

SB 252 STAFF MEASURE SUMMARY

Senate Committee On Veterans and Emergency Preparedness

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Meeting Dates: 2/13, 2/20

WHAT THE MEASURE DOES:

Requires sufficient unencumbered funds in State Treasury to cover, before the Oregon Military Department may incur an expense that is reimbursable from federal moneys pursuant to a cooperative agreement with the National Guard Bureau. Authorizes State Treasurer to take steps to enable eligibility to receive funding pursuant to such agreement.

ISSUES DISCUSSED:

- Delay and inefficiency of OMD's current process: using state funds, then seeking federal reimbursement
- Current reliance on line of credit when needed to counter consequences of delay
- Interest charges associated with using line of credit
- Clarifying amendment language suggested by Department of Justice; no objections at federal level

EFFECT OF AMENDMENT:

[-1 amendment] Replaces original content of measure with more precise language to same effect. Authorizes Oregon Military Department (OMD) to enter into cooperative agreements with National Guard Bureau and to choose an advance payment method; then requires sufficient unencumbered funds to cover obligations before OMD may incur a funding obligation.

BACKGROUND:

Using lines of credit as a means to account for delays between spending state funds and receiving federal reimbursement comes at significant cost to the Oregon Military Department (OMD), particularly when large-scale construction projects are involved. Senate Bill 252 streamlines OMD's accounting in this regard, to enable more efficient receipt and expenditure of funds, and avoiding interest charges associated with using lines of credit.