

SB 252 B STAFF MEASURE SUMMARY

Carrier: Rep. Meek

House Committee On Veterans and Emergency Preparedness

Action Date: 05/16/19

Action: Do pass with amendments to the A-Eng bill. (Printed B-Eng.)

Vote: 6-0-2-0

Yeas: 6 - Evans, Lewis, Meek, Wallan, Wilde, Zika

Exc: 2 - Findley, Neron

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: Patrick Brennan, LPRO Analyst

Meeting Dates: 5/16

WHAT THE MEASURE DOES:

Authorizes Oregon Military Department to enter into cooperative agreements with National Guard Bureau and to choose an advance payment method for expenditure of federal funds (rather than a reimbursement method after using state funds). Requires sufficient unencumbered funds in State Treasury to cover expenditure before Department may incur a funding obligation that is reimbursable from federal moneys pursuant to cooperative agreement.

ISSUES DISCUSSED:

- Work by Oregon Military Department to streamline expenditure process
- Federal reimbursement process
- How to account for interest accrued

EFFECT OF AMENDMENT:

Authorizes Oregon Military Department to adopt rules to maintain eligibility to receive payments under cooperative agreements with National Guard Bureau. Permits State Treasurer to create accounts in the State Treasury, separate and distinct from the General Fund, pursuant to a cooperative agreement and specifies that interest earned must be credited to the account.

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-B 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.