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Summary of Emergency Board Action

September 2008

The Legislative Emergency Board met on September 25-26, 2008 and considered an agenda of 48 items. The agenda included nine agency requests for allocations from the general purpose appropriation made to the Emergency Board (including one from the Legislative Fiscal Office on behalf of the Department of Agriculture). These requests totaled \$5.3 million, of which \$4.5 million was approved. There were two requests on the agenda for allocations from special purpose appropriations made to the Emergency Board, totaling \$18 million, of which \$2.9 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 is \$18.5 million. The special purpose unallocated balance is \$28.7 million (\$15.1 million of which is earmarked for the Department of Human Services for rebalance and caseload needs). In addition, \$25 million that was not allocated from the special purpose appropriation for state employee compensation is available to the Emergency Board for any legally authorized purpose.

The agenda included 24 items that requested additional 2007-09 biennium authority to spend Other Funds and Federal Funds. The Emergency Board approved expenditure limitation increases of approximately \$643.6 million Other Funds (including \$500 million for the payment of insurance premiums from the Oregon Educators Revolving Fund and \$76 million for the Department of State Police for the Oregon Wireless Interoperability Network) and \$8.7 million Federal Funds (including \$7.1 million for the Department of Corrections in its rebalance plan). In addition, the Emergency Board approved various transfers of Other Funds and Federal Funds expenditure limitations between expenditure categories within agencies.

Also on the agenda were 15 agency reports, three of which were considered on a consent agenda, and four requests for approval to submit federal grant applications. In addition, the Emergency Board approved the establishment of eight limited duration positions, with an overall increase of 2.65 FTE, and 173 permanent positions, with a net increase of 23.38 FTE (including 168 new positions for the Oregon State Hospital).

The interim Joint Committee on Ways and Means also met on September 18, 2008, and dealt with eight requests to approve federal grant applications and five agency reports that would have otherwise been on the Emergency Board agenda. All eight federal grant application requests were approved and all five reports acknowledged.

The following is a summary of significant Emergency Board actions taken at the September 2008 meeting:

Education

- Allocated \$4 million from the Emergency Fund to the Oregon Student Assistance Commission to supplement funding for the Oregon Opportunity Grant program under the Shared Responsibility Model.
- Increased the Other Funds Capital Construction expenditure limitation of the Department of Higher Education by \$5.7 million and established a new Other Funds Capital Construction expenditure limitation of \$1.4 million for the parking structure project at the University of Oregon.
- Established an Other Funds Capital Construction expenditure limitation for the Department of

Higher Education in the amount of \$21.2 million for Phase I of the Central Power Station project at the University of Oregon.

- Increased the Other Funds Capital Construction expenditure limitation of the Department of Higher Education by \$8.8 million for the new student residence hall project at Western Oregon University.

Human Services

- Allocated \$2,435,027 from the special purpose appropriation for the Department of Human Services (DHS) for the Oregon State Hospital (OSH) improvement plan and authorized the establishment of 168 positions (21.48 FTE) for

OSH; acknowledged receipt of a report on the DHS 2007-09 budget; and deferred further action on the DHS budget until a rebalance plan is presented to the Emergency Board at its December 2008 meeting.

- Acknowledged receipt of several reports by the Department of Human Services, including reports on the OSH continuous improvement plan, Medicaid reimbursement for Type A and B hospitals, the implementation of workload-based staffing models in the Children, Adult and Families Division, eligibility for children's health coverage, and the fiscal status of Cascadia Behavioral Healthcare.
- Increased the Federal Funds expenditure limitation of the Commission for the Blind by \$600,000 for services to clients, Attorney General expenses, and other costs.

Public Safety and Judicial Branch

- Increased the Other Funds expenditure limitation of the Department of Justice by \$143,333 and authorized the establishment of two limited duration positions (0.66 FTE) for the Regional Automated Information Network.
- Increased the Other Funds expenditure limitation of the Department of Justice by \$289,724 and authorized the establishment of three limited duration positions (1.00 FTE) to open a Portland Fusion Center office.
- Increased the Other Funds expenditure limitation for the Department of State Police by \$76 million for the Oregon Wireless Interoperability Network project, with the understanding that the Department of Administrative Services would unschedule \$49.5 million of the amount until the agency demonstrates significant progress in meeting the recommendations on project management outlined by the Legislative Fiscal Office.
- Acknowledged receipt of a report by the Department of State Police on the status of recruiting troopers and the diversity status of the trooper workforce.
- Acknowledged receipt of a report by the Judicial Department on the eCourt Program, with instructions to the agency to continue reporting to the Legislature on a regular basis, including reports from the Quality Assurance vendor, to procure the services of a vendor with experience in the field of court operations to manage the Program, and to defer any additional Other Funds expenditure limitation requests to the 2009 regular session.
- Increased the Military Department's Other Funds expenditure limitation by \$10 million for the Office of Emergency Management 9-1-1 program.

- Increased the Other Funds Capital Construction expenditure limitation of the Military Department by \$323,212 for the Ontario Readiness Center by transferring \$167,658 of expenditure limitation from the Baker Readiness Center and \$155,554 from the Lane County Armed Forces Reserve Center projects.
- Established a new Other Funds Capital Construction expenditure limitation for the Military Department of \$1,067,500 for the purchase of an office building and 0.23 acres of real property in Gresham and transferred \$1,067,500 of existing Other Funds Capital Construction expenditure limitation from the Gresham Armory project to the newly established office building project.
- Established a Federal Funds Capital Construction expenditure limitation of \$200,000 and increased the Federal Funds expenditure limitation of the Military Department by \$50,000 for the Oregon Youth Challenge Program.
- Allocated \$210,329 from the Emergency Fund to the Board of Parole and Post-Prison Supervision to fill a deficit in the agency's budget due to Attorney General and professional services costs.
- Increased the Other Funds expenditure limitation of the Criminal Justice Commission by \$74,970 for a grant from the U.S. Department of Justice for a cost-benefit analysis of drug courts.
- Increased the Other Funds expenditure limitation of the Criminal Justice Commission by \$113,728 to support activities relating to asset forfeiture.
- Acknowledged receipt of a report by the Department of Corrections and the Department of Human Services on the construction of a new prison and new state hospital facility near Junction City.
- Acknowledged receipt of the Department of Corrections' 2007-09 rebalance plan, transferred General Fund appropriations between divisions, increased the Other Funds expenditure limitation by \$1,183,820, established an Other Funds expenditure limitation for Debt Service of \$3,549,487, and increased the Federal Funds expenditure limitation by \$7,106,216.

Natural Resources

- Allocated \$95,600 from the Emergency Fund to the Department of Agriculture for a privately owned shellfish hatchery in Netarts Bay to assist with recovery of shellfish larvae and seed production after a bacteria infestation and changing ocean conditions disrupted production.
- Increased the Other Funds expenditure limitation of the Department of Agriculture by \$350,000 to develop a business plan for building a facility to use ryegrass straw as a renewable energy source.

- Allocated \$119,093 from the Emergency Fund to the Department of Agriculture to pay for an existing entomologist position for 8 months and provide cost share funding for eradication efforts by individuals to address a major grasshopper infestation in Eastern Oregon.
- Increased the Federal Funds expenditure limitation of the Department of Agriculture by \$728,631 to accommodate federal funding for specialty crops and efforts to eradicate and contain Sudden Oak Death.
- Increased the Other Funds expenditure limitation of the Department of Environmental Quality by \$929,000 to implement the statewide electronic waste recycling program.
- Approved the submission of three federal grant applications by the Parks and Recreation Department for the acquisition of land near Ona Beach State Park and Beaver Creek Natural Area in Lincoln County and for the acquisition of land in Lane County for the protection of endangered butterflies, salmon, and the marbled murrelet.
- Approved the submission of two federal grant applications by the Department of State Lands for purchasing conservation easements in Benton County and to purchase critical habitat near the Upper and Lower Table Rocks.
- Acknowledged receipt of a report from the Department of State Lands on plans to purchase property adjacent to the South Slough National Estuarine Research Reserve.
- Allocated \$466,328 from the special purpose appropriation made to the Emergency Board for the Department of Land Conservation and Development to cover the costs of processing claims under Ballot Measure 49.
- Increased the Other Funds expenditure limitation of the Department of Geology and Mineral Industries by \$1,645,785 for geologic survey data collection, seismic instruments, and Mined Land Regulation and Reclamation Program operation costs.
- Increased the Other Funds expenditure limitation of the Department of Energy by \$140,943 and authorized the establishment of three limited duration positions (0.99 FTE) to address increased activity in the Business Energy Tax Credit program.
- For the Department of Forestry and Military Department, directed the Department of Forestry to use existing Federal Funds expenditure limitation to retain \$99,968 from a \$400,000 U.S. Forest Service payment for the reimbursement of National Guard training expenses for wildfire fighting, transfer the remaining \$300,032 of the federal payment to the Military Department, increase the Other Funds expenditure limitation of

the Military Department by the \$300,032, and transfer \$298,075 from the Military Department's Office of Emergency Management to the Community Support Program from an existing General Fund appropriation received by the agency during the 2008 special session for the Oregon Disaster Assistance Loan Account. These actions will fully fund all of the expenses incurred by the two agencies in training the National Guard to fight wildfires.

Economic and Community Development

- Allocated \$70,000 from the Emergency Fund to the Department of Veterans' Affairs to provide educational aid to veterans.
- Increased the Other Funds expenditure limitation of the Economic and Community Development Department by \$9.8 million for increased disbursements from the Safe Drinking Water Revolving Loan Fund.

Consumer and Business Services

- Increased the Other Funds expenditure limitation of the Department of Consumer and Business Services by \$508,567 and authorized the establishment of five permanent positions (1.90 FTE) for additional bank and trust examinations.

Transportation

- Acknowledged receipt of a report from the Department of Transportation on the status of the multimodal study required by HB 2278 (2007).

Administration

- Increased the Other Funds expenditure limitation of the Department of Administrative Services by \$1,521,931 to continue the operations of the Oregon Educators Benefit Board and established an Other Funds expenditure limitation of \$500 million for the payment of insurance premiums from the Oregon Educators Revolving Fund, with instructions to the agency to regularly report on performance outcomes.
- Acknowledged receipt of a report from the Department of Administrative Services on expenses and debt service savings resulting from the refinancing of Lottery Revenue Bonds.
- Allocated \$53,942 from the Emergency Fund to the Secretary of State for costs of performing a recount of Ballot Measure 53 from the May 2008 primary election.

Emergency Fund Balance Summary		
	Agency Request	Committee Approved
General Purpose Emergency Fund		
Appropriation (SB 5549)	30,000,000	30,000,000
Allocations to date	(6,998,516)	(6,998,516)
Unallocated/Unreserved Balance	23,001,484	23,001,484
# September 2008 Requests - General Purpose		
3 Oregon Student Assistance Commission - Oregon Opportunity Grant program	(4,000,000)	(4,000,000)
22 Board of Parole and Post-Prison Supervision - Unfunded cost increases for AG expenses	(210,329)	(210,329)
31 Department of Veterans' Affairs - State Educational Aid Program	(100,000)	(70,000)
34 Department of Agriculture - Whiskey Creek Shellfish Hatchery	(95,600)	(95,600)
35 Department of Agriculture - Business plan for renewable energy project	(350,000)	-
40 Department of Forestry/Military - Training National Guard for wildland fire suppression	(305,153)	-
41 Department of Forestry - Costs of assisting Sherman County with wildland fire suppression	(53,490)	withdrawn by agency
62 Secretary of State - May 2008 primary election costs for recount on Measure 53	(53,942)	(53,942)
63 Legislative Fiscal Office (Department of Agriculture) - Grasshopper infestation in Eastern Oregon	-	(119,093)
Total Requests - General Purpose	(5,168,514)	(4,548,964)
General Purpose Unallocated/Unreserved Balance after 9/08 (if requests approved)	17,832,970	18,452,520
Special Purpose Appropriation - Agency Supplemental Funding		
Allocations/Transfers to Date	(100,000,000)	(100,000,000)
Unallocated Balance	25,000,000	25,000,000
# September 2008 Requests - Special Purpose Appropriation - Agency Supplemental Funding		
No requests	-	-
Total Requests - Special Purpose - Agency Supplemental Funding	-	-
Special Purpose - Agency Supplemental Funding Unallocated Balance after 9/08 (if request approved)	25,000,000	25,000,000
Special Purpose Appropriations - Agency Specific (includes February 2008 Special Session action - SB 5556)		
Allocations/Transfers to Date	(37,272,212)	(37,272,212)
Unallocated Balance	31,612,355	31,612,355
# September 2008 Requests - Special Purpose Appropriations - Agency Specific		
10 Department of Human Services - Financial update and cost increases	(17,515,083)	(2,435,027)
43 Department of Land Conservation and Development - Measure 49 implementation costs	(500,000)	(466,328)
Total Requests - Special Purpose - Agency Specific	(18,015,083)	(2,901,355)
Special Purpose - Agency Specific - Unallocated Balance after 9/08 (if requests approved)	13,597,272	28,711,000

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