

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 4304**80th Oregon Legislative Assembly – 2020 2nd Special Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Doug Wilson
Reviewed by: Ken Rocco
Date: August 9, 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:

Department of Administrative Services, Oregon Medical Board, Department of Education, Housing and Community Services Department, Public Employees Retirement Service, Judicial Branch, Legislative Branch, Oregon Business Development Department, Department of Justice, Department of Human Services, Secretary of State, Department of Aviation, Oregon Health Authority, Treasury Department, Bureau of Labor and Industry, Water Resources Department, Department of Transportation, and Department of Forestry

Summary of Fiscal Impact:

Costs related to the measure may require budgetary action - See analysis.

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 SB 5723 (budget reconciliation) and HB 5221 (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. All transfers to the General Fund are effective May 31, 2021 unless noted. Re-appropriations or transfers have no direct expenditure impact as a re-appropriation is a revenue source.

Section/Gov't Unit	Program Change	Expenditure 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	Expenditure Fiscal Impact
§4 Oregon Medical Board	Repeals the transfer of \$5 million from the Operating Fund to the General Fund for general governmental purposes.	No Fiscal
§5 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
§6-8 Department of Administrative 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.	Minimal
§9-10 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
§11 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
§12-14 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
§15-16 Public Employees Retirement System	Repeal the allocation of Sports Betting Lottery Funds from the Administrative Services Economic Development Fund to the PERS Employer Incentive Fund.	No Fiscal
§17 Public Employees Retirement System	Repeals the transfer of tax repatriation or federal decoupling revenue to the PERS School District Unfunded Liability Fund (82%) and the PERS Employer Incentive Fund (18%).	No Fiscal
§18-19 Public Employees Retirement System	Repeals the 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.	No Fiscal

Section/Gov't Unit	Program Change	Expenditure Fiscal Impact
§20 Judicial Branch/Legislative Branch/Department of Administrative Services	Modifies process to account for General Fund reversions from prior biennium.	No Fiscal
§21-23 Oregon Business Development Department	Establishes the Tide Gate Grant and Loan Fund. A Lottery Funds expenditure limitation increase is included in SB 5723, the budget reconciliation measure, for this program.	\$3,000,000 Lottery Funds
§24-29 Oregon Business Development Department	Temporarily modifies OBDD's Entrepreneurial Development Loan Fund program.	No Fiscal
§30-31 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
§32-33 Department of Justice	Repeal the use of the Department of Justice's Protection and Education Account for environmental and cultural activities. These activities will return to be funded by the hourly rate charge in the future.	No Fiscal
§34-36 Housing and Community Services Department	Enables HCSD to utilize funds appropriated by the Emergency Board for Umatilla County flooding for affordable housing in flood-affected areas. Transfers \$3 million from the manufactured dwelling parks account to the General Housing Account, for operating expenses of affordable housing projects that have long-term affordability contracts with the Housing and Community Services Department.	No Fiscal
§37 Department of Human Services/Housing and Community Services Department	Repeals TANF pilot projects that were authorized in HB 2032 (2019); a Housing pilot at \$10.5 million and Education and Training pilot at \$3.5 million. TANF Federal Funds budgeted to support these pilots are used to backfill a \$14 million General Fund reduction in the Department of Humans Services; related budget adjustments are included in SB 5723.	Indeterminate

Section/Gov't Unit	Program Change	Expenditure Fiscal Impact
§38-40a Housing and Community Services Department	Repeals the Wildlife Damage Relief Fund. Results in the transfer of the fund balance of \$197,301 to the General Fund.	No Fiscal
§41 Housing and Community Services Department	Specifies that expenditures related to the Emergency Solutions Grant made available under the CARES act can be awarded to local governments, individuals, not-for-profit corporations, tribes, housing authorities and Community Action Agencies through a competitive grant or contract process.	No Fiscal
§42-44 Secretary of State	Transfers reductions in Other Funds expenditures in the Secretary of State's budget to the General Fund. Increases General Fund revenue by \$1,768,198.	No Fiscal
§45-46 Department of Aviation	Authorizes the agency to temporarily redirect funds to program operations to avoid an agency shutdown. The aviation fuel tax revenues are down significantly compared to what the budget is based on. This authority will expire December 31, 2021.	No Fiscal
§47-48 Oregon Health Authority	Postpones the operative date for provisions in SB 669 (2019) requiring OHA to establish training requirements for in-home care agency employees and to accelerate the inspection cycle of in-home care agencies from once every three years to once every two years. Related budget adjustments are included in SB 5723.	(\$399,587) General Fund
§49 Department of Justice	Increases transfer of Protection and Education Account revenue not needed for ongoing operational costs to the General Fund for general governmental purposes by \$4,666,667.	No Fiscal
§50 Department of Administrative Services	Increases transfers of agency's Operating Fund revenue not needed for ongoing operational costs to the General Fund for general governmental purposes by \$8.0 million.	No Fiscal
§51 Department of Administrative Services	Increases transfers of State Information Technology Operating Fund revenues not needed for ongoing operational costs to the General Fund for general governmental purposes by \$7.0 million.	No Fiscal

Section/Gov't Unit	Program Change	Expenditure Fiscal Impact
§52 Oregon Health Authority	Increases transfer from \$15 million to \$63 million of Public Employees' Revolving Fund (Public Employee Benefit Board Stabilization Fund) revenue not needed for ongoing costs to the General Fund for general governmental purposes.	No Fiscal
§53 Department of Justice	Transfers \$2.0 million of Legal Services Fund revenue not needed for ongoing operational costs to the General Fund for general governmental purposes.	No Fiscal
§54 Department of Justice	Transfers \$2.3 million of Charitable Activities Account revenue not needed for ongoing operational costs to the General Fund for general governmental purposes.	No Fiscal
§55 Department of Justice	Transfers \$800,000 of Medicaid Fraud Account revenue not needed for ongoing operational costs to the General Fund for general governmental purposes.	No Fiscal
§56 Department of Justice	Transfers \$500,000 of Tobacco Enforcement Account revenue not needed for ongoing operational costs to the General Fund for general governmental purposes.	No Fiscal
§57 Treasury Department	Transfers \$5.0 million of Miscellaneous Receipts revenue not needed for ongoing operational costs to the General Fund for general governmental purposes.	No Fiscal
§58 Public Employees Retirement System	Transfers \$33.1 million of PERS School Districts Unfunded Liability Fund revenue not needed for ongoing costs to the General Fund for general governmental purposes.	No Fiscal
§59 Oregon Health Authority	Transfers \$2.1 million Law Enforcement Medical Liability Account revenue not needed for ongoing costs to the General Fund for general governmental purposes.	No Fiscal
§60 Oregon Department of Education	Transfers \$1.5 million of Youth Corrections revenue not needed for ongoing operational costs to the General Fund for general governmental purposes.	No Fiscal

Section/Gov't Unit	Program Change	Expenditure Fiscal Impact
§61 Oregon Department of Education	Transfers \$9.0 million of Educator Advancement Fund revenue not needed for ongoing costs to the General Fund for general governmental purposes.	No Fiscal
§62 Oregon Department of Education	Transfers \$500,000 of Blind and Visually Impaired Student Fund revenue not needed for ongoing costs to the General Fund for general governmental purposes.	No Fiscal
§63 Bureau of Labor and Industry	Transfers \$1.5 million of Wage Security Fund revenue not needed for ongoing costs to the General Fund for general governmental purposes.	No Fiscal
§64-65 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 SB 5723, the budget reconciliation measure.	No Fiscal
§66 Oregon Department of Education	Allows up to \$6.9 million from the Early Learning Account of the Fund for Student Success to be used for construction, renovation and equipping of early learning and child care facilities for this biennium only. SB 5723 for four projects.	\$6,900,000 Other Funds
§67 Oregon Department of Education	Increases the one-time transfer of Fund for Student Success resources for this biennium from \$200 million to \$212.9 million. For this biennium only, the percent distribution between the three Account in the Fund is waive and specific dollar amounts are transferred. SB 5723 includes the limitation for the transfer increase.	\$12,870,000 Other Funds
§68 Department of Transportation	Dedicates \$5.0 million from the Connect Oregon Fund to the Coos Bay Rail Repair and Bridge Replacement project. No limitation is needed in the current biennium.	No Fiscal
§69 Department of Forestry/ Department of Administrative Services	Authorizes the Department of Administrative Services to contract with an independent economist to study and report on the costs of fighting wildfires by the Oregon Department of Forestry. SB 5723 includes \$250,000 General Fund for costs of the contracted services.	\$250,000 General Fund

Section/Gov't Unit	Program Change	Expenditure Fiscal Impact
§70 Oregon Department of Education	Provides flexibility to the Oregon Department of Education and school districts for the 2020-21 school year for planning and grant administration for Student Success Act programs.	Indeterminant
§71	Captions	--
§72	Emergency Clause	--
