

**STATE OF OREGON
LEGISLATIVE FISCAL OFFICE**

900 Court Street NE
H-178 State Capitol
Salem, OR 97301
Phone 503-986-1828
FAX 503-373-7807



KEN ROCCO
LEGISLATIVE FISCAL OFFICER

DARON HILL
DEPUTY LEGISLATIVE FISCAL OFFICER

Summary of Emergency Board Action

May 2010

The Legislative Emergency Board met on May 25-26, 2010 and considered an agenda of 66 items. The agenda included two agency requests for allocations from the general purpose appropriation made to the Emergency Board. These requests totaled \$1.4 million, none of which was approved. There were seven requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$10.8 million, of which \$3.7 million was allocated. Additional details on these allocations are described below. After the Emergency Board actions, the unallocated unreserved balance of the general purpose Emergency Fund was \$14.6 million. An additional \$5.4 million of the general purpose account is being held in two reservations. The special purpose unallocated balance was \$49.8 million. As of December 1st, all remaining special purpose appropriations become available to the Emergency Board for any lawful purpose.

The agenda included 19 items that requested additional 2009-11 biennium authority to spend Lottery Funds, Other Funds, and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$47.4 million Other Funds (including \$30 million for the Department of Forestry for 2009 fire season expenses) and \$28.9 million Federal Funds (including \$21.4 million for the Department of Transportation rail projects funded by the federal economic stimulus program). In addition, the Emergency Board approved two expenditure limitation increases for 2007-09 capital construction projects and approved various transfers of Other Funds expenditure limitations between expenditure categories within agencies. The Emergency Board also approved the establishment of 12 limited duration positions, with an overall increase of 4.25 FTE, 2 permanent positions (0.63 FTE), and extended 9 existing positions for another year (4.50 FTE).

The agenda also included 21 agency reports, which the Emergency Board acknowledged receiving with one exception (Department of Veterans' Affairs report on the siting of a second Veterans' Home). The Emergency Board also approved 24 requests for the submission of federal grant applications.

The following is a summary of significant Emergency Board actions taken at the May 2010 meeting:

Education

- Deferred action on a request for allocation of a \$5 million special purpose appropriation for the Oregon Student Assistance Commission; the agency is expected to return to a future meeting of the Emergency Board.

Human Services

- Acknowledged receipt of a report by the Department of Human Services on the agency's 2009-11 biennium financial status.
- Acknowledged receipt of reports by the Department of Human Services on the transition of the agency and several other state agencies and programs into two agencies, the status of the Medicaid Management Information System.
- Acknowledged receipt of a report by the Commission on Children and Families on the commission system.

Public Safety and Judicial Branch

- Allocated \$410,854 from a special purpose appropriation and authorized the establishment of two limited duration positions (0.50 FTE) for the Department of Justice for the legal costs to protect the state's interests in the Master Settlement Agreement payments.
- Acknowledged receipt of a report by the Department of Justice on how the agency bills other agencies for legal services and proposed changes to that billing practice.
- Acknowledged receipt of a report by the Department of State Police on a project for replacing the Computer Aided Dispatch System and the Records Management System.
- Increased the Federal Funds expenditure limitation by \$1,614,301 for the Military Department's Youth Challenge Program and directed the Department of Administrative Services to unschedule \$812,459 General Fund from the same program.

- Established a Capital Construction Federal Funds expenditure limitation for the Military Department for the 2009-11 biennium for the design and construction of a waste water treatment plant at Camp Rilea.
- Acknowledged receipt of reports by the Judicial Department on the eCourt Program, specialty courts, and HB 2287 revenues.
- Denied a request by the Judicial Department to approve the establishment of three limited duration positions (1.22 FTE) and to increase the Other Funds expenditure limitation by \$241,482 in the Trial Court Operations Program for Ballot Measure 57 Intensive Drug Court Grants, with the understanding that the grant program could continue within existing position and expenditure authority of the Department.
- Acknowledged receipt of a report by the Public Defense Services Commission on HB 2287 revenues.

Natural Resources

- Increased the Other Funds expenditure limitation of the Department of Forestry by \$30 million for Protection from Fire Program activities for expenses incurred in the 2009 fire season and acknowledged receipt of reports on the 2010 Fire Severity Plan and on implementation of the forestry field employee classification plan.
- Increased the Other Funds expenditure limitation of the Department of Fish and Wildlife by \$722,428 for the Access and Habitat Program and shifted a \$902,280 Other Funds expenditure limitation reduction related to fleet charges to the programs within the Department where the charges are incurred.
- Increased the Other Funds expenditure limitation of the Department of Geology and Mineral Industries by \$67,019 and added twelve months to an existing position (0.50 FTE) providing fiscal administration for the Light Detection and Ranging (Lidar) program.
- Established an Other Funds expenditure limitation for the Parks and Recreation Department of \$120,000 for the Acquisitions Program, increased the Federal Funds expenditure limitation by \$616,769 for the Heritage Program, and increased the Federal Funds expenditure limitation by \$350,000 for the Facilities Investment Program.
- Increased the Other Funds expenditure limitation of the Department of Land Conservation and Development by \$99,999 to pay for a marine renewable resources study.
- Allocated \$450,000 from a special purpose appropriation for the Department of State Lands to pay the expert witness fees related to the Portland Harbor Superfund site.

- Approved the submission of three federal grant applications by the Oregon Watershed Enhancement Board to the U.S. Fish and Wildlife Service in a total amount of \$2.6 million for acquiring and restoring coastal wetlands.

Economic and Community Development

- Allocated \$60,000 from a special purpose appropriation for the Department of Veterans' Affairs and increased the Other Funds expenditure limitation by \$31,641 for veterans' educational aid.
- Failed to acknowledge a report by the Department of Veterans' Affairs on the process used to site a second Veterans' Home skilled nursing facility.
- Acknowledged receipt of report by the Housing and Community Services Department on the progress of developing the Homeownership Stabilization Program.

Transportation

- Increased the Federal Funds expenditure limitation of the Department of Transportation by \$21,441,991 for the Rail Division for projects funded through the federal American Recovery and Reinvestment Act.
- Increased the Other Funds expenditure limitation of the Department of Transportation by \$5,291,353 for the Highway Maintenance Program for expenditures to repair damage sustained during the 2006 and 2009 winter storm seasons and fire damage sustained during the 2009 fire season.
- Increased the 2009-11 Capital Construction Other Funds expenditure limitation of the Department of Transportation by \$5.5 million for the Co-location of State and Local Facilities to construct a new Region 4 Project Delivery office building.
- Acknowledged receipt of a report by the Department of Transportation on implementation of highway construction projects identified in the 2009 Oregon Jobs and Transportation Act (HB 2001).
- Increased the 2007-09 Capital Construction Other Funds expenditure limitation of the Department of Aviation by \$118,320 and the 2007-09 Capital Construction Federal Funds expenditure limitation by \$711,353 for the Lebanon State Airport, increased the Other Funds expenditure limitation by \$75,472 and the Federal Funds expenditure limitation by \$1,397,696 for the General Aviation entitlement program, approved the submission of a federal grant application to the Federal Aviation Administration in the amount of \$350,000 for a Systems Planning grant, acknowledged receipt of a report on the Department's financial position and a recent management review, and deferred action a request to increase expenditure limitation for the

Joseph Runway Rehabilitation project due the agency's financial position; the Emergency Board also requested a sustainability plan for the agency from the Executive Branch and indicated an interest in revisiting the Joseph State Airport situation at a future meeting of the Emergency Board.

Administration

- Allocated \$2 million from the special purpose appropriation for the Secretary of State and established a reservation of \$398,000 within the general purpose Emergency Fund for costs associated with the January 2010 special election.
- Increased the Other Funds expenditure limitation of the Office of the Governor by \$595,000 and authorized the continuation of eight limited duration positions (4.00 FTE) for the activities of the Economic Recovery Executive Team for the remainder of the 2009-11 biennium.
- Increased the Other Funds expenditure limitation of the Department of Revenue by \$816,217 to pay for Tax Amnesty program administrative costs.
- Allocated \$750,000 from a special purpose appropriation to the Department of Revenue for the Interagency Compliance Network, increased the Other Funds expenditure limitation by \$193,470 for various agencies involved in the network, and authorized the establishment of 6 positions (2.75 FTE); agencies involved in the network include the Department of Revenue, Department of Justice, Department of Consumer and Business Services, Employment Department, and the Bureau of Labor and Industries.
- Increased the Other Funds expenditure limitation of the Public Employees Retirement System by \$2,601,324 and authorized the establishment of two permanent (0.63 FTE) and four limited duration (1.00 FTE) positions to implement legislation from the 2009 session.
- Established a 2009-11 Capital Construction Other Funds expenditure limitation for the Department

of Administrative Services of \$750,000 to reseal the Revenue Building and increased the Department's Other Funds expenditure limitation by \$500,000 for capital improvement to pay for energy conservation projects.

- Acknowledged receipt of reports by the Department of Administrative Services on the implementation of compensation plan changes and position allocations and on the potential cost benefits and efficiencies of merging the Oregon Educators Benefit Board with the Public Employees' Benefit Board.
- Deferred action on a request by the Department of Administrative Services to increase the Lottery Funds expenditure limitation by \$1.3 million for the School Facilities Task Force and indicated interest in revisiting the request at a future meeting of the Emergency Board.
- Deferred action a request by the Department of Administrative Services for reimbursement of costs associated with the disposal of the former Oregon School for the Blind and directed the agency to return to a future meeting of the Emergency Board with a report on progress in selling the property.
- Acknowledged receipt of a report by the Department of Administrative Services on the proposed 2011-13 uniform rent rate, but failed to recommend to the next Legislative Assembly provide sufficient funding in agency budgets to finance the recommended increase in the rent rate; the Emergency Board also directed the Department of Administrative Services to report to the next Legislative Assembly on the proposed increase in rent for uniform rent rate buildings.

Emergency Fund Balance Summary		
	Agency Request	Emergency Board Approved
General Purpose Emergency Fund		
Appropriation (after February 2010 Special Session adjustments)	20,000,000	20,000,000
Allocations to date	-	-
Reservations		
Oregon Student Assistance Commission - 2nd Year Student Awards (contingent on other needs)	(5,000,000)	(5,000,000)
Secretary of State - Agency costs for January 2010 Special Election	-	(398,000)
Unallocated/Unreserved Balance	15,000,000	14,602,000
# May 2010 Requests - General Purpose		
1 Secretary of State - Voter Pamphlet Costs for January 2010 Special Election (plus SPA)	(482,958)	-
29 Department of Justice - Master Settlement Agreement Litigation Costs (plus SPA)	(901,189)	-
Total Requests - General Purpose	(1,384,147)	-
General Purpose Unallocated/Unreserved Balance after 5/10	13,615,853	14,602,000
Special Purpose Appropriation - Agency Supplemental Funding (after February 2010 Special Session adjustment)	-	-
Allocations/Transfers to Date	-	-
Unallocated Balance	-	-
Special Purpose - Agency Supplemental Funding Unallocated Balance after 5/10	-	-
Special Purpose Appropriations - Agency Specific (includes February 2010 Special Session actions)	53,479,570	53,479,570
Allocations/Transfers to Date	-	-
Unallocated Balance	53,479,570	53,479,570
# May 2010 Requests - Special Purpose Appropriations - Agency Specific		
1 Secretary of State - Voter Pamphlet Costs for January 2010 Special Election (plus General Purpose)	(2,000,000)	(2,000,000)
10 Oregon Student Assistance Commission - Student Awards under Shared Responsibility Model	(5,000,000)	-
29 Department of Justice - Master Settlement Agreement Litigation Costs (plus General Purpose)	(1,500,000)	(410,854)
34 Department of Veterans' Affairs - Veterans' Educational Aid Program	(168,359)	(60,000)
44 Department of State Lands - Portland Harbor Legal Expenses	(800,000)	(450,000)
58 Department of Revenue and other agencies - Interagency Compliance Network Implementation	(750,000)	(750,000)
65 Department of Administrative Services - Oregon School for the Blind Closure Costs	(612,431)	-
Total Requests - Special Purpose - Agency Specific	(10,830,790)	(3,670,854)
Special Purpose - Agency Specific - Unallocated Balance after 5/10	42,648,780	49,808,716

Additional detail and complete minutes of Emergency Board meetings are available on the Legislative Fiscal Office website: www.leg.state.or.us/comm/lfo/home.htm