

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Rep. David Gomberg, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Capital Construction Subcommittee
From: Amanda Beitel, Legislative Fiscal Office
Date: June 25, 2019
Subject: HB 5029 – Lottery and CFA Allocation
Work Session Recommendations

HB 5029 allocates Lottery Funds and money in the Criminal Fine Account and Oregon Marijuana Account to finance programs approved in the state budget.

The -4 amendment replaces the bill and includes lottery allocations totaling \$1 billion that support, among other programs, veterans' services, county economic development, Outdoor School, gambling addiction prevention and treatment, the State School Fund, and debt service on outstanding lottery revenue bonds. Criminal Fine Account revenues totaling \$128.6 million are allocated for state and county programs and Oregon Marijuana Account revenues of \$207.5 million are allocated for the State School Fund, mental health services, alcohol and drug abuse prevention and treatment, and the State Police.

Allocations from the Economic Development Fund, Veterans' Services Fund, Criminal Fine Account, and Oregon Marijuana Account are provided in the attached tables.

Recommended Changes

LFO recommends adoption of the -4 amendment.

MOTION: I move adoption of the -4 amendment to HB 5029. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5029, as amended by the -4 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 5029, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LOTTERY FUNDS CASH FLOW SUMMARY

	2017-19 Legislatively Approved Budget ¹	2019-21 Legislatively Adopted Budget ²
ECONOMIC DEVELOPMENT FUND		
RESOURCES		
Beginning Balance	\$ 49,016,803	\$ 65,339,501
Lottery Funds Reversions under ORS 461.559	4,174,452	3,730,702
REVENUES		
Transfers from Lottery		
Net Proceeds	1,408,416,655	1,459,844,118
Administrative Actions	47,813,925	-
Other Revenues		
Interest Earnings	2,000,000	2,000,000
Other	-	-
Total Revenue	1,458,230,580	1,461,844,118
TOTAL RESOURCES	\$ 1,511,421,835	\$ 1,530,914,321
DISTRIBUTIONS / ALLOCATIONS		
Distribution to Education Stability Fund	(262,121,504)	(262,771,941)
Distribution to Parks and Natural Resources Fund	(218,434,587)	(218,976,618)
Distribution for Veterans' Services Fund	(21,843,459)	(21,897,662)
Distribution for Outdoor School Fund	(24,000,000)	(45,305,847)
Distribution of Video Revenues to Counties	(41,285,992)	(50,231,366)
Distribution for Sports Programs	(8,240,000)	(14,099,809)
Distribution for Gambling Addiction	(12,498,909)	(14,593,071)
Distribution for County Fairs	(3,828,000)	(3,828,000)
Allocation to State School Fund	(535,719,907)	(530,146,857)
Debt Service Allocations	(246,357,867)	(263,661,510)
Other Agency Allocations	(71,752,109)	(85,401,640)
TOTAL DISTRIBUTIONS / ALLOCATIONS	\$ (1,446,082,334)	\$ (1,510,914,321)
ENDING BALANCE	\$ 65,339,501	\$ 20,000,000
EDUCATION STABILITY FUND		
(not including the Oregon Growth Account balances)		
RESOURCES		
Beginning Balance	\$ 383,759,084	\$ 619,668,217
Revenues		
Transfer from the Economic Development Fund	235,909,354	236,494,747
Interest Earnings	22,366,297	40,012,241
Oregon Growth Account Earnings Distributions	5,184,729	-
Total Revenue	\$ 263,460,380	\$ 276,506,988
TOTAL RESOURCES	\$ 647,219,464	\$ 896,175,205
DISTRIBUTIONS		
Oregon Opportunity Grant Program	(26,904,035)	(39,340,946)
Debt Service Allocations to Department of Education	(646,991)	(671,295)
Treasury Account Fees	(221)	
TOTAL DISTRIBUTIONS	\$ (27,551,247)	\$ (40,012,241)
ENDING BALANCE	\$ 619,668,217	\$ 856,162,964

1. The 2017-19 Legislatively Approved Budget is based on the May 2019 forecast of 2017-19 resources.

2. The 2019-21 Legislatively Adopted Budget is based on the May 2019 forecast of 2019-21 resources with the adjustments shown for lottery reversions and administrative actions.

3. 2019-21 beginning balance is equal to 2017-19 ending balance.

4. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included.

5. Only includes transfers to the main Education Stability Fund account, and not the 10% transferred to the Oregon Growth Account.

2019-21 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	2019-21 LAB Expenditure Limitation	Ending Lottery Balance
ECONOMIC DEVELOPMENT FUND					
DEBT SERVICE COMMITMENTS					
Higher Education Coordinating Commission Outstanding bonds	44,727,472	294,965	-	45,022,437	-
Business Development Department Outstanding bonds	48,065,843	241,700	-	48,307,543	-
Housing and Community Services Department Outstanding bonds	21,713,035	76,300	-	21,789,335	-
Department of Transportation Outstanding bonds	115,058,344	534,636	-	115,592,980	-
Department of Administrative Services Outstanding bonds	18,714,544	70,789	-	18,785,333	-
State Forestry Department Outstanding Bonds	2,530,271	13,180	-	2,543,451	-
Department of Energy Outstanding Bonds	3,006,469	16,896	-	3,023,365	-
State Parks and Recreation Department Outstanding Bonds	2,292,182	5,361	-	2,297,543	-
Water Resources Department Outstanding Bonds	7,553,350	13,152	-	7,566,502	-
OTHER ALLOCATIONS					
Higher Education Coordinating Commission Collegiate Athletics	14,099,809	-	-	14,099,809	-
Outdoor Schools	45,305,847	-	-	45,305,847	-
Oregon Health Authority Gambling Addiction Treatment	14,593,071	-	-	14,593,071	-
Department of Education State School Fund	530,146,857	-	-	530,146,857	-
Department of Administrative Services Distribution to County Fairs	3,828,000	-	-	3,828,000	-
Office of the Governor Regional Solutions	3,932,736	-	-	3,932,736	-
Business Development Department Operations	8,773,826	-	-	8,773,826	-
Business, Innovation, and Trade	57,965,174	3,838,718	-	61,803,892	-
Infrastructure	5,351,472	-	-	5,351,472	-
Infrastructure - Tide Gates and Culverts Program	6,000,000	-	-	1	5,999,999
Film and Video	1,253,432	-	-	1,253,432	-
Arts and Cultural Trust	2,125,000	-	-	2,125,000	-
TOTAL ECONOMIC DEVELOPMENT FUND	957,036,734	5,105,697	-	956,142,432	5,999,999
EDUCATION STABILITY FUND / OREGON EDUCATION FUND					
Higher Education Coordinating Commission Opportunity Grants	39,340,946	7,284,497	-	40,000,000	6,625,443
Department of Education Education Bonds Outstanding	671,295	21,575	-	692,870	-
TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND	40,012,241	7,306,072	-	40,692,870	6,625,443

VETERANS' SERVICES FUND

	2017-19	2019-21
	Legislatively Approved	Legislatively Adopted
RESOURCES / REVENUES		
VSF Beginning Balance	\$ -	\$ 4,943,110
Lottery Revenue	21,843,459	21,897,662
TOTAL RESOURCES	\$ 21,843,459	\$ 26,840,772
ALLOCATIONS		
Department of Veterans' Affairs		
Veterans' Services Program	\$ (8,378,042)	\$ (11,915,984)
County Veteran Service Officers	(6,904,151)	(7,166,509)
National Service Organizations	(118,156)	(477,354)
Veterans' Affordable Housing	-	(1,000,000)
Total ODVA Allocations	\$ (15,400,349)	\$ (20,559,847)
Bureau of Labor and Industries		
Reintegration Program (HB 2202)	-	(250,000)
Criminal Justice Commission		
Veterans' Specialty Courts	-	(555,000)
Housing and Community Services		
Housing Assistance to Veterans	(1,500,000)	-
Oregon Health Authority		
Veterans' Behavioral Health	-	(2,500,000)
TOTAL ALLOCATIONS	\$ (16,900,349)	\$ (23,864,847)
VSF ENDING BALANCE	\$ 4,943,110	\$ 2,975,925

CRIMINAL FINE ACCOUNT ALLOCATIONS

	2017-19 Legislatively Approved Budget	2019-21 Current Service Level	Percent Change	2019-21 Legislatively Adopted Budget	Percent Change
Criminal Fine Account Revenues	\$ 143,975,636	\$ 127,366,192	-11.5%	\$ 128,566,192	-10.7%
Criminal Fine Account Allocations:					
<i>Department of Public Safety Standards and Training</i>					
Operations	\$ 36,316,251	\$ 37,240,650	2.5%	\$ 31,999,031	-11.9%
Public Safety Memorial Fund	200,030	279,677	39.8%	279,495	39.7%
Subtotal:	\$ 36,516,281	\$ 37,520,327	2.7%	\$ 32,278,526	-11.6%
<i>Department of Justice</i>					
Child Abuse Multidisciplinary Intervention (CAMI)	\$ 10,679,854	\$ 11,147,006	4.4%	\$ 9,824,565	-8.0%
Regional Assessment Centers	815,961	846,968	3.8%	846,968	3.8%
Criminal Injuries Compensation Account (CICA)	9,095,393	9,441,018	3.8%	8,755,862	-3.7%
Child Abuse Medical Assessments	690,667	716,912	3.8%	716,912	3.8%
Subtotal:	\$ 21,281,875	\$ 22,151,904	4.1%	\$ 20,144,307	-5.3%
<i>Department of Human Services</i>					
Domestic Violence Fund	\$ 2,239,608	\$ 2,224,675	-0.7%	\$ 2,224,675	-0.7%
Sexual Assault Victims Fund	518,399	533,332	2.9%	533,332	2.9%
Subtotal:	\$ 2,758,007	\$ 2,758,007	0.0%	\$ 2,758,007	0.0%
<i>Oregon Health Authority</i>					
Emergency Medical Services & Trauma Services	\$ 331,824	\$ 331,824	0.0%	\$ 331,824	0.0%
Alcohol & Drug Abuse Prevention	42,884	42,884	0.0%	42,884	0.0%
Law Enforcement Medical Liability Account (LEMLA)	1,354,360	1,300,000	-4.0%	1,300,000	-4.0%
Intoxicated Driver Program	4,323,000	4,323,000	0.0%	4,323,000	0.0%
Subtotal:	\$ 6,052,068	\$ 5,997,708	-0.9%	\$ 5,997,708	-0.9%
<i>Oregon Judicial Department</i>					
State court security and emergency preparedness	\$ 3,615,658	\$ 3,784,490	4.7%	\$ 3,784,490	4.7%
County court facilities security	2,824,208	2,931,528	3.8%	2,931,528	3.8%
Capital improvements for courthouses and other state court facilities	-	-	0.0%	-	0.0%
State Court Technology Fund	3,110,000	3,887,500	0.0%	3,887,500	25.0%
Subtotal:	\$ 9,549,866	\$ 10,603,518	11.0%	\$ 10,603,518	11.0%
<i>Oregon State Police</i>					
Driving Under the Influence Enforcement	\$ 351,572	\$ 351,572	0.0%	\$ 351,572	0.0%
<i>Department of Corrections</i>					
County correction programs and facilities, and alcohol and drug programs	\$ 4,257,421	\$ 4,585,442	7.7%	\$ 4,585,442	7.7%
<i>Department of Revenue</i>					
Administrative expenses	\$ -	\$ -	0.0%	\$ 100,000	100.0%
Total Allocations:	\$ 76,509,669	79,383,036	17.0%	\$ 76,819,080	93%
Transfer to the General Fund:	\$ 67,465,967	\$ 47,983,156	-28.9%	\$ 51,747,112	-23.3%

2019-21 Oregon Marijuana Account
(includes 2017-19 carry forward)

	HB 3470 Distn	2019-21 Biennium Oregon Marijuana Account
Cities	10%	22,345,600
Counties	10%	22,345,600
Subtotal Local		\$44,691,200
State School Fund	40%	103,764,900
Mental Health Alcoholism & Drug Services Account	20%	51,882,500
State Police Account	15%	38,911,800
Drug and alcohol abuse prevention and treatment	5%	12,970,600
Subtotal State		\$207,529,800
Total	100%	\$252,221,000