

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: Paul Siebert, Legislative Fiscal Office

Date: July 2, 2017

Subject: HB 5006 Budget Reconciliation: Work Session Recommendations

HB 5006 is the budget reconciliation bill that implements the remaining pieces of the state budget for the 2017-19 biennium. The bill establishes appropriations for the Emergency Board, finalizes the General Fund components of the statewide budget, implements budgetary changes tied to other legislation, and makes technical adjustments to agency budgets previously approved.

Key elements, including General Fund appropriations for specific agencies or purposes, are listed below.

- \$50 million general purpose Emergency Fund appropriation to the Emergency Board.
- Special purpose appropriations to the Emergency Board for state employee compensation changes (\$100 million), for state agencies related to non-state employee compensation changes (\$10 million).
- \$21 million additional General Fund for the Emergency Housing Assistance and State Homeless Assistance programs, which brings the 2017-19 total for these two programs to \$41 million.
- A total of \$10.7 million General Fund and Lottery Funds for various community projects.
- \$10 million for treatment of Hepatitis C Stage 2 for the Oregon Health Plan.
- \$8 million, including bond proceeds, for Portland Harbor Super Fund Site cleanup activities.
- \$6.2 million to add 20 new Oregon State Police troopers and drug enforcements officers.
- An additional \$5.3 million for the Oregon Promise program, which brings the total funding to \$40 million.
- Adjustments to debt service payments
- Addition of Other Funds expenditure limitation to accommodate the proceeds from bond sales authorized in SB 5505.

The amendment also contains statewide adjustments to implement cost containment, as well as standard adjustments done every biennium that reduce charges to agencies by DAS and DOJ created by legislatively adopted reductions to these agency budgets. Statewide reductions include:

- \$126 million total funds savings from implementing a hiring slowdown across all three branches of government.
- \$25 million in General Fund and Lottery Funds savings from eliminating most inflation on services and supplies, implemented across all three branches of government.
- \$9.3 million total funds from a 10% reduction to travel to Executive Branch agencies to implement the Governor’s previously announced cost containment effort.
- \$68 million total funds reductions from lower Department of Administrative Services assessments and service rates.
- \$13.4 million total funds from lower Attorney General rates.

Recommended Changes

LFO recommends adoption of the -6 amendment.

MOTION: I move adoption of the -6 amendment to HB 5006. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5006, as amended by the -6 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5006, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____