

HB 4156 STAFF MEASURE SUMMARY

Joint Committee On Ways and Means

Prepared By: Paul Siebert, Deputy Fiscal Officer

Meeting Dates: 2/28, 2/28

WHAT THE MEASURE DOES:

This measure implements statutory changes necessary to support the 2021-23 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 expenditure of funds. The measure has an emergency clause and is effective on passage. The fiscal or budgetary impacts of provisions of this measure are contained in HB 5202 (Budget Reconciliation).

The major provisions of the measure are:

Broadband Fund - Allows for monies appropriated or transferred by the Legislative Assembly to be included as a source of revenue for the Broadband Fund. Initially created to receive funding for broadband infrastructure from excess monies transferred from the Universal Service Fund by the Public Utilities Commission, the Legislature also identified the fund for the deposit of federal America Rescue and Recovery Act (ARPA) monies earmarked for broadband service expansion. This change clarifies legal questions about those monies being deposited in the fund.

Oregon Forestry Department - Establishes a fund at ODF for the sole purpose of receiving repayments from ODF of monies provided to the agency for cash flow needs. These repayments will be made in amounts determined by the agency and at the times the agency determines that it has sufficient cash on hand to make the repayments. The agency is required to keep a detailed, ongoing accounting of both the amounts provided (appropriated or allocated at any time) for cash flow needs, and those amounts being repaid. The agency is required to report to the Joint Ways and Means Committee by March 31st of each odd-year session the total amounts that had been (cumulative and for the current biennium) provided to the agency for cash flow needs, the amount repaid to the fund (cumulative and for the current biennium), and the amount that the agency is currently using for cash flow purposes. The balance of the fund would be transferred to the General Fund on July 1 of each odd numbered year. The March 31st report to the Joint Ways and Means Committee would include the anticipated General Fund transfer amount for the purpose of including that amount in the OEA revenue forecast for the subsequent biennium.

Local Disaster Loan and Grant Account - Changes the definition of qualified recipients of funding from the Local Disaster Loan and Grant Account. The Oregon Military Department's (OMD) Office of Emergency Management received \$20 million of one-time General Fund in HB 5006 (2021) for the Hazard Mitigation Grant Program to serve as match for expected FEMA reimbursements of wildfire expenses. Once OMD started the grant program it found that most eligible projects will not be completed by the end of the current biennium, resulting in the one-time monies reverting to the General Fund on June 30, 2023. To remedy this OMD requested the original \$20 million be deposited into a dedicated Fund that would allow them to expend these monies beyond the end of this biennium, when most eligible projects would be completed. The Local Disaster Assistance Loan and Grant Account was chosen as the appropriate account to receive these monies, however the language of the existing account needed to be modified to fit all intended grant recipients of the original appropriation. The actual transfer of monies into this account are anticipated to occur in HB 5202.

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Eastern Oregon Border Economic Development Board Reporting - Clarifies statutory requirements of the annual report on the Eastern Oregon Border Economic Development Board's activities for the prior period. The change specifies the Board is to report jointly with the Oregon Business Development Department and eliminates conflicting reporting requirements.

ISSUES DISCUSSED:

- Effect of the amendment
- Need for program changes
- Not an appropriation measure

EFFECT OF AMENDMENT:

Replaces the bill.

BACKGROUND:

This measure is the Joint Committee on Ways and Means 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.