

SB 252 A STAFF MEASURE SUMMARY

Carrier: Sen. Monnes Anderson

Senate Committee On Veterans and Emergency Preparedness

Action Date: 02/20/19

Action: Do pass with amendments. (Printed A-Eng.)

Vote: 4-0-0-0

Yeas: 4 - Boquist, Monnes Anderson, Olsen, President Courtney

Fiscal: Has minimal fiscal impact

Revenue: No revenue impact

Prepared By: C. Ross, LPRO Analyst

Meeting Dates: 2/13, 2/20

WHAT THE MEASURE DOES:

Authorizes Oregon Military Department (OMD) to enter into cooperative agreements with National Guard Bureau and to choose an advance payment method for expenditure of federal funds (rather than a reimbursement method after using state funds); then requires sufficient unencumbered funds in State Treasury to cover expenditure before OMD may incur a funding obligation that is reimbursable from federal moneys pursuant to cooperative agreement.

ISSUES DISCUSSED:

- Delay and inefficiency of OMD's current process: using state funds, then seeking federal reimbursement
- Current reliance on line of credit when needed to counter consequences of delay
- Interest charges associated with using line of credit
- Clarifying amendment language suggested by Department of Justice; no objections at federal level

EFFECT OF AMENDMENT:

Replaces original measure with more precise language to same effect.

BACKGROUND:

Using lines of credit as a means to account for delays between spending state funds and receiving federal reimbursement comes at significant cost to the Oregon Military Department (OMD), particularly when large-scale construction projects are involved. Senate Bill 252-A streamlines OMD's accounting in this regard, to enable more efficient receipt and expenditure of funds, and avoiding interest charges associated with using lines of credit.