined by \$6.4 million (or 0.6%) from the level forecast during the 2013 Session. The bill increases certain program lottery allocations, and decreases debt service lottery allocations to eliminate allocations exceeding the levels needed to pay costs. as necessary to finance debt service costs on lottery revenue bonds. With the allocation adjustments in SB 5701-3, the projected Lottery Funds ending balance is \$10.6 million. The bill also increases an allocation from the CFA to support the budget reconciliation.

Amendment

The Legislative Fiscal Office recommends adoption of the SB 5701-3 amendments. These amendments:

- Remove sections 1 and 2 of the bill.
- Reduce the lottery allocation for debt service by \$1,379,000. The allocation level remaining after the reduction, combined with other revenues available for that purpose, fully funds debt service costs on all outstanding lottery revenue bonds.
- Update the current biennium rule for reducing lottery allocations proportionately when revenue is insufficient to fund all allocations. The updates include the new 2014 session lottery allocations in the proportionate reductions, and update the debt service figure in the adjustment formula.

- Establish a \$1.15 million lottery allocation for the Oregon Business Development Department for the support of the Oregon Manufacturing Extension Partnership and for redevelopment of the Port of Port Orford's Cannery Building.
- Increase the lottery allocation to the Problem Gambling Treatment Fund by \$46,710 for agency employee salary and benefits costs.
- Increase the CFA allocation to the Judicial Department by \$41,347 for agency employee salary and benefits costs.

Motion #1: Move the –3 amendments to SB 5701.

Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

Motion #2: Move SB 5701 to the full committee with a “do pass” recommendation, as amended.

Assignment of Carriers

Full: _____

House Floor: _____

Senate Floor: _____