

**SB 5543 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Amanda Beitel, Legislative Fiscal Office

**Reviewed By:** Ken Rocco, Legislative Fiscal Office

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**Department of Veterans' Affairs**

**2017-19**

PRELIMINARY

## **Summary of Revenue Changes**

The Oregon State Lottery collects revenues from traditional and video lottery gaming. It pays player prizes and its operating expenses out of these revenues and then transfers the balance (net profits) to the Administrative Services Economic Development Fund (EDF). The Department of Administrative Services (DAS) then distributes funds from the EDF in adherence with constitutional and statutory funding priorities, including specific legislative allocations.

Three allocations are specified in the constitution. The Education Stability Fund receives 18% of net lottery proceeds, the Parks and Natural Resources Fund receives 15% of net lottery proceeds, and the Veterans' Services Fund receives 1.5% of net lottery proceeds. The lottery funds transferred to these three Funds change in direct proportion to revenue changes. The DAS Office of Economic Analysis December 2018 lottery revenue forecast results in a \$772,418 increase (3.7%) in revenue to the Veterans' Services Fund, over the level anticipated in the 2017-19 legislatively approved budget, which was based on the March 2018 lottery revenue forecast.

## **Summary of Capital Construction Subcommittee Action**

Senate Bill 5543 increases one existing allocation from the Veterans' Services Fund by \$201,550.

- The allocation from the Veterans' Services Fund to the Department of Veterans' Affairs for the veterans' services program is increased by \$201,550 to accommodate an increase in Lottery Funds expenditure limitation approved at the December 2018 meeting of the Emergency Board. Lottery Funds expenditure limitation was increased to establish the agency as the U.S. Department of Veterans Affairs State Approving Agency for veterans' education programs.

The table on the following page summarizes Lottery Funds cash flows and allocations in the 2017-19 legislatively approved budget for the Veterans' Services Fund. The figures in this table is not restricted solely to the impacts of Senate Bill 5543, but also includes the impacts of changes in the Lottery revenue forecast since the close of the 2018 session.

### Veterans' Services Fund

	2017-19 Legislatively Approved
VSF Beginning Balance	\$0
Lottery Revenue	\$21,580,764
Lottery Resources	<u>\$21,580,764</u>
Allocations to ODVA	
Veterans' Services Program	\$8,378,042
County Veteran Service Officers	\$6,904,151
National Service Organizations	\$118,156
Total ODVA Allocations	<u>\$15,400,349</u>
Allocations to HCSD	
Housing Assistance to Veterans	<u>\$1,500,000</u>
Total Allocations	<u>\$16,900,349</u>
VSF Ending Balance	<u>\$4,680,415</u>

PRELIMINARY