

SB 5731 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On The Third Special Session of 2020

Prepared By: Julie Neburka, Legislative Fiscal Office

Reviewed By: Ken Rocco and Theresa McHugh, Legislative Fiscal Office

Emergency Board

2019-21

Housing and Community Services Department

2019-21

PRELIMINARY

Budget Summary

	2019-21 Legislatively Approved Budget	2020 Committee Recommendation	Committee Change from 2019-21 Leg. Approved	
			\$ Change	% Change
<u>Emergency Board</u>				
General Fund - General Purpose	\$ 13,843,571	\$ 113,843,571	\$ 100,000,000	722.4%
General Fund - Special Purpose Appropriations				
Wildfire Response and Recovery	\$ -	\$ 100,000,000	\$ 100,000,000	100.0%
COVID-19 Response	\$ -	\$ 400,000,000	\$ 400,000,000	100.0%
<u>Housing and Community Services Department</u>				
General Fund	\$ 102,475,791	\$ 302,475,791	\$ 200,000,000	195.2%
<hr/>				
2019-21 Budget Summary				
General Fund Total	\$ 116,319,362	\$ 916,319,362	\$ 800,000,000	687.8%

Summary of Revenue Changes

The General Fund appropriations made in SB 5731 are within resources available as projected in the December 2020 economic and revenue forecast produced by the Department of Administrative Services Office of Economic Analysis.

Summary of Committee/Committee Action

Emergency Board

SB 5731 appropriates \$100.0 million to the Emergency Fund for general purposes and establishes two special purpose appropriations to the Emergency Board.

The bill establishes a new special purpose General Fund appropriation of \$400.0 million for the state's response to the COVID-19 pandemic public health emergency. The Emergency Board may allocate funds to state agencies to cover a variety of COVID-19 pandemic-related costs such as those described below.

- Resources may be needed for the Oregon Department of Education to assist schools, including: (1) ensuring additional supports to students that are falling behind, especially historically underserved students and communities disproportionately impacted by the pandemic; (2) returning safely to classroom training; and (3) providing for comprehensive distance learning including educational technology for students. Funding may also be needed for establishing a dedicated team to deal specifically with COVID-19 issues that the education community is facing.
- Resources also may be needed in the Oregon Department of Education's Early Learning Division to assist childcare providers and for purchasing an emergency supply of personal protection equipment (PPE) for providers.
- Funding may be needed by the Higher Education Coordinating Commission (HECC) for grants to public universities and community colleges to provide emergency financial assistance to low-income students especially for students who are near to completing their degree or certificate.
- The Housing and Community Services Department may require additional resources for energy assistance payments.
- The Oregon Business Development Department may require additional resources to assist businesses. Such assistance may take the form of commercial rent relief, technical assistance for underrepresented businesses, and personal protective equipment and related supplies for businesses.
- Programs operating through the Department of Administrative Services that may require continued COVID response funding include a culturally-specific community based grant program to make payments to workers who are ineligible for wage replacement payments from traditional unemployment insurance programs, a fund to pay costs associated with quarantined agricultural workers, and direct support to Oregon's tribes.
- Within programs provided by the Department of Human Services, the pandemic's impact on clients, workers, providers, and budget has been both unprecedented and unpredictable. Additional funding likely will be needed to pay for temporary changes made in response to COVID-19 across a wide array of programs ranging from employment related day care to long term care services.
- The special purpose appropriation for COVID-19 response may also support the continuation of activities funded through the Oregon Health Authority (OHA). These activities include testing, contact tracing, addressing racial disparities, the provision of behavioral health services, and support for migrant and seasonal farmworkers. Funding is also needed to support the implementation of OHA's vaccine distribution and administration plan. It is currently unknown whether or not potential additional Federal Funds may offset the need for an allocation from the Emergency Fund for OHA's pandemic-related services.

A second new special purpose appropriation of \$100.0 million is established for the state's wildfire recovery, prevention, and preparedness activities. These funds will allow the Emergency Board to allocate funding to various state agencies including the Oregon Department of Forestry, Department of Transportation, and the Office of the State Fire Marshal to address remaining needs from the 2020 wildfire season, including structural debris removal; and to allocate funding to other activities related to wildfire preparedness, including further development of fire adapted communities and resilient landscapes. Additional funding is also needed to cover costs associated with assisting wildfire survivors; services that have been and continue to be provided to affected Oregonians by the Department of Human Services and the Housing and Community Services Department include congregate sheltering, emergency assistance, language access services, and housing.

If remaining special purpose appropriations are not allocated by the Emergency Board before January 18, 2021, any remaining balances become available to the 2021 Legislature for other purposes, as does the balance of the general-purpose Emergency Fund.

Housing and Community Services Department

SB 5731 appropriates \$150.0 million, on a one-time basis, to the Housing and Community Services Department (HCSD) for a grant program for residential landlords, as described in HB 4401. Landlords must apply to HCSD for the grant, which reimburses them for up to 80% of uncollected rent between April 1, 2020 and June 30, 2021; provide requested information about unpaid rent; and agree to forgive tenants the remaining 20% of rent owed. Additionally, landlords must refund to HCSD any rent amounts later paid by or on behalf of the tenant, must provide notice to tenants of rent forgiven through this program, and may not evict tenants without cause or for non-payment of rent while grant applications are pending. The agency may coordinate with local Housing Authorities to collect information and verify landlord applications, distribute grant funds to landlords, and mail notices to tenants of rent forgiven. HB 4401 gives HCSD the authority to establish grant criteria, including limits on the grant amounts per tenant, landlord, or time period; limits based on the number of housing units owned; or limits on the amount or percent of unpaid rent.

An additional General Fund appropriation of \$50.0 million is provided to HCSD for rental assistance payments on behalf of tenants who have income loss resulting from COVID-19. These payments will be distributed through Community Action Agencies or other culturally specific organizations under contract to the Department.

For administering these programs, the Department anticipates hiring two limited duration positions in accounting and program oversight to backfill for existing agency personnel whose duties will be reprioritized to allow for the expeditious rollout of the landlord grant program and rental assistance payments. The Committee authorized the establishment of two limited duration positions: an Accountant 1 position for payment processing, grant accounting and other financial duties (0.25 FTE), and a Program Analyst 3 position to maintain programs underway in the agency's Homeless Services section. Personal services costs total \$89,644 in the 2019-21 biennium, and services and supplies costs are estimated at up to \$995,089. The budget plan assumes that HCSD will work with OHA to leverage a contract to ensure statewide outreach to all Oregonians, with specific emphasis on communities most impacted by COVID-19.

Of the administrative costs described above, \$44,822 in personal service costs (two positions, 0.25 FTE) and \$230,993 in related services and supplies expenses are anticipated to carry over into the 2021 biennium. This amount will be carried over as Other Funds and will be used to meet the September 2021 reporting requirements specified in section 4 of HB 4401. Administrative expenses may be incurred by community action agencies, local housing authorities, or other HCSD partners, but are unable to be estimated at this time.

PRELIMINARY