



Oregon Military Department Senate Bill 235

**Senate Committee on Veterans and
Emergency Preparedness
17 March 2015**



Presentation Overview

- Legislation History
- Changes made by SB 235
- Staff Impacts
- General Fund Discussion (Kicker)



Legislative History

- 2008 Legislative Session
 - HB 3626 established the “Oregon Pre-Disaster Mitigation Fund” and the “Oregon Disaster Response Fund” as “separate and distinct from the General Fund”
- 2010 Interim Session
 - Oregon Military Department requested a title change to the “Pre-Disaster Mitigation Fund” and that both funds be placed “within the General Fund”
- 2011 Regular Session
 - The Military Department introduced HB 2074
 - HB 2074 was moved by the House Committee on General Government and Consumer Protection
- 2013 Regular Session
 - The Military Department introduced SB 97
 - SB 97 was moved by the Senate Committee on Veteran’s and Emergency Preparedness
- 2015 Regular Session
 - The Military Department introduced SB235



Changes made in Senate Bill 235

- Changes the title of the Oregon Pre-Disaster Mitigation Fund
 - Title becomes the Emergency Preparedness Account (Requested by FEMA)
- Changes the title of the Oregon Disaster Response Fund
 - Title becomes the Oregon Disaster Response Account
- Changes the title of the Oregon Local Disaster Assistance Loan and Grant Account
 - Title becomes the Oregon Local Disaster Assistance Loan and Grant Sub-Account
- Establishes each Account within the General Fund



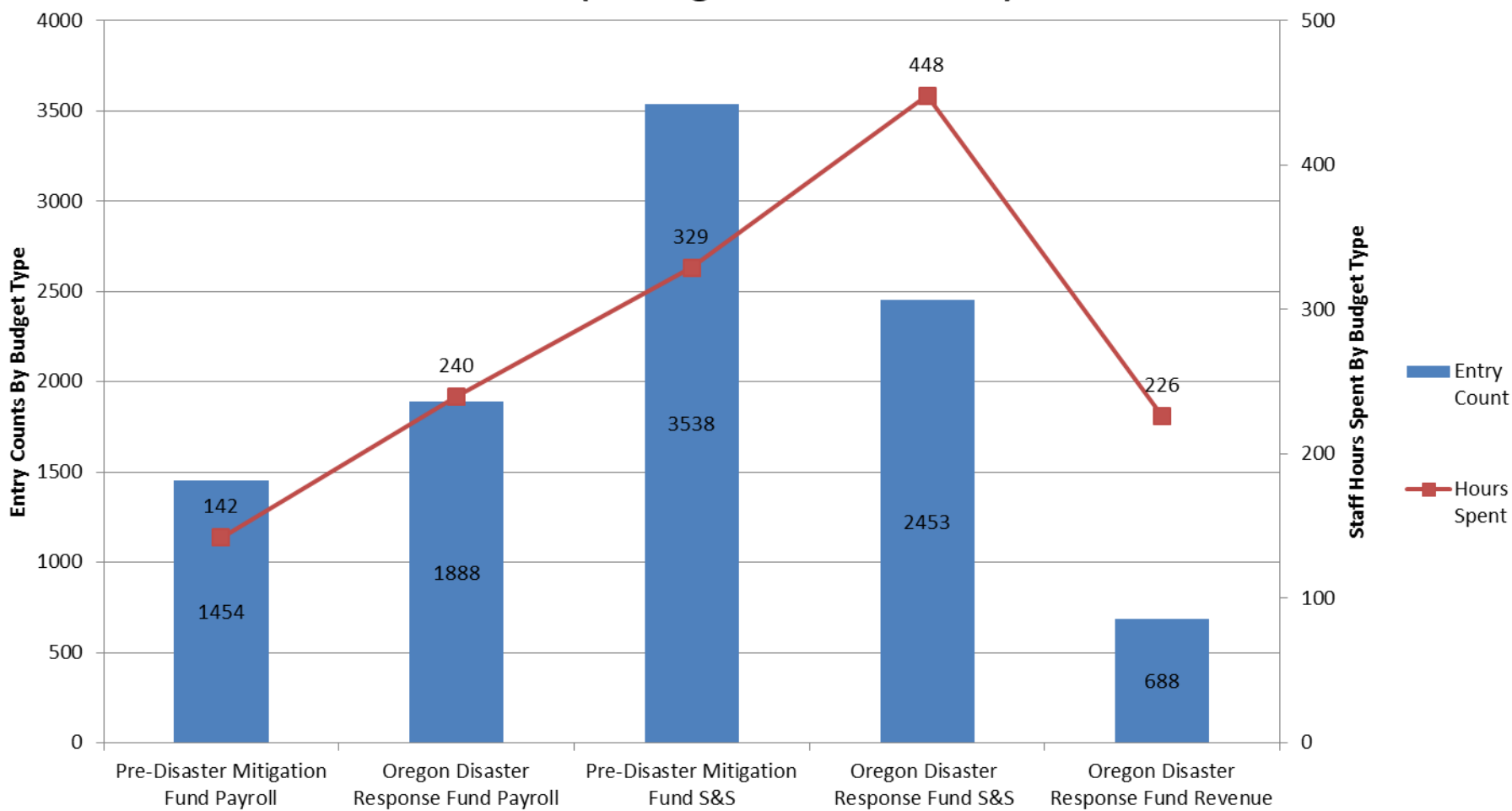
Staff Impacts of Current Statute

- Limits use of certain tools in the State Financial Management System
- Requires the use of Clearing Accounts to process payments
- Requires an additional reconciliation process
- Increases the risk for transaction errors
- Increases the complexity of the audit trail
- Extremely inefficient



Staff Impacts of Current Statute Cont.

**PDMF / ODRF Transactions and Staff Time
2013-15 (Through December 2014)**





General Fund Discussion (Kicker)

- “Legal General Fund” vs. “Appropriated General Fund”
- The “Legal General Fund” refers to Treasury Fund 0401 which contains moneys from a variety of sources as specified by law
- The “Appropriated General Fund” is made up of moneys which are considered to be “available for general governmental purposes”
- Funds must be “available for general governmental purposes” to be included in the Kicker Calculation



General Fund Discussion (Kicker)

- SB 235 moves the Emergency Preparedness Account and the Disaster Response Account into the “Legal General Fund”, but does not make them relevant to the “Appropriated General Fund”.
- All funds described in SB 235 are continuously appropriated to the Military Department and are dedicated for a specific purpose.
- Due to the dedicated nature of these funds they would not be classified as “available for general governmental purposes”, and therefore not included in the Kicker Calculation.



General Fund Discussion (Kicker)

- The Treasurer's Office believes SB 235 does not change the nature of the associated funds to make them "available for general governmental purposes".
- At this time the Chief Financial Office at DAS shares the Military Departments opinion that the changes made in SB 235 would not impact the Kicker Calculation.



Questions