



Tobias Read
Oregon State Treasurer

Darren Bond
Deputy State Treasurer

May 30, 2019

The Honorable Senator Rob Wagner, Co-Chair
The Honorable Representative Greg Smith, Co-Chair
Joint Committee on Ways and Means Subcommittee on General Government
900 Court Street NE
H-178 State Capitol
Salem, OR 97301-4048

RE: Agency Response to Member Questions at Phase 2 Hearing on May 8, 2019

Dear Co-Chairpersons:

At the public hearing held on May 8, 2019 regarding the Oregon State Treasury primary budget bill (HB 5042), members of the Ways & Means Subcommittee on General Government posed two questions requiring a response from Treasury. The questions as noted by the Legislative Fiscal Office (LFO) and agency responses are included below.

LFO Question Summary: “1. Rep. Gomberg asked about the 36 month vacancy for a Principal Executive Manager. What is done when they have a position of that importance that is not filled for 3 years.”

The position listed as vacant for 36 months in Treasury’s “Long Term Vacancies” slide was vacant as of the report period utilized in the display (December 2018), but the position has been filled since that time on April 15, 2019, and will no longer show up on that list.

The position functions as an Investment Compliance Officer, and the manager position for the Investment Compliance Unit experienced extended delays in recruitment as two recruitments failed. Based on the critical sequencing process described by the Treasurer at the Phase 2 hearing, recruitment for the remainder of the positions in the program was also delayed by necessity until the unit manager could be brought on board in June 2018.

The extended delay also required a review by the new manager of the overall unit, including the staffing complement and resources, before recruitment could begin for unit positions including the position in question here, contributing further to the extended delay.

LFO Question Summary: “2. Sen. Wagner had questions regarding SB 163 (ABLE fee) - been referred to W&M and has not been assigned to a sub. Might it end up in GG and if so what does it do?”

SB 163 was referred to the Ways & Means Subcommittee on General Government, and a work session was held on Wednesday, May 29th, shortly before we provided this formal response.

Some of the questions relating to ‘what the bill does’ have already been answered as part of the work session, but the following is a brief summary intended to address this question in writing in an effort to help clarify the purpose and impacts of the bill.

SB 163 is a housekeeping bill intended to mirror the statutory language relating to fees charged to support program operations from the Oregon College Savings Plan (OCSP) in ORS 178.205 to the ABLE plan.

Based on a review of existing statutory authority, Treasury determined that while the authority for the Oregon 529 Savings Board to charge fees associated with the ABLE program is not *expressly* stated in the statute, after parsing the relevant language there was sufficient *implied* authority in statute to charge fees. While this fee authority is sufficient in current statute, SB 163 is intended to provide the clarity and alignment with other 529 statutes necessary to avoid any further confusion.

Note that this bill has no impact on program participants as existing fees and billing methodologies would remain unchanged.

For further information contact either Michael Kaplan at (971) 240-3303, or Byron Williams at (503) 378-2870.

Sincerely,



Michael Kaplan
Chief Operating Officer
Oregon State Treasury