

Preliminary LC 5 STAFF MEASURE SUMMARY

Joint Committee on the Second Special Session of 2020

Prepared By: Doug Wilson, LFO Analyst

WHAT THE MEASURE DOES:

This measure implements statutory changes necessary to support the 2019-21 legislatively adopted 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 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; however, the measure includes an operative date related to the transfer of funds.

The fiscal or budgetary impacts of provisions of this measure are contained in Preliminary LC 12 (budget reconciliation) and Preliminary LC 5 (Lottery Fund/Criminal Fines Account allocations), for the 2019-21 biennium. The Other Funds transfers provided in the measure are one-time in nature and only apply to the 2019-21 biennium. Transfers are to the General Fund. Unless otherwise noted, the transfers shall be made by no later than May 31, 2021.

The major provisions of the measure, by program area, are:

Administration Program Area: Removes "at no cost" requirement for the Transparency Oregon website; 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; expands the Public Employee Retirement System reporting on preliminary earnings crediting; repeals the allocation of sports betting lottery funds from the Administrative Services Economic Development Fund to the PERS Employer Incentive Fund; repeals transfer of tax repatriation or federal decoupling revenues to the PERS School District Unfunded Liability Fund and the PERS Employer Incentive Fund; repeals transfer of excess debt collections, excess capital gains, excess estate taxes and excess interest on unclaimed property to the PERS School District Unfunded Liability Fund; transfers \$1.77 million from Secretary of State's account to the General Fund, equaling the amount of Other Funds reductions in the Secretary of State's budget; increases transfer from the Department of Administrative Services (DAS) Operating Fund from \$50.9 million to 58.9 million; increases the transfer from the State information Technology Operating Fund from \$26.5 million to \$33.5 million; transfers \$5.0 million from the Treasurer's Miscellaneous Receipts Account and transfers \$33.1 million of PERS School Districts Unfunded Liability Fund revenue.

Public Safety Program Area: Updates the statutory process for the reimbursement of medical services provided by child advocacy centers; repeals the use of Department of Justice's (DOJ) Protection and Education Account for environmental and cultural activities; increases the transfer from the DOJ's Protection and Education Account from \$46.0 million to \$50.7 million; transfers \$2.0 million from DOJ's Legal Services Fund; transfers \$2.3 million from DOJ's Charitable Activities Account; transfers \$800,000 from DOJ's Medicaid Fraud Account; and transfers \$500,000 from DOJ's Tobacco Enforcement Account;

Consumer and Business Services Program Area: Repeals transfer of Medical Board revenue from the 2019 legislative session.

Economic Development Program Area: Removes reference to Article XI-Q bonds for Housing and Community Services Department (HCSD) to use of Other Fund revenues for general obligation and lottery bond debt service payments; repeals the TANF Housing Pilot program; establishes the Tide Gate Grant and Loan Fund; temporarily modifies Oregon Business Development Department's (OBDD) Entrepreneurial Development Loan Fund program; provides flexibility to HCSD for funds provided by the March 9 Emergency Board to address flooding; transfers funds from manufactured dwelling parks account for operation expenses of certain affordable housing projects; repeals HCSD's Wildfire Damage Relief Fund; specifies that expenditures related to the Emergency Solutions Grant made available under the CARES act can be awarded to various entities through a competitive grant or contract process; and transfers of \$1.5 million from the Bureau of Labor and Industries' Wage Security Fund.

Natural Resources Program Area: Specifies that certain project approvals approved by the Legislature funded by the Water Supply Development Fund are not subject to the competitive application process; and authorizes a study of actual cost and revenue source for wildfire protection and wildfire suppression.

Human Services Program Area: Eliminates housing and education & training pilot projects for the TANF clients; postpones the operative date for Oregon Health Authority (OHA) training requirements and revised inspection schedule for in-home care agency employees; increases the transfer from the Public Employees Benefits Board reserves from \$15.0 million to \$63.0 million; and transfers \$2.1 million from OHA's Law Enforcement Medical Liability Account.

Education Program Area: Removes reference to Article XI-P bonds for the Oregon Department of Education (ODE) to use of General Fund and Other Fund revenues for debt service payments; transfers \$1.5 million in resources from ODE's Youth Corrections program; transfers \$9.0 million from ODE's Educator Advancement Fund; transfers \$500,000 from ODE's Blind and Visually Impaired Student Fund; authorizes use of the Fund for Student Success's Early Learning Account for construction/renovation/equipping early learning projects; provides one-time exception to the statutory allocation for accounts in the Fund for Student Success; and provides flexibility to ODE and school districts for the next school year in planning and grant administration relating to the Student Success Act.

Judicial Branch: Modifies the process to account for General Fund reversions from prior biennium.

Legislative Branch: Changes the due date for the Legislative Fiscal Office's annual report on Liquidated and Delinquent Accounts; eliminates requirement to include maximum supervisory ratio in budget report; and modifies process to account for General Fund reversions from prior biennium.

Transportation Program Area: Temporarily authorizes the Aviation Department to redirect funds to program operations; and dedicates \$5.0 million from the Connect Oregon Fund to the Coos Bay Rail Repair and Bridge Replacement project.

ISSUES DISCUSSED:

EFFECT OF AMENDMENT:

No amendment

BACKGROUND:

This measure is the Joint Committee on the Second Special Session of 2020 program change measure. Similar measures are introduced and become law each legislative session. This measure, relating to state financial administration, is not an appropriation bill and, therefore, does not include the appropriation of funds.

This summary has not been adopted or officially endorsed by action of the committee.