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## Summary of Emergency Board Action

January 2006

The Legislative Emergency Board met on January 19-20, 2006 and considered an agenda of 56 items. There were seven agency requests for allocation from the general purpose appropriation made to the Emergency Board, totaling \$10.7 million, of which \$10.4 million was approved (\$9.3 million to the Department of Human Services for the Oregon State Hospital). In addition, legislative leadership added one item to the agenda to address staffing concerns in the Department of State Police. The Emergency Board allocated \$0.7 million from the general purpose Emergency Fund to establish 10 evidence technician positions with the intent of reassigning the equivalent of approximately eight sworn officers to patrol functions and reserved \$0.9 million for the potential addition of 10 more troopers at the April 2006 meeting of the Emergency Board. Additional details on these allocations are described below. Also on the agenda were three requests for allocations from special purpose appropriations made to the Emergency Board, totaling \$7.0 million, all of which were approved (\$1.5 million for the Department of Education for the PreK-16 Integrated Data Systems project, \$3.0 million to the Departments of Higher Education, Community Colleges and Workforce Development, and Education for the PreK-16 data system, and \$2.5 million to the Criminal Justice Commission for a drug court expansion grant program). After these actions, the general purpose unallocated, unreserved Emergency Fund balance is \$17.3 million and the special purpose unallocated balance is \$146.5 million (\$140 million of which is earmarked for state employee and home care worker salary and benefit adjustments).

The agenda included 26 items that requested additional 2005-07 biennium authority to spend Other, Federal, and Lottery Funds. The Emergency Board approved approximately \$30.9 million of Other Funds (including \$11.2 million for the Department of Higher Education for the Health Professions building at the Oregon Institute of Technology, \$6.1 million for the Military Department for the Lane County Armed Forces Reserve Center, and \$5.3 million for the Office of Private Health Partnerships, formerly the Insurance Pool Governing Board, for the Family Health Insurance Assistance Program), \$6.4 million of Federal Funds (\$2.6 million for the Secretary of State for continued implementation of the Help America Vote Act requirements), and \$400,000 Lottery Funds (for the Parks and Recreation Department for defeasance of previously issued lottery-backed bonds).

Also on the agenda were 15 reports, six of which were considered on a consent agenda; and eight requests for approval to submit federal grant applications, all of which were considered on a consent agenda. In addition, the Emergency Board approved the establishment of 48 permanent positions (26.48 FTE) and 18 limited duration positions and the extension of 10 existing limited duration positions (total of 16.07 FTE).

The following is a summary of significant Emergency Board actions taken at the January 2006 meeting:

### Human Services

- Allocated a total of \$9.3 million from the Emergency Fund, increased the Federal Funds expenditure limitation by \$2,999,210, and approved the establishment of one limited duration position (0.50 FTE) and 34 permanent positions (17.68 FTE) for the Department of Human Services (DHS) to address issues at the Oregon State Hospital. Of the Emergency Fund allocation, \$2.1 million was for capital construction and remodel activities at the Portland location to expand capacity by 24 beds and \$3.9 million was for development of 71 additional community-based forensic beds in order to move current residents of the 122-year old "J" building at the State Hospital campus in Salem. The remaining \$3.3 million from the Emergency Fund allocation and 30 of the additional permanent positions were approved to address patient-to-staff ratios at the Oregon State Hospital; this action is expected to lead to an out-of-court settlement on a lawsuit against DHS for conditions at the hospital.
- Deferred action on the first 2005-07 rebalance plan of the Department of Human Services. The plan identified a potential General Fund shortfall of \$172 million. Since solving this shortfall was

beyond the financial resources available to the Emergency Board, the Board deferred action until additional data is obtained on caseload and cost per case. The Board discussed various options for addressing the DHS budget situation and directed the agency to take identified administrative management actions to reduce expenditures by about \$4 million General Fund. The agency was directed to return to the April 2006 meeting of the Emergency Board with an updated rebalance plan using new caseload forecast data.

- Acknowledged receipts of reports by the Department of Human Services on implementing the Medicare Part D prescription drug benefit in Oregon, on Other Funds and Federal Funds revenue tracking, and on the first two phases of the agency's staffing study.
- Acknowledged receipt of a report concerning the Family Health Insurance Assistance Program (FHIAP) maintenance of effort requirement and increased the Other Funds expenditure limitation by \$5,256,774 for the Office of Private Health Partnerships for FHIAP.

#### Education

- Allocated \$1.5 million to the Department of Education from a special purpose appropriation for the PreK-16 Integrated Data Systems initiative and authorized the establishment of one limited duration position (0.71 FTE). The Department of Administrative Services was asked to unschedule \$1.18 million of the allocation until further information is provided on the professional services contracts for system development.
- Allocated \$300,000 to the Department of Education, \$664,400 to the Department of Community Colleges and Workforce Development, and \$2,081,250 to the Department of Higher Education from special purpose appropriations for integrated data systems development. Also authorized the establishment of eight limited duration positions (4.52 FTE) for the Department of Higher Education.
- Approved Other Funds expenditure limitation increases of \$11.2 million for the Department of Higher Education for construction of Phase I of the Oregon Institute of Technology Center for Health Professions facility.
- Approved an Other Funds expenditure limitation increase and transfer of \$1,275,000 for the Department of Higher Education for the purchase and renovation of the Koinonia House at Portland State University.
- Approved an Other Funds expenditure limitation increase of \$199,999 for the Department of Community Colleges and Workforce Development for oversight of community college capital construction projects funded with Article XI-G bond proceeds.

#### Public Safety

- Allocated \$659,254 from the Emergency Fund to the Department of State Police and authorized the establishment of 10 permanent positions (6.38 FTE) for the re-establishment of the evidence technician program and established a \$900,910 reservation within the general purpose Emergency Fund for up to 10 additional trooper positions. The new evidence technician positions will allow the reassignment of the equivalent of about eight sworn officers to patrol functions. The agency was instructed to return to the April meeting of the Emergency Board to request the amount reserved if certain conditions are met.
- Allocated \$231,013 from the Emergency Fund to the Department of State Police and increased three existing limited duration positions by 1.32 FTE for the Oregon Wireless Integrated Network project. The Board had previously allocated \$235,035 from the Emergency Fund at its October 2005 meeting to begin this project.
- Allocated \$40,790 from the Emergency Fund, increased the Federal Funds expenditure limitation by \$58,260, and approved the establishment of one permanent, part-time position (0.33 FTE) for the Department of State Police for developing and maintaining a website for the Oregon State Sex Offender Registry.
- Allocated \$2.5 million to the Criminal Justice Commission from a special purpose appropriation for a grant program to create or expand drug courts.
- Allocated \$214,607 from the Emergency Fund, increased the Federal Funds expenditure limitation by \$7,439, and approved the establishment of two permanent positions (1.26 FTE) for the Oregon Youth Authority to implement recommendations of the Youth Safety and Abuse Prevention Review Committee. The Board had previously allocated \$334,066 from the Emergency Fund at its October 2005 meeting for partial implementation of the recommendations.
- Allocated \$75,666 from the Emergency Fund to the Department of Justice and approved the establishment of a limited duration position (0.46 FTE) for the Oregon Address Confidentiality Program.
- Allocated \$426,926 from the Emergency Fund, increased the Other Funds expenditure limitation by \$95,400, and increased the Federal Funds expenditure limitation by \$231,550 for the Military Department for operation of the Oregon Youth Challenge Program.
- Increased various Other Funds and Federal Funds Capital Construction expenditure limitations for the Military Department for construction activity at the Ontario Readiness Center, the Anderson Readiness Center, and the Lane County Armed Forces Reserve Center.

### Natural Resources

- Allocated \$98,000 from the Emergency Fund to the Department of Geology and Mineral Industries to complete seismic safety assessment work required under Senate Bill 2 (2005).
- Approved an Other Funds expenditure limitation increase of \$1.6 million and a Lottery Funds expenditure limitation increase of \$400,000 for the Parks and Recreation Department for the defeasance of lottery-backed bonds previously issued in 1998.
- Acknowledged receipt of a report by the Parks and Recreation Department on the status of transferring and integrating the Oregon State Fair and Exposition Center to the agency; and authorized the establishment of a limited duration position (0.67 FTE) to address increased workload from changes in state purchasing laws and preparation for the 2006 Oregon State Fair.
- Approved an Other Funds expenditure limitation increase of \$610,042 for the Department of State Lands for facilities maintenance at the State Lands Building.
- Approved an Other Funds expenditure limitation increase of \$54,336 and authorized the establishment of a limited duration position (0.54 FTE) for the Department of State Lands to complete work associated with a beach monitoring grant for the South Slough Estuarine Research Reserve.
- Approved an Other Funds expenditure limitation increase of \$574,650 for the Department of Fish and Wildlife to replace the Point of Sale licensing system used to sell hunting and fishing licenses and tags to the public.

### Transportation

- Acknowledged receipt of a report by the Department of Transportation on the Highway Fund's ending balance as required by budget note. Legislative concern had been expressed that the fund's growing cash balance indicated that fewer road and bridge projects than anticipated were being completed.

### Economic Development

- Acknowledged receipt of a report by the Department of Veterans' Affairs on the distribution of \$2.6 million provided in the 2005-07 legislatively adopted budget for County Veterans' Service Office programs. The Emergency Board directed the agency to return in April with additional information on the public hearing process for the adoption of the permanent rule and on the actual distribution of funds to counties.

### Business and Consumer Services

- Acknowledged receipt of a report required under ORS 656.612 by the Department of Consumer and Business Services on 2006 employer rate decreases for Workers' Compensation premium assessments. Rates are to decline from 6.8% in 2005 to 5.5% in 2006; self-insured rates will decline from 7.0% to 5.7%.

### Administration

- Approved a Federal Funds expenditure limitation increase of \$2.6 million and authorized the extension of 7 existing limited duration positions (4.38 FTE) for the Secretary of State to continue implementation of the Help America Vote Act requirements.
- Approved the uniform rent rate proposed by the Department of Administrative Services for the 2007-09 biennium. The uniform rent rate for office space will increase by \$0.04 per square foot; the rate for storage space will remain unchanged from the 2005-07 biennium.
- Approved an Other Funds expenditure limitation increase of \$3.3 million for the Department of Administrative Services to continue development of the Oregon Procurement Information Network. The funding is from previously issued Certificates of Participation.

## Emergency Fund Balance Summary

	Agency Request	E-Board Approved
<b>General Purpose Emergency Fund</b>		
Appropriation Total (HB 5023)	30,000,000	30,000,000
Allocations to Date	(817,718)	(817,718)
Reservations (OSP for additional troopers)	-	(900,910)
Unallocated/Unreserved Balance	29,182,282	28,281,372
<b># January 2006 Requests - General Purpose</b>		
17 Department of Human Services - Oregon State Hospital 6th floor conversion project	(9,102,353)	(9,269,839)
27 Department of Justice - Address Confidentiality Program (SB 850)	(81,664)	(75,666)
31 Military Department - Youth Challenge Program	(675,117)	(426,926)
33 Oregon Youth Authority - Youth Safety and Abuse Prevention Review Committee	(214,607)	(214,607)
35 Oregon State Police - Sex offender information posting on website	(78,530)	(40,790)
36 Oregon State Police - Oregon Wireless Integrated Network planning	(238,231)	(231,013)
48 Department of Geology and Mineral Industries - Seismic assessment work (SB 2)	(100,000)	(98,000)
62 Oregon State Police - Evidence technician positions and troopers	-	(659,254)
	(10,490,502)	(11,016,095)
<b>General Purpose Unallocated/Unreserved Balance</b>	<b>18,691,780</b>	<b>17,265,277</b>
<b>Special Purpose Appropriations</b>		
Salary and Health Benefit Appropriations	140,000,000	140,000,000
Allocations to Date	-	-
Unallocated Balance	140,000,000	140,000,000
Agency Specific Appropriations	23,800,764	23,800,764
Allocations to Date	(10,301,331)	(10,301,331)
Unallocated Balance	13,499,433	13,499,433
<b># January 2006 Requests - Special Purpose</b>		
4 Department of Education - PreK-16 Integrated Data Systems (KIDS) Project	(1,500,000)	(1,500,000)
13 Departments of Higher Education, Community Colleges and Workforce Development, Education - PreK-16 Data System	(3,045,650)	(3,045,650)
32 Criminal Justice Commission - Drug Court grant program	(2,500,000)	(2,500,000)
	(7,045,650)	(7,045,650)
<b>Special Purpose Unallocated Balance</b>	<b>146,453,783</b>	<b>146,453,783</b>