

PRELIMINARY STAFF MEASURE

SUMMARY

Joint Committee On Ways and Means

Fiscal: Fiscal impact issued

Revenue:

Action

Date:

Action:

Meeting

Dates:

Prepared By: John Borden, Budget Analyst

WHAT THE MEASURE DOES:

This measure implements statutory changes necessary to support the 2015-17 legislatively adopted budget and to clarify the application of statutes. 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 2015-17 biennium. The measure has an emergency clause and is effective on passage.

The fiscal or budgetary impacts of provisions of this measure are contained in SB 5507 (budget reconciliation) and HB 5029 (Lottery Fund allocation) for the 2015-17 biennium, or in other specific agency budget measures.

Other Funds transfers provided in this measure are one-time in nature and only apply to the 2015-17 biennium, unless otherwise noted, and are to be made on the effective date of the measure, unless otherwise noted.

The major provisions, by program area, are:

Education Program Area: Authorizes Education Stability Fund earnings dedicated to pay lottery bond debt service to be used for Oregon Opportunity Grants when those earnings are not needed to pay debt service (\$7.7 million Lottery Funds); repeals language requiring that 40% of the increase in General Fund revenue for the 2015-17 biennium (between the February and May 2015 revenue forecasts) be for the State School Fund; makes changes to the Farm-to-School grant program; and directs a report if a public university increases either resident undergraduate tuition and mandatory enrollment fees by more than three percent for the 2016-2017 academic year.

Human Services Program Area: Transfers Public Employees Revolving Fund revenues to the General Fund for general governmental purposes (\$120 million); and modifies the ability to make guardianship payments.

Economic and Community Development Program Area: Transfers liquor surcharge revenue (\$14.8 million), Supplemental Employment Department Administrative Fund revenue (\$13 million), and Connecting Oregon Communities Fund (\$88,000) to the General Fund for general governmental purposes; removes reference to "bank card fees" from the Oregon Liquor Control Commission budget measure; and modifies SB 605 (2015) to specify that the Department of Revenue is to transfer marijuana tax revenues to the Oregon Liquor Control Commission to repay initial recreational marijuana program startup costs.

Natural Resources Program Area: Changes repeal date in SB 779 [Relating to the State Department of Fish and Wildlife] from January 2, 2016 to January 2, 2017.

Transportation Program Area: Directs allocation of existing funding to the Cornelius Pass Road (Multnomah County) and Verboort and Purdin Roads (Washington County).

Administration Program Area: Transfers business registration fee revenues to the General Fund for general governmental purposes (\$6.2 million); excludes Lottery debt service allocations from amounts subject to reversion to the Administrative Services Economic Development Fund; and allows State Library Donation Fund to be discretely invested in intermediate term investment pool.

Legislative Branch: Extends the sunset on the Task Force on Capital Construction; extends current law related to legislator and other elected official salary; modifies the Central Government Service Charge; and directs review of intermediate term investment statutes.

Judicial Branch: Increases state judge salaries by the same percentage increases granted to management service employees in the executive department for cost of living adjustments; and allows counties to reallocate up to one-half of General Fund appropriated for county law libraries to conciliation and mediation services in circuit courts.

ISSUES DISCUSSED:

- Need for program change measure
- Fiscal impact
- Relation to SB 5507, the budget reconciliation measure, and HB 5029, the Lottery Funds allocation measure
- Transfers of funds from agency accounts to the General Fund and the specific timing of such transfers

EFFECT OF COMMITTEE AMENDMENT:

Replaces the measure.

BACKGROUND:

This measure is the Joint Committee on Ways and Means program change bill. Similar measures are introduced and become law each legislative session. This measure, relating to state financial administration, is not an appropriation bill and therefore does not include the appropriation of funds.