

**HB 5044 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Dustin Ball and Cathy Connolly, Department of Administrative Services

**Reviewed By:** Julie Neburka and Matt Stayner, Legislative Fiscal Office

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**Department of Corrections**

**2015-17**

**Department of Forestry**

**2015-17**

PRELIMINARY

**Budget Summary\***

	2015-17	2015-17	2015-17	Committee Change from Leg.	
	Leg. Adopted Budget	Leg Approved spending Level	Committee Recommendation	Approved Spending Level	
				\$ Change	% Change
<b><u>Department of Forestry</u></b>					
General Fund	\$ 60,818,238	\$ 98,231,259	\$ 99,216,045	\$ 984,786	1.0%
Other Funds Limited	\$ 218,362,080	\$ 291,333,218	\$ 292,208,696	\$ 875,478	0.3%
<b><u>Department of Corrections</u></b>					
General Fund	\$ 1,425,505,387	\$ 1,475,819,353	\$ 1,480,819,353	\$ 5,000,000	0.3%

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

House Bill 5044 rebalances the 2015-17 biennial budgets for the Department of Corrections (DOC) and the Department of Forestry (ODF). DOC is primarily funded with General Fund with lesser amounts of Other Funds and Federal Funds. The additional funding provided in this bill results in a net increase of \$5.0 million General Fund to DOC. ODF is funded by a mix of General Fund, Other Funds and Federal Funds. The additional funding provided in this bill results in a net increase of \$1.0 million General Fund and an increase of \$0.9 million in Other Funds expenditure limitation.

**Summary of Public Safety Subcommittee Action**

The Subcommittee approved budget adjustments to provide the necessary funding and expenditure limitation for DOC and ODF to continue funding their programs and operations for the remainder of the 2015-17 biennium.

**Department of Corrections**

The Subcommittee approved a total increase of \$5.0 million General Fund. This appropriation addresses the budget shortfall remaining from a \$15.0 million unspecified General Fund reduction included in the department’s 2015-17 budget as it was initially passed by the Legislature during the 2015 Legislative Session. The agency has managed this shortfall through a combination of vacancy savings and spending reductions in services and supplies. The remaining shortfall estimate includes unanticipated health care spending associated with a significant increase in the use of the newest Hepatitis C medication in the last quarter of the biennium.

As a result of this rebalance, General Fund appropriations are increased by \$10.1 million in the Operations Division and \$2.6 million in the General Services Division and are reduced by \$0.5 million in Community Corrections, \$3.7 million in Health Services, and \$3.5 million in debt service. The net increase in General Fund appropriations for DOC is \$5.0 million.

Department of Forestry

The Subcommittee approved an increase of \$1.7 million General Fund and an increase of \$1.7 million in Other Funds limitation to pay for the premium associated with the 2017 Fire Season catastrophic wildfire insurance policy. The total premium cost is \$3.4 million. The insurance policy is identical in structure to the 2016 Fire Season policy, and provides for \$25 million in large-fire funding coverage in excess of a \$50 million deductible.

The Subcommittee also approved a reduction to the agency’s 2015-17 budget through the repeal of Sections 67 and 68 of Chapter 82, Oregon Laws 2016, which provided \$0.7 million General Fund and \$0.8 million Other Funds expenditure limitation for a procurement and payment system replacement that will not be complete before the end of the 2015-17 biennium.

<b>Expenditure</b>	<b>Committee Action – General Fund</b>	<b>Committee Action – Other Fund</b>
Procurement Funding	(\$704,286)	(813,594)
Fire Insurance Funding	\$1,689,072	\$1,689,072
<b>Net Change</b>	<b>\$984,786</b>	<b>\$875,478</b>

As a result of these changes, the net General Fund appropriation is increased by \$1.0 million and Other Funds limitation is increased by \$0.9 million, in the Agency Administration division at ODF.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Department of Corrections, Department of Forestry  
 Dustin Ball 503-378-3119, Cathy Connolly 503-373-0083

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
<b>Department of Corrections</b>									
Operations Division - SCR 003	\$ 10,117,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 10,117,589		
General Services Division - SCR 006	\$ 2,615,411	\$ -	\$ -	\$ -	\$ -	\$ -	2,615,411		
Community Corrections - SCR 09	\$ (501,965)	\$ -	\$ -	\$ -	\$ -	\$ -	(501,965)		
Health Services - SCR 010	\$ (3,694,796)	\$ -	\$ -	\$ -	\$ -	\$ -	(3,694,796)		
Debt Service - SCR 011	\$ (3,536,239)	\$ -	\$ -	\$ -	\$ -	\$ -	(3,536,239)		
<b>Department of Forestry</b>									
Agency Administration - SCR 008	\$ 984,786		\$ 875,478				\$ 1,860,264		
TOTAL ADJUSTMENTS	\$ 5,984,786	\$ -	\$ 875,478	\$ -	\$ -	\$ -	\$ 6,860,264		
SUBCOMMITTEE RECOMMENDATION *	\$ 5,984,786	\$ -	\$ 875,478	\$ -	\$ -	\$ -	\$ 6,860,264		