

Legislative Fiscal Office

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Joint Committee on Ways and Means

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To: Capital Construction Subcommittee

From: Amanda Beitel, Legislative Fiscal Office

Date: June 24, 2021

Subject: SB 5533 – Lottery and CFA Allocation
Work Session Recommendations

SB 5533 allocates Lottery Funds and money in the Criminal Fine Account and Oregon Marijuana Account to finance programs approved in the state budget.

The -2 amendment replaces the bill and includes lottery allocations totaling \$1.15 billion that support, among other programs, veterans' services, county economic development, Outdoor School, gambling addiction prevention and treatment, the State School Fund, and debt service on outstanding lottery revenue bonds. Criminal Fine Account revenues totaling \$92 million are allocated for state and county programs and Oregon Marijuana Account revenues of \$321.4 million are allocated for the Drug Treatment and Recovery Services Fund, State School Fund, mental health services, alcohol and drug abuse prevention and treatment, and the State Police.

Allocations from the Economic Development Fund, Veterans' Services Fund, Criminal Fine Account, and Oregon Marijuana Account are provided in the attached tables.

Recommended Changes

LFO recommends adoption of the -2 amendment.

Final Subcommittee Action

LFO recommends that SB 5533, as amended by the -2 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LOTTERY FUNDS CASH FLOW SUMMARY

	2019-21 Legislatively Approved Budget ¹	2021-23 Legislatively Adopted Budget ²
ECONOMIC DEVELOPMENT FUND		
RESOURCES		
Beginning Balance	\$ 70,924,069	\$ 72,369,513
Lottery Funds Reversions under ORS 461.559	5,470,688	-
REVENUES		
Transfers from Lottery		
Net Proceeds	1,201,719,818	1,651,460,725
Administrative Actions	-	-
Other Revenues		
Interest Earnings	2,000,000	2,000,000
Other	-	-
Total Revenue	1,203,719,818	1,653,460,725
TOTAL RESOURCES	\$ 1,280,114,575	\$ 1,725,830,238
DISTRIBUTIONS / ALLOCATIONS		
Distribution to Education Stability Fund	(216,315,255)	(297,262,930)
Distribution to Parks and Natural Resources Fund	(180,257,973)	(247,719,109)
Distribution for Veterans' Services Fund	(18,025,797)	(24,771,911)
Distribution for Outdoor School Fund	(43,040,555)	(49,418,728)
Distribution of Video Revenues to Counties	(50,231,366)	(54,209,527)
Distribution for Sports Programs	(14,099,809)	(16,514,607)
Distribution for Gambling Addiction	(14,673,344)	(16,514,510)
Distribution for County Fairs	(3,828,000)	(3,828,000)
Distribution to PERS Employer Incentive Fund	(4,126,470)	(12,665,769)
Allocation to State School Fund	(330,467,530)	(589,526,746)
Debt Service Allocations	(259,868,206)	(278,511,961)
Other Agency Allocations	(72,810,757)	(104,886,440)
TOTAL DISTRIBUTIONS / ALLOCATIONS	\$ (1,207,745,062)	\$ (1,695,830,238)
ENDING BALANCE	\$ 72,369,513	\$ 30,000,000
EDUCATION STABILITY FUND		
(not including the Oregon Growth Account balances)		
RESOURCES		
Beginning Balance	\$ 619,668,197	\$ 414,351,706
Revenues		
Transfer from the Economic Development Fund	194,683,729	267,536,637
Interest Earnings	20,012,469	5,606,574
Oregon Growth Account Earnings Distributions	22,820,336	-
Total Revenue	\$ 237,516,534	\$ 273,143,211
TOTAL RESOURCES	\$ 857,184,731	\$ 687,494,917
DISTRIBUTIONS		
Oregon Opportunity Grant Program	(42,161,510)	(5,606,574)
Debt Service Allocations to Department of Education	(671,295)	-
Education Stability Fund Withdrawal	(400,000,000)	-
Treasury Account Fees	(220)	-
TOTAL DISTRIBUTIONS	\$ (442,833,025)	\$ (5,606,574)
ENDING BALANCE	\$ 414,351,706	\$ 681,888,343

1. The 2019-21 Legislatively Approved Budget is based on the May 2021 forecast of 2019-21 resources.

2. The 2021-23 Legislatively Adopted Budget is based on the May 2021 forecast of 2021-23 resources.

3. 2021-23 beginning balance is equal to 2019-21 ending balance.

4. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included.

5. Only includes transfers to the main Education Stability Fund account, and not the 10% transferred to the Oregon Growth Account.

2021-23 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	2021-23 LAB Expenditure Limitation	Ending Lottery Balance
ECONOMIC DEVELOPMENT FUND					
DEBT SERVICE COMMITMENTS					
Higher Education Coordinating Commission Outstanding bonds	44,051,736	67,453	-	44,119,189	-
Business Development Department Outstanding and Proposed bonds	46,302,709	87,032	-	46,389,741	-
Housing and Community Services Department Outstanding and Proposed bonds	25,180,556	44,174	-	25,224,730	-
Department of Transportation Outstanding and Proposed bonds	121,787,391	156,837	-	121,944,228	-
Department of Administrative Services Outstanding and Proposed bonds	23,372,680	25,828	-	23,398,508	-
State Forestry Department Outstanding Bonds	2,560,320	3,890	-	2,564,210	-
Department of Energy Outstanding Bonds	3,017,225	5,345	-	3,022,570	-
State Parks and Recreation Department Outstanding and Proposed bonds	3,325,195	1,657	-	3,326,852	-
Water Resources Department Outstanding and Proposed bonds	8,414,965	1,084,545	-	9,499,510	-
Department of Veterans' Affairs Proposed bonds	499,184	-	-	499,184	-
OTHER ALLOCATIONS					
Higher Education Coordinating Commission Collegiate Athletics	16,514,607	-	-	16,514,607	-
Outdoor Schools	49,418,728	-	-	49,418,728	-
Oregon Health Authority Gambling Addiction Treatment	16,514,510	-	-	16,514,510	-
Department of Administrative Services Distribution to County Fairs	3,828,000	-	-	3,828,000	-
Public Employees Retirement System Employer Incentive Fund	12,665,769	4,126,470	-	16,792,239	-
Department of Education State School Fund	589,526,746	-	-	589,526,746	-
Office of the Governor Regional Solutions	4,552,709	-	-	4,552,709	-
Business Development Department Operations	10,938,127	-	-	10,938,127	-
Business, Innovation, and Trade	83,591,268	3,988,000	-	87,579,268	-
Infrastructure	4,384,506	-	-	4,384,506	-
Film and Video	1,419,830	-	-	1,419,830	-
TOTAL ECONOMIC DEVELOPMENT FUND	1,071,866,761	9,591,231	-	1,081,457,992	-
EDUCATION STABILITY FUND / OREGON EDUCATION FUND					
Higher Education Coordinating Commission Opportunity Grants	5,606,574	13,674,716	-	12,274,716	7,006,574
TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND	5,606,574	13,674,716	-	12,274,716	7,006,574

VETERANS' SERVICES FUND

	2019-21	2021-23
	Legislatively Approved	Legislatively Adopted
RESOURCES / REVENUES		
VSF Beginning Balance	\$ 5,040,932	\$ 1,982,016
Lottery Funds Reversions under ORS 406.141	1,189,487	-
Lottery Revenue	18,025,797	24,771,911
Interest Earnings	100,000	
TOTAL RESOURCES	\$ 24,356,216	\$ 26,753,927
ALLOCATIONS		
Department of Veterans' Affairs		
Veterans' Services Program	\$ (10,797,300)	\$ (12,628,046)
County Veteran Service Officers	(6,808,184)	(7,474,669)
National Service Organizations	(453,486)	(497,880)
Veterans' Affordable Housing	(1,000,000)	-
Total ODVA Allocations	\$ (19,058,970)	\$ (20,600,595)
Bureau of Labor and Industries		
Veterans' Outreach	(260,230)	(261,416)
Criminal Justice Commission		
Veterans' Specialty Courts	(555,000)	(578,865)
Oregon Health Authority		
Veterans' Behavioral Health	(2,500,000)	(2,127,476)
TOTAL ALLOCATIONS	\$ (22,374,200)	\$ (23,568,352)
VSF ENDING BALANCE	\$ 1,982,016	\$ 3,185,575

CRIMINAL FINE ACCOUNT ALLOCATIONS

	2019-21 Legislatively Approved Budget	2021-23 Current Service Level	Percent Change from 2019-21 LAB	2021-23 Legislatively Adopted Budget	Percent Change from 2021-23 CSL
Criminal Fine Account Revenues	\$ 100,288,233	\$ 122,136,979	21.8%	\$ 122,136,979	0.0%
Criminal Fine Account Allocations:					
Department of Public Safety Standards and Training					
Operations	\$ 32,985,769	\$ 41,714,109	26.5%	\$ 43,257,427	3.7%
Public Safety Memorial Fund	279,495	279,677	0.1%	279,677	0.0%
Subtotal:	\$ 33,265,264	\$ 41,993,786	26.2%	\$ 43,537,104	3.7%
Department of Justice					
Child Abuse Multidisciplinary Intervention (CAMI)	\$ 9,824,565	\$ 11,694,249	19.0%	\$ 11,694,249	0.0%
Regional Assessment Centers	846,968	883,388	4.3%	883,388	0.0%
Criminal Injuries Compensation Account (CICA)	8,755,862	9,846,982	12.5%	9,846,982	0.0%
Child Abuse Medical Assessments	716,912	747,739	4.3%	747,739	0.0%
Subtotal:	\$ 20,144,307	\$ 23,172,358	15.0%	\$ 23,172,358	0.0%
Department of Human Services					
Domestic Violence Fund	\$ 2,224,675	\$ 2,320,336	4.3%	\$ 2,320,336	0.0%
Sexual Assault Victims Fund	533,332	556,265	4.3%	556,265	0.0%
Subtotal:	\$ 2,758,007	\$ 2,876,601	4.3%	\$ 2,876,601	0.0%
Oregon Health Authority					
Emergency Medical Services & Trauma Services	\$ 331,824	\$ 331,824	0.0%	\$ 331,824	0.0%
Alcohol & Drug Abuse Prevention	42,884	42,884	0.0%	42,884	0.0%
Law Enforcement Medical Liability Account (LEMLA)	1,300,000	1,300,000	0.0%	1,300,000	0.0%
Intoxicated Driver Program	4,323,000	4,323,000	0.0%	4,323,000	0.0%
Subtotal:	\$ 5,997,708	\$ 5,997,708	0.0%	\$ 5,997,708	0.0%
Oregon Judicial Department					
State court security and emergency preparedness	\$ 3,784,490	\$ 4,147,778	9.6%	\$ 4,147,778	0.0%
County court facilities security	2,931,528	3,057,584	4.3%	3,057,584	0.0%
State Court Technology Fund	3,887,500	3,887,500	0.0%	3,887,500	0.0%
Subtotal:	\$ 10,603,518	\$ 11,092,862	4.6%	\$ 11,092,862	0.0%
Oregon State Police					
Driving Under the Influence Enforcement	\$ 351,572	\$ 351,572	0.0%	\$ 351,572	0.0%
Department of Corrections					
County correction programs and facilities, and alcohol and drug programs	\$ 4,585,442	\$ 4,846,812	5.7%	\$ 4,846,812	0.0%
Department of Revenue					
Administrative Expenses	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	0.0%
Total Allocations:	\$ 77,805,818	\$ 90,431,699	16.2%	\$ 91,975,017	1.7%
Transfer to the General Fund:	\$ 22,482,415	\$ 31,705,280	41.0%	\$ 30,161,962	-4.9%

2021-23 Oregon Marijuana Account

	2019-21 Legislatively Approved Budget	2021-23 Legislatively Adopted Budget
Cities	22,651,200	9,000,000
Counties	22,651,200	9,000,000
Subtotal Local	45,302,400	18,000,000
Drug Treatment and Recovery Services Fund	65,219,800	249,360,000
State School Fund	103,764,900	36,000,000
Mental Health Alcoholism & Drug Services Account	51,882,500	18,000,000
State Police Account	38,911,800	13,500,000
Drug and alcohol abuse prevention and treatment	12,970,600	4,500,000
Subtotal State	272,749,600	321,360,000
 Total	318,052,000	339,360,000