

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4163 - A

80th Oregon Legislative Assembly – 2020 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

Prepared by: John Borden
Reviewed by: Amanda Beitel, Gregory Jolivette, Tom MacDonald, Theresa McHugh, Ken Rocco, Paul Siebert, Matt Stayner, Kim To, Michelle Deister, Doug Wilson, Steve Bender, Laurie Byerly, Meg Bushman-Reinhold
Date: March 3, 2020

Measure Description:

This measure implements statutory changes necessary to support the 2019-21 legislatively approved budget and to clarify the application of statutes.

Government Unit(s) Affected:

Oregon State Treasurer (OST), Oregon State Lottery, Department of Consumer and Business Services (DCBS), Housing and Community Services Department (HCSD), Department of Administrative Services (DAS), Legislative Fiscal Office (LFO), Legislative Administration Committee (LAC), Oregon Judicial Department (OJD), Secretary of State (SOS), Department of State Lands (DSL), Oregon Department of Transportation (ODOT), Water Resources Department (WRD), Oregon Medical Board (OMB), Oregon Parks and Recreation Department (OPRD), Public Employees Retirement System (PERS), Department of Education (ODE), Oregon Health Authority (OHA), Department of Human Services (DHS), Department of Justice (DOJ), Oregon Business Development Department (OBDD), Oregon Tourism Commission (Travel Oregon)

Summary of Fiscal Impact: See explanatory analysis.

Summary of Revenue Impact: See Revenue Impact Statement

Analysis: This measure implements statutory changes necessary to support the 2019-21 legislatively approved budget and to clarify the application of statutes. This measure, relating to state financial administration, is not an appropriation bill and therefore does not include the appropriation or the expenditure of funds. The measure, however, is necessary to achieve a balanced budget for the 2019-21 biennium. The measure has an emergency clause and is effective on passage.

The fiscal or budgetary impacts of provisions in this measure are contained in HB 5204 (budget reconciliation) and HB 5203 (Lottery Fund/Criminal Fines Account allocations) for the 2019-21 biennium, or in other measures with a budgetary impact. The following table summarizes, by section and agency, the fiscal impact of this measure; however, for those sections with a budgetary impact, the associated budget measure is noted.

Section/Gov't Unit	Program Change	Fiscal Impact
§1-2 State Agencies/ Legislative Fiscal Office	Changes the submission date of the Legislative Fiscal Office's annual reporting on liquidated and delinquent accounts from December 31 to February 1 of each fiscal year.	No Fiscal
§3 State Agencies/ Legislative Fiscal Office	Eliminates requirement that agency reporting to the Legislature on the maximum supervisory ratio be included in a budget report.	No Fiscal

Section/Gov't Unit	Program Change	Fiscal Impact
§4 Oregon Medical Board	Repeals the transfer of \$5 million from the Operating Fund to the General Fund for general governmental purposes. Reappropriations have no direct budgetary impact as a reappropriation is a revenue source. The repeal of section 6, chapter 643, Oregon Laws 2019 renders invalid the Governor's line-item veto of HB 2377 (2019), a non-appropriation measure that is not subject to Article V, section 15a of the Oregon Constitution.	No Fiscal
§5 Department of Administrative Services/ Public Employees Retirement System	<p>Reduces the transfer of net lottery proceeds from sports betting games to the Public Employees Retirement System - Employer Incentive Fund by the constitutionally dedicated transfers of net lottery proceeds to: the Education Stability Fund (18%); Parks and Natural Resources Fund (15%); and the Veterans' Services Fund (1.5%). Within the Department of Administration Services - Administrative Services Economic Development Fund, the amount of sports betting proceeds distributed to constitutionally dedicated funds is estimated to be \$2.8 million.</p> <p>Limits the amount of sports betting lottery proceeds to be transferred by the Department of Administration Services - Administrative Services Economic Development Fund to Public Employees Retirement System - Employer Incentive Fund unless matching funds applications have been approved by the PERS Board.</p>	No Fiscal
§6 Department of Administrative Services - Office of State Chief Information Officer	Permits the state's Chief Information Officer or the Department of Administrative Services to incur costs associated with developing or maintaining the Oregon transparency website.	Indeterminate
§7-10 Department of State Lands/State Treasury/ Public Employees Retirement System	Modifies the formula the Department of State Lands uses to calculate the amount of excess Unclaimed Property interest to be transferred to the Public Employee Retirement System - School District Unfunded Liability Fund.	Indeterminate
§11-13 Department of Administrative Services/ Department of Human Services	Requires the Oregon Department of Administrative Services to report on new or changed provisions relating to compensation in certain collective bargaining agreements for non-state workers. A budget adjustment, including additional position authority, is included in HB 5204, the budget reconciliation measure.	\$308,609 Other Funds

Section/Gov't Unit	Program Change	Fiscal Impact
§14-15 Water Resources Department	Specifies that certain project approvals by the Legislature, and funded by the Water Supply Development Fund, are not subject to the competitive application process. A budget adjustment is included in HB 5204, the budget reconciliation measure.	No Fiscal
§16-17 Department of Education	Removes reference to Article XI-P bonds to allow the use of General Fund and Other Fund revenues for debt service payments.	No Fiscal
§18 Housing and Community Services Department	Removes reference to Article XI-Q bonds to allow the use of Other Fund revenues for general obligation and lottery bond debt service payments.	No Fiscal
§19-21 Public Employees Retirement System	Expands Public Employee Retirement System reporting to the Legislature on annual preliminary earnings crediting to include all the agency's funds and adds reporting requirements for investment and administrative expenses.	No Fiscal
§22 Public Employees Retirement System	Transfers revenue from the Public Employee Retirement System - School District Unfunded Liability Fund to the Public Employee Retirement System - Employer Incentive Fund. The transfer will fund the state matching for a portion of the employers who are on a current waitlist. A budget adjustment is included in HB 5204, the budget reconciliation measure.	\$15.5 million Other Funds
§23 Judicial Branch/Legislative Branch/Department of Administrative Services	Modifies process to account for General Fund reversions from prior biennium.	No Fiscal
§24 Department of Administrative Services	Repeals the transfer of Insurance ["Risk"] Fund of \$10 million; Operating Fund of \$50.9 million; and State Information Technology Operating Fund of \$26.5 million, to the General Fund for general governmental purposes. Reappropriations have no direct budgetary impact as a reappropriation is a revenue source.	No Fiscal
§25 Oregon Health Authority	Repeals the transfer of \$15 million from the Public Employees' Revolving Fund [Public Employee Benefit Board Stabilization Fund] to the General Fund for general governmental purposes. Reappropriations have no direct budgetary impact as a reappropriation is a revenue source.	No Fiscal
§26 Judicial Department	Adds two statutory judgeships to Deschutes County and one judgeship to Douglas County. A budget adjustment, including additional position authority, is included in HB 5204, the budget reconciliation measure.	\$1.7 million General Fund

Section/Gov't Unit	Program Change	Fiscal Impact
§27-29 Oregon Business Development Department	Establishes the Tide Gate Grant and Loan Fund. A Lottery Funds expenditure limitation increase is included in HB 5204, the budget reconciliation measure, for this program.	\$5.9 million Lottery Funds
§30-31 Department of Education	Establishes a time limited grant program to ensure that students in eligible alternative schools benefit from funding from the Student Success Act. This program is authorized only for the 2020-21 and 2021-22 school years. To be eligible for a grant, an alternative education program must primarily serve students at a physical location; and be operated by an Educational Service District or be registered by the Oregon Department of Education as a private alternative education program as provided by ORS 336.631. There are also eligibility requirements based on income and other student characteristics. A budget adjustment is included in HB 5204, the budget reconciliation measure. The revenue to support the funding is from the Statewide Initiatives Account of the Fund for Student Success.	\$1.8 million Other Funds
§32 Department of Justice	Repeals the transfer of \$46 million from the Protection and Education Account to the General Fund for general governmental purposes. Reappropriations have no direct budgetary impact as a reappropriation is a revenue source.	No Fiscal
§33-34 Department of Justice	Revises the statutory process for the reimbursement of medical services provided by a child advocacy center in suspected child abuse cases regardless of whether there is a finding of abuse. This change will allow submission of payments for federal reimbursement.	Indeterminate
§35-37 Oregon Tourism Commission/ Oregon Business Development Department/Department of Administrative Services/Legislative Fiscal Office	Directs the Oregon Tourism Commission to provide information and assistance to the Oregon Business Development Department, Department of Administrative Services, and Legislative Fiscal Office for purposes of a report on recommendations to establish the Commission as a program within the Oregon Business Development Department. Prohibits agencies receiving information for the report from disclosing that information in response to a public records request. The reporting requirement repeals on June 30, 2021. A General Fund appropriation is included in HB 5204, the budget reconciliation measure, for preparation of the report.	\$25,000 General Fund
§38 Housing and Community Services Department/Cities/Counties	Clarifies that a General Fund appropriation for a navigation center is to Lane County for use within the City of Eugene.	No Fiscal

Section/Gov't Unit	Program Change	Fiscal Impact
§39-55 Department of Transportation	Makes changes to implement budget adjustments in HB 5050 (2019), including: repeals the Special Transportation Fund (STF) and transfers remaining fund to the Statewide Transportation Improvement Fund (STIF); redirects cigarette tax and transportation operating fund revenues from the STF to the STIF to be used for transportation services to older adults and people with disabilities; requires STIF moneys to be used for transportation services for older adults and people with disabilities and distributed on the basis of population with qualified entities receiving a minimum of \$135,400 per biennium; establishes \$28.6 million as the base level of funding for transportation services for older adults and people with disabilities and provides funding will be adjusted each biennium based on the growth rate or decline in the STIF; and authorizes STIF to be used to pay for the Department of Transportation program administration.	No Fiscal
§56	Captions	--
§57	Emergency Clause	--