

Legislative Fiscal Office

Oregon State Capitol
900 Court Street NE, H-178
Salem, OR 97301
503-986-1828



Joint Committee on Ways and Means

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To: Capital Construction Subcommittee

From: Amanda Beitel, Legislative Fiscal Office

Date: March 15, 2021

Subject: HB 5040 – 2019-21 Lottery and CFA Allocation
Work Session Recommendations

HB 5040 modifies the allocations from the Administrative Services Economic Development Fund, Veterans' Services Fund, and Criminal Fine Account (CFA). The forecast for current biennium lottery resources has increased \$66.1 million (5.9%) over the level forecasted during the 2020 second special session. Criminal fines and assessments projected for the 2019-21 biennium have decreased by \$5.4 million (-5.1%) since the June 2020 forecast.

The -1 amendment replaces the bill and increases lottery allocations for multiple agencies by a total of \$1.3 million and one CFA allocation by \$1.7 million to support employee compensation adjustments approved at the December 2020 meeting of the Emergency Board. The CFA allocation to the Department of Public Safety Standards and Training for operations is also increased by \$1.5 million to support budget adjustments included in HB 5042. After allocation adjustments included in HB 5040, the Economic Development Fund is projected to have an ending balance of \$58.9 million.

Allocations from the Economic Development Fund, Veterans' Services Fund, and Criminal Fine Account are provided in the attached tables.

Recommended Changes

LFO recommends adoption of the -1 amendment.

Final Subcommittee Action

LFO recommends that HB 5040, as amended by the -1 amendment, to be moved to the Ways and Means Full Committee.

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____

LOTTERY FUNDS CASH FLOW SUMMARY

	2019-21 Legislatively Approved Budget ¹	2019-21 Legislatively Approved Budget ²	HB 5040 Changes	Percent Change
ECONOMIC DEVELOPMENT FUND				
RESOURCES				
Beginning Balance	\$ 70,924,069	\$ 70,924,069	\$ -	0.0%
Lottery Funds Reversions under ORS 461.559	5,470,688	5,470,688	-	0.0%
REVENUES				
Transfers from Lottery				
Net Proceeds	1,113,877,047	1,179,949,687	66,072,640	5.9%
Administrative Actions	-	-	-	
Other Revenues				
Interest Earnings	2,000,000	2,000,000	-	0.0%
Other				
Total Revenue	1,115,877,047	1,181,949,687	66,072,640	5.9%
TOTAL RESOURCES	\$ 1,192,271,805	\$ 1,258,344,444	\$ 66,072,640	5.5%
DISTRIBUTIONS / ALLOCATIONS				
Distribution to Education Stability Fund	(200,497,869)	(212,390,944)	(11,893,075)	5.9%
Distribution to Parks and Natural Resources Fund	(167,081,557)	(176,992,453)	(9,910,896)	5.9%
Distribution for Veterans' Services Fund	(16,708,156)	(17,699,245)	(991,089)	5.9%
Distribution for Outdoor School Education Fund	(43,040,555)	(43,040,555)	-	0.0%
Distribution of Video Revenues to Counties	(50,231,366)	(50,231,366)	-	0.0%
Distribution for Public University Sports Programs	(14,099,809)	(14,099,809)	-	0.0%
Distribution for Gambling Addiction	(14,578,599)	(14,673,344)	(94,745)	0.6%
Distribution for County Fairs	(3,828,000)	(3,828,000)	-	0.0%
Distribution to the Employer Incentive Fund (PERS)	(3,300,871)	(3,300,871)	-	0.0%
Allocation to State School Fund	(330,467,530)	(330,467,530)	-	0.0%
Debt Service Allocations	(259,868,206)	(259,868,206)	-	0.0%
Other Agency Allocations	(71,870,158)	(72,810,757)	(940,599)	1.3%
TOTAL DISTRIBUTIONS / ALLOCATIONS	\$ (1,175,572,676)	\$ (1,199,403,080)	\$ (23,830,404)	2.0%
ENDING BALANCE	\$ 16,699,129	\$ 58,941,364	\$ 42,242,236	253.0%
EDUCATION STABILITY FUND				
(not including the Oregon Growth Account balances)				
RESOURCES				
Beginning Balance	\$ 619,668,197	\$ 619,668,197	\$ -	0.0%
Revenues				
Transfer from the Economic Development Fund	180,448,082	191,151,850	10,703,768	5.9%
Interest Earnings	17,412,188	19,779,770	2,367,582	13.6%
Oregon Growth Account Earnings Distributions	22,820,336	22,820,336	-	
Total Revenue	\$ 220,680,606	\$ 233,751,956	\$ 13,071,350	5.9%
TOTAL RESOURCES	\$ 840,348,803	\$ 853,420,153	13,071,350	1.6%
DISTRIBUTIONS				
Oregon Opportunity Grant Program	(39,561,229)	(41,928,811)	(2,367,582)	6.0%
Debt Service Allocations to Department of Education	(671,295)	(671,295)	-	0.0%
Education Stability Fund Withdrawal	(400,000,000)	(400,000,000)	-	
Treasury Account Fees				
TOTAL DISTRIBUTIONS	\$ (440,232,524)	\$ (442,600,106)	\$ (2,367,582)	0.5%
ENDING BALANCE	\$ 400,116,279	\$ 410,820,047	\$ 10,703,768	2.7%

1. 2019-21 Legislatively Approved Budget is based on the June 2020 forecast of 2019-21 resources and includes actions through the 2020 second special session

2. The 2019-21 Legislatively Approved Budget is based on the March 2021 forecast of 2019-21 lottery resources.

3. The 2019-21 legislatively approved beginning balance has been adjusted to reflect actual EDF balance at July 1, 2019.

4. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included.

5. Only includes transfers to the main Education Stability Fund account, and not the 10% transferred to the Oregon Growth Account.

2019-21 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

	New Lottery Funds Allocation	Beginning Lottery Balance	Interest and Other Earnings	2019-21 LAB Expenditure Limitation	Ending Lottery Balance
ECONOMIC DEVELOPMENT FUND					
DEBT SERVICE COMMITMENTS					
Higher Education Coordinating Commission Outstanding bonds	\$ 44,727,472	\$ 294,965	\$ -	\$ 45,022,437	\$ -
Business Development Department Outstanding bonds	45,522,921	241,700	-	45,764,621	-
Housing and Community Services Department Outstanding bonds	21,675,934	76,300	-	21,752,234	-
Department of Transportation Outstanding bonds	114,136,725	534,636	-	114,671,361	-
Department of Administrative Services Outstanding bonds	18,426,190	70,789	-	18,496,979	-
State Forestry Department Outstanding Bonds	2,530,271	13,180	-	2,543,451	-
Department of Energy Outstanding Bonds	3,006,469	16,896	-	3,023,365	-
State Parks and Recreation Department Outstanding Bonds	2,292,182	5,361	-	2,297,543	-
Water Resources Department Outstanding Bonds	7,550,042	13,152	-	7,563,194	-
OTHER ALLOCATIONS					
Higher Education Coordinating Commission Collegiate Athletics	14,099,809	-	-	14,099,809	-
Outdoor Schools	43,040,555	-	-	43,040,555	-
Oregon Health Authority Gambling Addiction Treatment	14,673,344	826,000	-	15,499,344	-
Department of Education State School Fund	330,467,530	-	-	330,467,530	-
Department of Administrative Services Distribution to County Fairs	3,828,000	-	-	3,828,000	-
Office of the Governor Regional Solutions	4,106,514	-	-	4,106,514	-
Business Development Department Operations	8,523,087	-	-	8,523,087	-
Business, Innovation, and Trade	50,409,007	3,838,718	-	54,247,725	-
Infrastructure	3,818,717	-	-	3,818,717	-
Infrastructure - Tide Gates and Culverts Program	3,000,000	-	-	3,000,000	-
Film and Video	1,147,182	-	-	1,147,182	-
Arts and Cultural Trust	1,806,250	-	-	1,806,250	-
TOTAL ECONOMIC DEVELOPMENT FUND	\$ 738,788,201	\$ 5,931,697	\$ -	\$ 744,719,898	\$ -
EDUCATION STABILITY FUND / OREGON EDUCATION FUND					
Higher Education Coordinating Commission Opportunity Grants	\$ 41,928,811	\$ 8,801,414	\$ -	\$ 40,000,000	\$ 10,730,225
Department of Education Education Bonds Outstanding	671,295	21,575	-	692,870	-
State School Fund	400,000,000	-	-	400,000,000	-
TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND	\$ 442,600,106	\$ 8,822,989	\$ -	\$ 440,692,870	\$ 10,730,225

VETERANS' SERVICES FUND

	2019-21 Legislatively Approved ¹	2019-21 Legislatively Approved ²	HB 5040 Adjustments
RESOURCES / REVENUES			
VSF Beginning Balance ³	\$ 5,040,932	\$ 5,040,932	\$ -
Lottery Funds Reversions under ORS 406.141	1,189,487	1,189,487	-
Lottery Revenue	16,708,156	17,699,245	991,089
Interest Earnings	100,000	100,000	-
TOTAL RESOURCES	\$ 23,038,575	\$ 24,029,664	\$ 991,089
ALLOCATIONS			\$ -
Department of Veterans' Affairs			
Veterans' Services Program	\$ (10,525,837)	\$ (10,797,300)	\$ (271,463)
County Veteran Service Officers	(6,808,184)	(6,808,184)	-
National Service Organizations	(453,486)	(453,486)	-
Veterans' Affordable Housing	(1,000,000)	(1,000,000)	-
Total ODVA Allocations	\$ (18,787,507)	\$ (19,058,970)	\$ (271,463)
Bureau of Labor and Industries			
Reintegration Program (HB 2202, 2019)	(250,000)	(260,230)	(10,230)
Criminal Justice Commission			
Veterans' Specialty Courts	(555,000)	(555,000)	-
Oregon Health Authority			
Veterans' Behavioral Health	(2,500,000)	(2,500,000)	-
TOTAL ALLOCATIONS	\$ (22,092,507)	\$ (22,374,200)	\$ (281,693)
VSF ENDING BALANCE	\$ 946,068	\$ 1,655,464	\$ 709,396

1. 2019-21 Legislatively Approved Budget is based on the June 2020 forecast of 2019-21 resources and includes actions through the 2020 second special session.

2. The 2019-21 Legislatively Approved Budget is based on the March 2021 forecast of 2019-21 lottery resources.

3. 2019-21 VSF beginning balance has been updated to reflect interest accrued in the 2017-19 biennium.

CRIMINAL FINE ACCOUNT ALLOCATIONS

	2019-21 Legislatively Adopted Budget	2019-21 Legislatively Approved Budget	2019-21 Legislatively Approved Budget	Percent Change
Criminal Fine Account Revenues	\$ 128,566,192	\$ 107,498,449	\$ 102,068,620	-5.1%
Criminal Fine Account Allocations:				
<i>Department of Public Safety Standards and Training</i>				
Operations	\$ 31,999,031	\$ 29,817,371	\$ 32,985,769	10.6%
Public Safety Memorial Fund	279,495	279,495	279,495	0.0%
Subtotal:	\$ 32,278,526	\$ 30,096,866	\$ 33,265,264	10.5%
<i>Department of Justice</i>				
Child Abuse Multidisciplinary Intervention (CAMI)	\$ 9,824,565	\$ 9,824,565	\$ 9,824,565	0.0%
Regional Assessment Centers	846,968	846,968	846,968	0.0%
Criminal Injuries Compensation Account (CICA)	8,755,862	8,755,862	8,755,862	0.0%
Child Abuse Medical Assessments	716,912	716,912	716,912	0.0%
Subtotal:	\$ 20,144,307	\$ 20,144,307	\$ 20,144,307	0.0%
<i>Department of Human Services</i>				
Domestic Violence Fund	\$ 2,224,675	\$ 2,224,675	\$ 2,224,675	0.0%
Sexual Assault Victims Fund	533,332	533,332	533,332	0.0%
Subtotal:	\$ 2,758,007	\$ 2,758,007	\$ 2,758,007	0.0%
<i>Oregon Health Authority</i>				
Emergency Medical Services & Trauma Services	\$ 331,824	\$ 331,824	\$ 331,824	0.0%
Alcohol & Drug Abuse Prevention	42,884	42,884	42,884	0.0%
Law Enforcement Medical Liability Account (LEMLA)	1,300,000	1,300,000	1,300,000	0.0%
Intoxicated Driver Program	4,323,000	4,323,000	4,323,000	0.0%
Subtotal:	\$ 5,997,708	\$ 5,997,708	\$ 5,997,708	0.0%
<i>Oregon Judicial Department</i>				
State court security and emergency preparedness	\$ 3,784,490	\$ 3,784,490	\$ 3,784,490	0.0%
County court facilities security	2,931,528	2,931,528	2,931,528	0.0%
State Court Technology Fund	3,887,500	3,887,500	3,887,500	0.0%
Subtotal:	\$ 10,603,518	\$ 10,603,518	\$ 10,603,518	0.0%
<i>Oregon State Police</i>				
Driving Under the Influence Enforcement	\$ 351,572	\$ 351,572	\$ 351,572	0.0%
<i>Department of Corrections</i>				
County correction programs and facilities, and alcohol and drug programs	\$ 4,585,442	\$ 4,585,442	\$ 4,585,442	0.0%
<i>Department of Revenue</i>				
Administrative Expenses	\$ 100,000	\$ 100,000	\$ 100,000	0.0%
Total Allocations:	\$ 76,819,080	\$ 74,637,420	\$ 77,805,818	4.2%
Transfer to the General Fund:	\$ 51,747,112	\$ 32,861,029	\$ 24,262,802	-26.2%