

## Legislative Fiscal Office

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## Joint Committee on Ways and Means

Sen. Richard Devlin, Senate Co-Chair  
Rep. Nancy Nathanson, House Co-Chair

Sen. Betsy Johnson, Senate Co-Vice Chair  
Sen. Jackie Winters, Senate Co-Vice Chair  
Rep. Dan Rayfield, House Co-Vice Chair  
Rep. Greg Smith, House Co-Vice Chair

**To:** Capital Construction Subcommittee  
**From:** Steven Bender, Legislative Fiscal Office  
**Date:** July 3, 2017  
**Subject:** SB 5529 – Allocations Bill  
Work Session Recommendations

SB 5529 allocates Lottery Funds and moneys in the Criminal Fine Account and Oregon Marijuana Account to finance programs approved in the state budget.

### **Recommended Changes**

The Legislative Fiscal Office (LFO) recommends adoption of the -3 amendments. These amendments approve the allocations shown in the following tables.

**MOTION: I move adoption of the -3 amendment to SB 5529. (VOTE)**

### **Final Subcommittee Action**

LFO recommends that SB 5529, as amended by the -3 amendments, be moved to the Ways and Means Full Committee.

**MOTION: I move SB 5529, as amended, to the Full Committee with a do pass recommendation. (VOTE)**

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

# LOTTERY FUNDS CASH FLOW SUMMARY

|  | 2015-17<br>Estimated<br>Budget <sup>1</sup> | 2017-19<br>Legislatively<br>Adopted Budget <sup>2</sup> |
|--|---|---|
| <b>ECONOMIC DEVELOPMENT FUND</b>                 |   |   |
| RESOURCES  |   |   |
| Beginning Balance                                | 3 \$20,499,857                              | \$49,016,803  |
| Lottery Funds Reversions under ORS 461.559       |   | \$4,034,893   |
| REVENUES   |   |   |
| Transfers from Lottery                           |   |   |
| Net Proceeds                                     | \$1,235,350,601                             | \$1,246,173,324   |
| Administrative Actions                           | 0   | 20,000,000  |
| Other Revenues                                   |   |   |
| Interest Earnings                                | 9,424,627                                   | 2,000,000   |
| Other  |   |   |
| Total Revenue                                    | 1,244,775,228                               | 1,268,173,324   |
| <b>TOTAL RESOURCES</b>                           | <b>1,265,275,085</b>                        | <b>1,317,190,127</b>                                    |
| DISTRIBUTIONS / ALLOCATIONS                      |   |   |
| Distribution of Video Revenues to Counties       | (39,083,827)                                | (\$41,285,992)  |
| Distribution to Education Stability Fund         | 6 (222,363,108)                             | (\$224,311,198)   |
| Distribution to Parks and Natural Resources Fund | (185,302,590)                               | (\$186,925,999)   |
| Distribution for Outdoor School Fund             | 0   | (24,000,000)  |
| Distribution for Veterans' Services Fund         | 0   | (\$18,692,600)  |
| Distribution for Sports Programs                 | (8,240,000)                                 | (8,240,000)   |
| Distribution for Gambling Addiction              | (11,348,753)                                | (12,457,116)  |
| Distribution for County Fairs                    | (3,864,000)                                 | (3,828,000)   |
| Allocation to State School Fund                  | (447,703,907)                               | (464,758,594)   |
| Debt Service Allocations                         | (225,477,038)                               | (247,787,311)   |
| Other Agency Allocations                         | (72,875,060)                                | (69,903,317)  |
| <b>TOTAL DISTRIBUTIONS / ALLOCATIONS</b>         | <b>(1,215,100,899)</b>                      | <b>(1,302,190,127)</b>                                  |
| <b>ENDING BALANCE</b>                            | <b>\$46,666,961</b>                         | <b>\$15,000,000</b>                                     |
| <b>EDUCATION STABILITY FUND</b>                  |   |   |
| (not including OGA or ORTDF)                     |   |   |
| RESOURCES  |   |   |
| Beginning Balance                                | \$179,379,997                               | \$383,759,105   |
| Revenues   |   |   |
| Transfer from the Economic Development Fund      | 7 \$204,379,108                             | \$201,880,078   |
| Interest Earnings                                | \$5,327,115                                 | \$22,455,743  |
| Total Revenue                                    | 209,706,223                                 | 224,335,821   |
| <b>TOTAL RESOURCES</b>                           | <b>389,086,220</b>                          | <b>608,094,926</b>                                      |
| DISTRIBUTIONS                                    |   |   |
| Interest Distributions                           | 4 (\$5,327,115)                             | (21,808,752)  |
| Debt Service Allocations                         | 0   | (646,991)   |
| <b>TOTAL DISTRIBUTIONS</b>                       | <b>(5,327,115)</b>                          | <b>(22,455,743)</b>                                     |
| <b>ENDING BALANCE</b>                            | <b>\$383,759,105</b>                        | <b>\$585,639,183</b>                                    |

## 2017-19 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

|  | New Lottery<br>Funds Allocation | Beginning<br>Lottery Balance | Interest and<br>Other Earnings | 2017-19 LAB<br>Expenditure<br>Limitation | Ending Lottery<br>Balance |
|--|---------------------------------|------------------------------|--------------------------------|--|---------------------------|
| <b>ECONOMIC DEVELOPMENT FUND</b>                       |                                 |                              |                                |  |                           |
| <b>DEBT SERVICE COMMITMENTS</b>                        |                                 |                              |                                |  |                           |
| Higher Education Coordinating Commission               |                                 |                              |                                |  |                           |
| Outstanding bonds                                      | 43,490,902                      | 89,912                       | 0                              | 43,580,814                               | 0                         |
| Business Development Dept.                             |                                 |                              |                                |  |                           |
| Outstanding bonds                                      | 46,776,651                      | 2,984,601                    | 0                              | 49,761,252                               | 0                         |
| Housing and Community Services Dept.                   |                                 |                              |                                |  |                           |
| Outstanding bonds                                      | 15,978,252                      | 29,030                       | 0                              | 16,007,282                               | 0                         |
| Department of Transportation                           |                                 |                              |                                |  |                           |
| Outstanding bonds                                      | 114,394,343                     | 210,621                      | 0                              | 114,604,964                              | 0                         |
| Department of Administrative Services                  |                                 |                              |                                |  |                           |
| Outstanding bonds                                      | 16,268,179                      | 26,788                       | 0                              | 16,294,967                               | 0                         |
| Forestry Department                                    |                                 |                              |                                |  |                           |
| Outstanding Bonds                                      | 2,596,014                       | 4,987                        | 0                              | 2,601,001                                | 0                         |
| Department of Energy                                   |                                 |                              |                                |  |                           |
| Outstanding Bonds                                      | 3,015,546                       | 8,084                        | 0                              | 3,023,630                                | 0                         |
| State Parks and Recreation Dept.                       |                                 |                              |                                |  |                           |
| Outstanding Bonds                                      | 1,318,425                       | 0                            | 0                              | 1,318,425                                | 0                         |
| Water Resources Department                             |                                 |                              |                                |  |                           |
| Outstanding Bonds                                      | 3,948,999                       | 4,970                        | 0                              | 3,953,969                                | 0                         |
| <br>   |                                 |                              |                                |  |                           |
| <b>OTHER ALLOCATIONS</b>                               |                                 |                              |                                |  |                           |
| Higher Education Coordinating Commission               |                                 |                              |                                |  |                           |
| Collegiate Athletics                                   | 8,240,000                       | 0                            | 0                              | 8,240,000                                | 0                         |
| Outdoor Schools  | 24,000,000                      | 0                            | 0                              | 24,000,000                               | 0                         |
| Oregon Health Authority                                |                                 |                              |                                |  |                           |
| Gambling Addiction Treatment                           | 12,457,116                      | 0                            | 0                              | 12,457,116                               | 0                         |
| Department of Education                                |                                 |                              |                                |  |                           |
| State School Fund                                      | 464,758,594                     | 0                            | 0                              | 464,758,594                              | 0                         |
| Department of Administrative Services                  |                                 |                              |                                |  |                           |
| Distribution to County Fairs                           | 3,828,000                       | 0                            | 0                              | 3,828,000                                | 0                         |
| Office of the Governor                                 |                                 |                              |                                |  |                           |
| Regional Solutions                                     | 3,689,100                       | 0                            | 0                              | 3,689,100                                | 0                         |
| Business Development Department                        |                                 |                              |                                |  |                           |
| Operations   | 7,094,443                       | 0                            | 0                              | 7,094,443                                | 0                         |
| Business, Innovation, and Trade                        | 56,363,565                      | 3,875,000                    | 0                              | 56,363,565                               | 3,875,000                 |
| Infrastructure Financing Authority                     | 1,548,664                       | 250,000                      | 0                              | 1,548,664                                | 250,000                   |
| Film and Video   | 1,207,545                       | 0                            | 0                              | 1,207,545                                | 0                         |
| <b>TOTAL ECONOMIC DEVELOPMENT FUND</b>                 | <b>\$830,974,338</b>            | <b>\$7,483,993</b>           | <b>\$0</b>                     | <b>\$834,333,331</b>                     | <b>\$4,125,000</b>        |
| <br>   |                                 |                              |                                |  |                           |
| <b>EDUCATION STABILITY FUND /</b>                      |                                 |                              |                                |  |                           |
| <b>OREGON EDUCATION FUND</b>                           |                                 |                              |                                |  |                           |
| Higher Education Coordinating Commission               |                                 |                              |                                |  |                           |
| Opportunity Grants                                     | 21,808,752                      | 0                            | 0                              | 20,746,268                               | 1,062,484                 |
| Department of Education                                |                                 |                              |                                |  |                           |
| Education Bonds Outstanding                            | 646,991                         | 4,234                        | 0                              | 651,225                                  | 0                         |
| <b>TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND</b> | <b>\$22,455,743</b>             | <b>\$4,234</b>               | <b>\$0</b>                     | <b>\$21,397,493</b>                      | <b>\$1,062,484</b>        |
| <br>   |                                 |                              |                                |  |                           |
| <b>VETERANS' SERVICES FUND</b>                         |                                 |                              |                                |  |                           |
| Department of Veterans' Affairs                        |                                 |                              |                                |  |                           |
| Veterans' Services Program                             | 7,833,718                       | 0                            | 0                              | 7,833,718                                | 0                         |
| County Veterans' Service Officers                      | 6,904,151                       | 0                            | 0                              | 6,904,151                                | 0                         |
| National Service Organizations                         | 118,156                         | 0                            | 0                              | 118,156                                  | 0                         |
| Department of Housing and Community Services           |                                 |                              |                                |  |                           |
| Housing Assistance to Veterans                         | 1,500,000                       | 0                            | 0                              | 350,000                                  | 1,150,000                 |
| <b>TOTAL VETERANS' SERVICES FUND</b>                   | <b>\$16,356,025</b>             | <b>\$0</b>                   | <b>\$0</b>                     | <b>\$15,206,025</b>                      | <b>\$1,150,000</b>        |

## CRIMINAL FINE ACCOUNT ALLOCATIONS

|  | 2015-17<br>Legislatively<br>Approved<br>Budget | 2017-19<br>Current<br>Service<br>Level | Percent<br>Change | 2017-19<br>Legislatively<br>Adopted<br>Budget | Percent<br>Change |
|--|--|--|-------------------|---|-------------------|
| <b>Criminal Fine Account Revenues</b>                                    | \$ 122,859,199                                 | \$ 132,433,894                         | 7.8%              | \$ 143,803,894                                | 17.0%             |
| <b>Criminal Fine Account Allocations:</b>                                |  |  |                   |   |                   |
| <i>Department of Public Safety Standards and Training</i>                |  |  |                   |   |                   |
| Operations   | \$ 31,080,778                                  | \$ 34,549,738                          | 11.2%             | \$ 32,584,757                                 | 4.8%              |
| Public Safety Memorial Fund  | 128,420  | 200,030                                | 55.8%             | 200,030                                       | 55.8%             |
| Subtotal:  | \$ 31,209,198                                  | \$ 34,749,768                          | 11.3%             | \$ 32,784,787                                 | 5.0%              |
| <i>Department of Justice</i>   |  |  |                   |   |                   |
| Child Abuse Multidisciplinary Intervention (CAMI)                        | \$ 10,311,579                                  | \$ 10,690,929                          | 3.7%              | \$ 10,679,854                                 | 3.6%              |
| Regional Assessment Centers  | 787,663  | 816,807                                | 3.7%              | 815,961                                       | 3.6%              |
| Criminal Injuries Compensation Account (CICA)                            | 8,775,830                                      | 9,100,536                              | 3.7%              | 9,095,393                                     | 3.6%              |
| Child Abuse Medical Assessments  | 666,107  | 690,752                                | 3.7%              | 690,667                                       | 3.7%              |
| Subtotal:  | \$ 20,541,179                                  | \$ 21,299,024                          | 3.7%              | \$ 21,281,875                                 | 3.6%              |
| <i>Department of Human Services</i>                                      |  |  |                   |   |                   |
| Domestic Violence Fund   | \$ 2,224,675                                   | \$ 2,239,608                           | 0.7%              | \$ 2,239,608                                  | 0.7%              |
| Sexual Assault Victims Fund  | 533,332  | 518,399                                | -2.8%             | 518,399                                       | -2.8%             |
| Subtotal:  | \$ 2,758,007                                   | \$ 2,758,007                           | 0.0%              | \$ 2,758,007                                  | 0.0%              |
| <i>Oregon Health Authority</i>   |  |  |                   |   |                   |
| 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)                        | 1,339,000                                      | 1,354,360                              | 1.1%              | 1,354,360                                     | 1.1%              |
| Intoxicated Driver Program   | 4,323,000                                      | 4,323,000                              | 0.0%              | 4,323,000                                     | 0.0%              |
| Subtotal:  | \$ 6,036,708                                   | \$ 6,052,068                           | 0.3%              | \$ 6,052,068                                  | 0.3%              |
| <i>Oregon Judicial Department</i>  |  |  |                   |   |                   |
| State court security and emergency preparedness                          | \$ 3,446,002                                   | \$ 3,588,745                           | 4.1%              | \$ 3,588,745                                  | 4.1%              |
| County court facilities security   | 4,148,922                                      | 3,161,732                              | -23.8%            | 2,824,208                                     | -31.9%            |
| Capital improvements for courthouses and other state court facilities    | 3,500,000                                      | -                                      | -100.0%           | -   | -100.0%           |
| State Court Technology Fund  | -  | -                                      | 0.0%              | 3,110,000                                     | N/A               |
| Subtotal:  | \$ 11,094,924                                  | \$ 6,750,477                           | -39.2%            | \$ 9,522,953                                  | -14.2%            |
| <i>Oregon State Police</i>   |  |  |                   |   |                   |
| Driving Under the Influence Enforcement                                  | \$ 253,000                                     | \$ 351,572                             | 39.0%             | \$ 351,572                                    | 39.0%             |
| <i>Department of Corrections</i>   |  |  |                   |   |                   |
| County correction programs and facilities, and alcohol and drug programs | \$ 4,391,472                                   | \$ 4,257,421                           | -3.1%             | \$ 4,257,421                                  | -3.1%             |
| <i>Governor's Office</i>   |  |  |                   |   |                   |
| Arrest & Return for Extradition  | \$ 22,500                                      | \$ 22,500                              | 0.0%              | -   | -100.0%           |
| <b>Total Allocations:</b>  | <b>\$ 76,306,988</b>                           | <b>\$ 76,240,837</b>                   | <b>-0.1%</b>      | <b>\$ 77,008,683</b>                          | <b>0.9%</b>       |
| <b>Transfer to the General Fund:</b>                                     | <b>\$ 46,552,211</b>                           | <b>\$ 56,193,057</b>                   | <b>20.7%</b>      | <b>\$ 66,795,211</b>                          | <b>43.5%</b>      |

## Oregon Marijuana Account (includes 2015-17 Carry Forward)

|  | <b>HB 3470</b> | <b>2017-19 Biennium</b>         |
|--|----------------|---------------------------------|
|  | <b>Distn</b>   | <b>Oregon Marijuana Account</b> |
| Cities   | 10%            | 20,246,800                      |
| Counties   | 10%            | 20,246,800                      |
| <b>Subtotal Local</b>                            |                | <b>\$40,493,600</b>             |
| State School Fund                                | 40%            | 80,987,200                      |
| Mental Health Alcoholism & Drug Services Account | 20%            | 40,493,600                      |
| Drug and alcohol abuse prevention and treatment  | 5%             | 10,123,400                      |
| State Police Account                             | 15%            | 30,370,200                      |
| <b>Subtotal State</b>                            |                | <b>\$161,974,400</b>            |
| <b>Total</b>                                     | <b>100%</b>    | <b>\$202,468,000</b>            |