

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Rep. Dan Rayfield, House Co-Vice Chair
Rep. Greg Smith, House Co-Vice Chair

To: Subcommittee on Capital Construction

From: Theresa McHugh, Legislative Fiscal Office

Date: June 30, 2017

Subject: SB 1067-28: Work Session Recommendations

SB 1067- 28 makes numerous changes to current programs and processes to ensure efficiencies and contain state government costs beginning in 2019-21 and into the future. The measure will result in direct savings, redeployment of funds, and institution of prudent financial practices and principles. Specific changes include:

- Legislative review of reclassification of positions by state agencies
- Legislative review of agency long-term vacancies
- Requires additional reporting on collective bargaining changes
- Reduces the cap on state government FTE to 1.0% of the state population
- Requires the Legislative Fiscal Office (LFO) to study the Lottery Commission administrative costs and transfer rate prior to the odd-numbered year session
- Requires a study of state procurement practices to achieve savings
- Authorizes LFO to update current service level assumptions from what is used to prepare the Governor's budget proposal
- Sets a target of 2% of replacement value to be spent on deferred maintenance each biennium
- Modifies the law regarding PERS side accounts (pre-paid employer contributions) and requires the Governor's budget proposal to include recommendations on funds available for additional side account deposits
- Limits PERS contingency reserve fund to \$50 million
- Ensures that communications regarding the PERS unfunded accrued liability includes information on side accounts
- Requires the Legislature to establish a minimum project amount to be eligible for bond financing; projects below that amount need to be funded with cash
- Centralizes debt collection activity in state government in the Department of Revenue and further specifies changes to debt collection processes
- Requires PEBB and OEBB to establish an executive committee to develop a plan for the merger of the boards and to begin to combine administrative functions and operations

- Requires PEBB and OEBC to adopt methodologies designed to limit growth in premium or per member health plan costs to 3.4% per year
- Eliminates “double coverage” for PEBB and OEBC employees who have family members also employed by a PEBB or OEBC employer.
- Ties hospital rates for PEBB and OEBC to a percentage of Medicare rates

Recommended Changes

LFO recommends adoption of the -28 amendment.

MOTION: I move adoption of the -28 amendment to SB 1067. (VOTE)

Final Subcommittee Action

LFO recommends that SB 1067, as amended by the -28 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move SB 1067, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____