
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: *Daron Hill, Legislative Fiscal Office*
(503) 986-1832

Date: February 25, 2016

Subject: *Budget Rebalance - SB 5701*
Work Session Recommendations

SB 5701 is the budget reconciliation bill that adjusts the state budget for the 2015-17 biennium. Along with 2016 session budget decisions, the bill includes technical adjustments, and actions recommended by the Interim Joint Committee on Ways and Means.

The budget increases the general purpose Emergency Fund to \$32 million, and maintains a \$40 million special purpose appropriation for potential costs in the Oregon Health Authority or the Department of Human Services. After all adjustments, the General Fund ending balance is projected to be about \$225 million.

The special purpose appropriation of \$120 million was allocated to state agencies to cover employee compensation costs; it was set aside for this purpose. This is expected to cover about 93% of estimated General Fund costs. Lottery Funds, Other Funds, and Federal Funds are increased to cover the full amount needed.

Other actions include, but are not limited to:

- Adds \$6 million General Fund and \$5 million in special purpose appropriations for the Department of Corrections for increased inmate population and for improved treatment for seriously mentally ill offenders. Leaves the Department with a \$16 million budget shortfall.
- Appropriates \$24 million General Fund to cover the state's share of the costs for the 2015 fire season.
- Provides additional General Fund resources to key P-12 education programs including increasing funding for Oregon Pre-Kindergarten by \$5.3 million, Early Intervention and Early Childhood Special Education by \$5.4 million, Relief Nurseries by \$300,000, and \$17.5 million for a mixed delivery pre-school program.
- In response to the shooting in October at the Umpqua Community College, this bill provides \$4.25 million to repair Snyder Hall where the shooting occurred and another \$1.8 million for security staff, improvements to safety and security systems, and other costs resulting from the incident.

- Partially rebalances the Oregon Health Authority budget, leaving one potential issue of \$17 million unresolved. The budget also includes \$10 million Other Funds for investments in rural hospital transformation and sustainability.
- Directly covers a little over half of the projected \$71.7 million General Fund deficit for the Department of Human Services; the three remaining caseload forecasts may help lower the agency's request from the special purpose appropriation.
- Added \$2.5 million General Fund to significantly expand Oregon's Air Toxics Program.

Motion: Approve the Budget Notes for the budget report.

Motion: Move adoption of the -4 amendment to SB 5701.

Motion: Move SB 5701, as amended, to the Full Committee with a "do pass as amended" recommendation.

Chair to assign carriers:

Full: _____
2nd Chamber: _____