

Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828



Joint Committee on Ways and Means

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To: Capital Construction Subcommittee

From: Tom MacDonald, Legislative Fiscal Office

Date: June 24, 2021

Subject: SB 5541 – Relating to the financial administration of the Tobacco Settlement Funds Account
Work Session Recommendations

SB 5541 is the allocation bill for revenue available under the Tobacco Master Settlement Agreement (MSA), which is transferred from the Tobacco Settlement Funds Account in the Department of Administrative Services. With the -2 amendment, the bill allocates available MSA revenue totaling \$148,175,380 as follows:

- \$30,912,380 to the Oregon Health and Science University Bond Fund;
- \$100,209,000 to the Oregon Health Authority (OHA) for the Oregon Health Plan;
- \$12,960,000 to OHA for community mental health programs;
- \$3,344,000 to the Oregon Department of Education for physical education related grants; and
- \$750,000 to the Oregon Department of Justice for MSA enforcement activities.

The use of MSA revenue for the programs noted above has not changed from prior biennia. This revenue has already been budgeted in the primary agency budget bills for these programs to support current service levels in 2021-23; there are no program enhancements or reductions resulting from these revenue allocations.

The introduced bill includes the transfer amounts consistent with the Governor's budget recommendation. The -2 amendment revises these amounts based on an updated estimate of available revenue.

Recommended Changes

LFO recommends adoption of the - 2 amendment.

Final Subcommittee Action

LFO recommends that SB 5541, as amended by the - 2 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____