

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

Sen. Betsy Johnson, Senate Co-Chair  
Sen. Elizabeth Steiner Hayward, Senate Co-Chair  
Rep. Dan Rayfield, House Co-Chair

Sen. Fred Girod, Senate Co-Vice Chair  
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:** March 3, 2020  
**Subject:** HB 5203 – Lottery and CFA Allocation  
Work Session Recommendations

HB 5203 modifies the allocations from the Administrative Services Economic Development Fund, Veterans' Services Fund, and Criminal Fine Account (CFA) to finance budget adjustments approved in the 2020 session. The forecast for current biennium lottery resources has increased \$25.4 million (1.7%) over the level forecasted during the 2019 session. Criminal fines and assessments projected for the 2019-21 biennium have decreased by \$5.8 million (-4.5%) since the close-of-session forecast.

The -2 amendment replaces the bill and increases lottery allocations for multiple agencies by a total of \$12.8 million and one CFA allocation by \$2.7 million to support new and existing programs, as well as fund employee compensation adjustments. After allocation adjustments included in HB 5203, the Economic Development Fund is projected to have an ending balance of \$24.5 million.

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

### **Recommended Changes**

LFO recommends adoption of the -2 amendment.

**MOTION: I move adoption of the -2 amendment to HB 5203. (VOTE)**

### **Final Subcommittee Action**

LFO recommends that HB 5203, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

MOTION: I move HB 5203, 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	2019-21 Legislatively Adopted Budget <sup>1</sup>	2019-21 Legislatively Approved Budget <sup>2</sup>	HB 5203 and Revenue Adjustments
<b>ECONOMIC DEVELOPMENT FUND</b>				
<b>RESOURCES</b>				
Beginning Balance	\$ 49,016,803	\$ 65,339,501	\$ 65,339,501	\$ -
Lottery Funds Reversions under ORS 461.559	4,174,452	3,730,702	3,730,702	-
<b>REVENUES</b>				
Transfers from Lottery				
Net Proceeds	1,408,416,655	1,459,844,118	1,485,292,722	25,448,604
Administrative Actions	47,813,925	-	-	-
Other Revenues				
Interest Earnings	2,000,000	2,000,000	2,000,000	-
Other	-	-	-	-
Total Revenue	1,458,230,580	1,461,844,118	1,487,292,722	25,448,604
<b>TOTAL RESOURCES</b>	<b>\$ 1,511,421,835</b>	<b>\$ 1,530,914,321</b>	<b>\$ 1,556,362,925</b>	<b>\$ 25,448,604</b>
<b>DISTRIBUTIONS / ALLOCATIONS</b>				
Distribution to Education Stability Fund	(262,121,504)	(262,771,941)	(267,352,690)	(4,580,749)
Distribution to Parks and Natural Resources Fund	(218,434,587)	(218,976,618)	(222,793,908)	(3,817,290)
Distribution for Veterans' Services Fund	(21,843,459)	(21,897,662)	(22,279,391)	(381,729)
Distribution for Outdoor School Fund	(24,000,000)	(45,305,847)	(45,305,847)	-
Distribution of Video Revenues to Counties	(41,285,992)	(50,231,366)	(50,231,366)	-
Distribution for Sports Programs	(8,240,000)	(14,099,809)	(14,099,809)	-
Distribution for Gambling Addiction	(12,498,909)	(14,593,071)	(14,687,792)	(94,721)
Distribution for County Fairs	(3,828,000)	(3,828,000)	(3,828,000)	-
Distribution to the Employer Incentive Fund (PERS)	-	-	(5,405,177)	(5,405,177)
Allocation to State School Fund	(535,719,907)	(530,146,857)	(530,146,857)	-
Debt Service Allocations	(246,357,867)	(263,661,510)	(260,972,723)	2,688,787
Other Agency Allocations	(71,752,109)	(85,401,640)	(94,762,239)	(9,360,599)
<b>TOTAL DISTRIBUTIONS / ALLOCATIONS</b>	<b>\$ (1,446,082,334)</b>	<b>\$ (1,510,914,321)</b>	<b>\$ (1,531,865,799)</b>	<b>\$ (20,951,478)</b>
<b>ENDING BALANCE</b>	<b>\$ 65,339,501</b>	<b>\$ 20,000,000</b>	<b>\$ 24,497,126</b>	<b>\$ 4,497,126</b>
<b>EDUCATION STABILITY FUND</b>				
(not including the Oregon Growth Account balances)				
<b>RESOURCES</b>				
Beginning Balance	\$ 383,759,084	\$ 619,668,197	\$ 619,668,197	\$ -
Revenues				
Transfer from the Economic Development Fund	235,909,354	236,494,747	240,617,421	4,122,674
Interest Earnings	22,366,297	40,012,241	32,301,956	(7,710,285)
Oregon Growth Account Earnings Distributions	5,184,729	-	22,820,336	22,820,336
Total Revenue	\$ 263,460,380	\$ 276,506,988	\$ 295,739,713	\$ 19,232,725
<b>TOTAL RESOURCES</b>	<b>\$ 647,219,464</b>	<b>\$ 896,175,185</b>	<b>\$ 915,407,910</b>	<b>19,232,725</b>
<b>DISTRIBUTIONS</b>				
Oregon Opportunity Grant Program	(26,904,035)	(39,340,946)	(54,450,997)	(15,110,051)
Debt Service Allocations to Department of Education	(646,991)	(671,295)	(671,295)	-
Treasury Account Fees	(241)	-	-	-
<b>TOTAL DISTRIBUTIONS</b>	<b>\$ (27,551,267)</b>	<b>\$ (40,012,241)</b>	<b>\$ (55,122,292)</b>	<b>\$ (15,110,051)</b>
<b>ENDING BALANCE</b>	<b>\$ 619,668,197</b>	<b>\$ 856,162,944</b>	<b>\$ 860,285,618</b>	<b>\$ 4,122,674</b>

1. 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.
2. The 2019 -21 Legislatively Approved Budget is based on the March 2020 forecast of 2019-21 lottery resources.
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**

	<b>New Lottery Funds Allocation</b>	<b>Beginning Lottery Balance</b>	<b>Interest and Other Earnings</b>	<b>2019-21 LAB Expenditure Limitation</b>	<b>Ending Lottery Balance</b>
<b>ECONOMIC DEVELOPMENT FUND</b>					
DEBT SERVICE COMMITMENTS					
Higher Education Coordinating Commission Outstanding bonds	\$ 44,727,472	\$ 294,965	\$ -	\$ 45,022,437	\$ -
Business Development Department Outstanding bonds	46,201,242	241,700	-	46,442,942	-
Housing and Community Services Department Outstanding bonds	21,675,934	76,300	-	21,752,234	-
Department of Transportation Outstanding bonds	114,418,345	534,636	-	114,952,981	-
Department of Administrative Services Outstanding bonds	18,570,766	70,789	-	18,641,555	-
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	7,550,042	13,152	-	7,563,194	-
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	14,687,792	826,000	-	15,513,792	-
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	-
Public Employees Retirement System Employer Incentive Fund	5,405,177	-	-	5,405,177	-
Office of the Governor Regional Solutions	4,106,514	-	-	4,106,514	-
Business Development Department Operations	9,078,635	-	-	9,078,635	-
Business, Innovation, and Trade Infrastructure	64,729,941	3,838,718	-	68,568,659	-
Infrastructure - Tide Gates and Culverts Program	7,218,717	-	-	7,218,717	-
Infrastructure - Tide Gates and Culverts Program Film and Video	6,000,000	-	-	6,000,000	-
Arts and Cultural Trust	1,253,432	-	-	1,253,432	-
	2,375,000	-	-	2,375,000	-
<b>TOTAL ECONOMIC DEVELOPMENT FUND</b>	<b>\$ 969,208,444</b>	<b>\$ 5,931,697</b>	<b>\$ -</b>	<b>\$ 975,140,141</b>	<b>\$ -</b>
<b>EDUCATION STABILITY FUND / OREGON EDUCATION FUND</b>					
Higher Education Coordinating Commission Opportunity Grants	54,450,997	8,801,414	-	40,000,000	23,252,411
Department of Education Education Bonds Outstanding	671,295	21,575	-	692,870	-
<b>TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND</b>	<b>\$ 55,122,292</b>	<b>\$ 8,822,989</b>	<b>\$ -</b>	<b>\$ 40,692,870</b>	<b>\$ 23,252,411</b>

## VETERANS' SERVICES FUND

	2017-19 Legislatively Approved	2019-21 Legislatively Adopted <sup>1</sup>	2019-21 Legislatively Approved <sup>2</sup>	HB 5203 and Revenue Adjustments
<b>RESOURCES / REVENUES</b>				
VSF Beginning Balance	\$ -	\$ 4,943,110	\$ 4,943,110	\$ -
Lottery Revenue	21,843,459	21,897,662	22,279,391	381,729
<b>TOTAL RESOURCES</b>	<b>\$ 21,843,459</b>	<b>\$ 26,840,772</b>	<b>\$ 27,222,501</b>	<b>\$ 381,729</b>
<b>ALLOCATIONS</b>				\$ -
Department of Veterans' Affairs				
Veterans' Services Program	\$ (8,378,042)	\$ (11,915,984)	\$ (12,187,447)	\$ (271,463)
County Veteran Service Officers	(6,904,151)	(7,166,509)	(7,166,509)	-
National Service Organizations	(118,156)	(477,354)	(477,354)	-
Veterans' Affordable Housing	-	(1,000,000)	(1,000,000)	-
Total ODVA Allocations	\$ (15,400,349)	\$ (20,559,847)	\$ (20,831,310)	\$ (271,463)
Bureau of Labor and Industries				
Reintegration Program (HB 2202)	-	(250,000)	(260,230)	(10,230)
Criminal Justice Commission				
Veterans' Specialty Courts	-	(555,000)	(555,000)	-
Housing and Community Services				
Housing Assistance to Veterans	(1,500,000)	-	-	-
Oregon Health Authority				
Veterans' Behavioral Health	-	(2,500,000)	(2,500,000)	-
Long Term Care Ombudsman				
Oregon Public Guardian and Conservator	-	-	(391,302)	(391,302)
<b>TOTAL ALLOCATIONS</b>	<b>\$ (16,900,349)</b>	<b>\$ (23,864,847)</b>	<b>\$ (24,537,842)</b>	<b>\$ (672,995)</b>
<b>VSF ENDING BALANCE</b>	<b>\$ 4,943,110</b>	<b>\$ 2,975,925</b>	<b>\$ 2,684,659</b>	<b>\$ (291,266)</b>

1. The 2019-21 Legislatively Adopted Budget is based on the May 2019 forecast of 2019-21 resources.

2. The 2019 -21 Legislatively Approved Budget is based on the March 2020 forecast of 2019-21 lottery resources.

## CRIMINAL FINE ACCOUNT ALLOCATIONS

	2017-19 Legislatively Approved Budget	2019-21 Legislatively Adopted Budget	2019-21 Legislatively Approved Budget	Percent Change
<b>Criminal Fine Account Revenues</b>	\$ 143,975,646	\$ 128,566,192	\$ 122,746,791	-4.5%
<b>Criminal Fine Account Allocations:</b>				
<b>Department of Public Safety Standards and Training</b>				
Operations	\$ 36,316,251	\$ 31,999,031	\$ 34,699,952	8.4%
Public Safety Memorial Fund	200,030	279,495	279,495	0.0%
Subtotal:	\$ 36,516,281	\$ 32,278,526	\$ 34,979,447	8.4%
<b>Department of Justice</b>				
Child Abuse Multidisciplinary Intervention (CAMI)	\$ 10,679,854	\$ 9,824,565	\$ 9,824,565	0.0%
Regional Assessment Centers	815,961	846,968	\$ 846,968	0.0%
Criminal Injuries Compensation Account (CICA)	9,095,393	8,755,862	\$ 8,755,862	0.0%
Child Abuse Medical Assessments	690,667	716,912	716,912	0.0%
Subtotal:	\$ 21,281,875	\$ 20,144,307	\$ 20,144,307	0.0%
<b>Department of Human Services</b>				
Domestic Violence Fund	\$ 2,239,608	\$ 2,224,675	\$ 2,224,675	0.0%
Sexual Assault Victims Fund	518,399	533,332	533,332	0.0%
Subtotal:	\$ 2,758,007	\$ 2,758,007	\$ 2,758,007	0.0%
<b>Oregon Health Authority</b>				
Emergency Medical Services & Trauma Services	\$ 331,824	\$ 331,824	\$ 331,824	0.0%
Alcohol & Drug Abuse Prevention	42,884	42,884	\$ 42,884	0.0%
Law Enforcement Medical Liability Account (LEMLA)	1,354,360	1,300,000	\$ 1,300,000	0.0%
Intoxicated Driver Program	4,323,000	4,323,000	4,323,000	0.0%
Subtotal:	\$ 6,052,068	\$ 5,997,708	\$ 5,997,708	0.0%
<b>Oregon Judicial Department</b>				
State court security and emergency preparedness	\$ 3,615,658	\$ 3,784,490	\$ 3,784,490	0.0%
County court facilities security	2,824,208	2,931,528	\$ 2,931,528	0.0%
Capital improvements for courthouses and other state court facilities			\$ -	0.0%
State Court Technology Fund	3,110,000	3,887,500	3,887,500	0.0%
Subtotal:	\$ 9,549,866	\$ 10,603,518	\$ 10,603,518	0.0%
<b>Oregon State Police</b>				
Driving Under the Influence Enforcement	\$ 351,572	\$ 351,572	\$ 351,572	0.0%
<b>Department of Corrections</b>				
County correction programs and facilities, and alcohol and drug programs	\$ 4,257,421	\$ 4,585,442	\$ 4,585,442	0.0%
<b>Department of Revenue</b>				
Administrative Expenses	\$ -	\$ 100,000	\$ 100,000	0.0%
<b>Total Allocations:</b>	<b>\$ 80,767,090</b>	<b>\$ 76,819,080</b>	<b>\$ 79,520,001</b>	<b>3.5%</b>
<b>Transfer to the General Fund:</b>	<b>\$ 63,208,556</b>	<b>\$ 51,747,112</b>	<b>\$ 43,226,790</b>	<b>-16.5%</b>