

HB 5029 BUDGET REPORT and MEASURE SUMMARY

Joint Committee On Ways and Means

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Various Agencies - Lottery Allocations

2023-25

Various Agencies - Criminal Fine Account Allocations

2023-25

Various Agencies - Oregon Marijuana Account Allocations

2023-25

Department of Education - Fund for Student Success Allocations

2023-25

Department of State Lands - Polychlorinated Biphenyls Remediation and Restitution Account Allocation

2023-25

Various Agencies - Tobacco Settlement Funds Account Allocations

2023-25

PRELIMINARY

Summary of Revenue Changes

HB 5029 is a revenue allocation bill which establishes the authorized level of net lottery proceeds and other revenue from statutory funds or accounts allocated for distinct purposes in the 2023-25 biennium. The authorization to spend these revenues is provided in expenditure limitations established in separate measures for state agency budgets. The revenue allocations are within available resources as forecasted in the May 2023 state economic and revenue forecast produced by the Department of Administrative Services (DAS) Office of Economic Development or otherwise known or projected available balances.

The following summarizes the 2023-25 revenue allocations established in HB 5029:

| Revenue Allocation | 2023-25 Allocations |
|---|----------------------------|
| Lottery - Economic Development Fund | \$ 1,247,007,730 |
| Lottery - Veterans' Services Fund | \$ 28,387,664 |
| Criminal Fine Account | \$ 102,759,187 |
| Oregon Marijuana Account | \$ 278,110,889 |
| Fund for Student Success | \$ 2,174,357,994 |
| Polychlorinated Biphenyls Remediation and Restitution Account | \$ 18,763,236 |
| Tobacco Settlement Funds Account | \$ 148,401,750 |

Summary of Capital Construction Subcommittee Action

LOTTERY REVENUE

The Oregon State Lottery collects revenue from traditional, sports betting, and video lottery gaming. It pays player prizes and its operating expenses out of these revenues and then transfers the balance (net revenues or proceeds) on a quarterly basis to the Administrative Services Economic Development Fund (EDF). All lottery funds are expended for public purposes defined in the Oregon Constitution, which include job creation, economic development, and public education. Consistent with these public purposes, the quarterly transfers of net proceeds are then distributed by the Department of Administrative Services in accordance with nine - largely percentage-based - dedications established in the Constitution and Oregon statute. These include the following:

- Constitutional dedications

- Education Stability Fund - 18% of net proceeds
- Parks and Natural Resources Fund - 15% of net proceeds
- Veterans' Services Fund - 1.5% of net proceeds
- Statutory dedications
 - Outdoor school education programs - 4%, up to \$5.5 million per quarter adjusted for inflation
 - County economic development programs - 2.5% of net video lottery receipts
 - Gambling addiction treatment programs - 1%
 - Public university sports programs and academic scholarships - 1%
 - County fair programs - 1%, up to \$1.53 million annually adjusted for inflation
 - Match for qualifying employer lump-sum payments to the Public Employees Retirement System Employer Incentive Fund - net proceeds of sports betting games

Because the transfers related the Education Stability Fund, Parks and Natural Resources Fund, and Veterans' Services Fund are constitutionally established, HB 5029 does not include provisions to transfer revenue into these funds. However, the measure includes allocations from the Veterans' Services Fund to support programs benefitting veterans. In addition to the specific constitutional and statutory dedications, the Constitution requires that annual debt service payments for outstanding lottery revenue bonds be satisfied before allocating amounts for other purposes. Outside of these required dedications and distributions, net lottery proceeds are available for the Legislature to allocate as long as the allocations support the constitutional public purposes.

HB 5029 allocates \$1,275.4 million in net lottery proceeds in 2023-25 based on the May 2023 revenue forecast. This includes \$1,247 million from the Economic Development Fund and \$28.4 million from the Veterans' Services Fund, and leaves a projected ending balance of \$40 million. Lottery Funds expenditure limitation related to these allocations is established within the respective agency budget bills, policy bills, and budget reconciliation bill (SB 5506). The information that follows summarizes the allocations from each fund.

Economic Development Fund

Outdoor School Education Fund - \$56.4 million

Ballot Measure 99, approved by Oregon voters in 2016, requires 4% of net proceeds, but no more than \$5.5 million per quarter adjusted for inflation, be distributed to the Outdoor School Education Fund. The Fund supports the Outdoor School program and is managed by the Oregon State University Extension Service. The Subcommittee approved a fixed allocation of \$56.4 million for the 2023-25 biennium, rather than the percentage allocation described in statute.

County Economic Development - \$60 million

ORS 461.547 requires that 2.5% of net proceeds of video lottery gaming be distributed to the counties for economic development activities.

Beginning with the 2005-07 biennium, 50% of the operating costs for the Economic Revitalization Team (ERT) established by ORS 284.555 were funded from this source. Beginning with the 2013-15 biennium, 50% of the funding for the Governor's Office Regional Solutions Program positions are supported from this source. The Subcommittee approved allocating a fixed dollar amount for county economic development during the 2023-25 biennium, rather than the percentage allocation described in statute. The fixed dollar amount is \$60 million, which is equal to 2.5% of the amount of net video lottery proceeds projected in the May 2023 revenue forecast, minus one-half of the allocation to the Office of the Governor for the Regional Solutions Program.

Gambling Addiction Prevention and Treatment - \$18.3 million

The 1999 Legislature statutorily dedicated 1% of net lottery proceeds to be transferred to the Oregon Health Authority to fund gambling addiction programs in the state. The Subcommittee approved a fixed allocation of \$18.3 million for the 2023-25 biennium, rather than the percentage allocation described in statute.

Sports Lottery Account - \$18.3 million

Beginning in 2007, 1% of net lottery proceeds are dedicated for distribution to public universities to offset the costs of intercollegiate athletic programs and for academic scholarships. The Subcommittee approved a fixed allocation of \$18.3 million for the 2023-25 biennium, rather than the percentage allocation described in statute.

County Fairs - \$3.8 million

The 2001 Legislature statutorily dedicated 1% of net lottery proceeds, with certain limitations, for distribution to county fair programs throughout the state. This amount is adjusted by inflation each biennium. The Subcommittee approved a fixed allocation of \$3.8 million for the 2023-25 biennium, rather than the percentage allocation described in statute.

Employer Incentive Fund - \$28.2 million

In 2019, the Legislature dedicated the net proceeds of sports betting games to the Public Employees Retirement System (PERS) Employer Incentive Fund (EIF) to provide a 25% match on qualifying employer lump-sum payments to the EIF. The Subcommittee approved a fixed allocation of \$28.2 million for the 2023-25 biennium, which is equal to sports betting proceeds projected in the May 2023 forecast, net of the constitutional dedications and a \$0.8 million reduction approved in the PERS budget (HB 5033) to meet statewide budget targets.

State School Fund - \$604.1 million

The Subcommittee approved an allocation of \$604.1 million Lottery Funds to the State School Fund for the 2023-25 biennium.

Office of the Governor - \$4.6 million

The Subcommittee approved an allocation of \$4.6 million Lottery Funds for the Regional Solutions Program in the Office of the Governor. Half of this funding will come from a reduction in the net video lottery proceeds that are distributed to counties for economic development.

Oregon Business Development Department - \$110.7 million

Excluding debt service payments, the Subcommittee approved an allocation of \$110.7 million to the Oregon Business Development Department. This amount includes \$15.2 million of Operations; \$75.4 million for Business, Innovation and Trade; \$18.6 million for Infrastructure, and \$1.5 million for the Film and Video Office.

Debt Service - \$342.5 million

The Subcommittee approved the allocation of available net lottery proceeds for debt service on outstanding lottery revenue bonds and estimated debt service payments on lottery bonds authorized to be issued during the 2023-25 biennium. These funds are allocated to DAS because the DAS Capital Finance and Planning Division administers the lottery bond program and associated debt service for the state. DAS will transfer the necessary funding to for the payment of debt service for state agencies that have outstanding or proposed lottery bonds.

Veterans' Services Fund

Ballot Measure 96, approved by Oregon voters in 2016, requires 1.5% of net lottery proceeds to be transferred to the Veterans' Services Fund. This fund is continuously appropriated for the benefit of veterans. Because this transfer is established by the Oregon Constitution, HB 5029 does not include a provision to transfer lottery proceeds into the Veterans' Services Fund. The bill does, however, include allocations from the Veterans' Services Fund to support programs benefitting veterans. These allocations include the following:

- \$22.5 million to the Department of Veterans' Affairs for veterans' services provided by the Department (\$14.2 million); county veteran service officers (\$7.8 million); and National Service Organizations (\$541,693).
- \$297,187 to the Bureau of Labor and Industries to administer an outreach program to inform National Guard and reserve members and veterans about trade careers and apprenticeship opportunities.
- \$603,177 to the Criminal Justice Commission for veterans' specialty courts.
- \$4.9 million to the Oregon Health Authority for programs supporting veterans' behavioral health (\$2.2 million) and dental health (\$2.7 million).

CRIMINAL FINE ACCOUNT

ORS 137.300 establishes the Criminal Fine Account (CFA) for the deposit of a portion of the crime and violation fine payments collected by state and local courts. The statute identifies program priorities for revenue deposited into the account but does not specify funding levels for the programs. The expenditure limitations for programs receiving CFA allocations are established in the separate agency appropriation bills. CFA revenues remaining after the specific program allocations are deposited into the General Fund. Based on the May 2023 forecast, plus estimated additional revenue from the expanded use of photo radar authorized under Chapter 33, Oregon Laws 2023 (HB 2095), CFA revenue is forecasted to total \$118.3 in the 2023-25 biennium. The Subcommittee approved allocations to agencies totaling \$102.8 million, leaving \$15.5 million to be deposited into the General Fund.

All CFA allocations included in HB 5029 are consistent with the 2023-25 current service level except for the allocation to the Department of Public Safety Standards and Training (DPSST) for operations. The allocation for this program totals \$51.7 million, which represents a \$9.1 million, or 21.3%, increase above the current service level, and provides funding for DPSST to operate a pilot program consisting of three 60-student Basic Police courses, which will run concurrently with four additional 40-person Basic Police courses in the 2023-25 biennium.

OREGON MARIJUANA ACCOUNT

Net revenue from state marijuana taxes, after payment of administrative and enforcement expenses, is deposited into the Oregon Marijuana Account (OMA), which was established pursuant to the legalization of retail marijuana sales in Oregon through Ballot Measure 91 (2014). Based on the original framework of the tax, 20% of revenue transferred to the OMA was distributed to cities and counties, with the remaining 80% distributed to the State School Fund (40%), Mental Health Alcoholism and Drug Services Account (20%), State Police Account (15%), and alcohol and drug abuse prevention, early intervention and treatment services (5%). The passage of Ballot Measure 110 (2020) changed the statutory distributions by distributing the first \$11.25 million of quarterly OMA revenue according to the original formula distributions, with OMA revenue above \$11.25 million per quarter transferred to the newly established Drug Treatment and Recovery Services Fund. HB 4056 (2022) further amended the distributions by requiring the \$11.25 million quarterly transfers for the original formula distributions to be adjusted for inflation based on the U.S. City Average Consumer Price Index.

According to the May 2023 forecast, marijuana tax revenue available for the OMA totals \$298.5 million in 2023-25. Of this, the Department of Revenue will distribute \$20.4 million to cities and counties. HB 5029 allocates the remaining \$278.1 million to state agencies according to the statutory distributions, as follows:

- \$196.6 to the Drug Treatment and Recovery Services Fund
- \$40.7 million to the State School Fund
- \$20.4 million to the Mental Health Alcoholism and Drug Services Account
- \$15.3 million to the State Police Account
- \$5.1 million to alcohol and drug abuse prevention, early intervention and treatment services

As actual revenues may vary, the associated distributions may also vary – in some cases requiring related expenditure limitation and allocation adjustments.

FUND FOR STUDENT SUCCESS

The Department of Revenue collects Corporate Activity Tax revenues, pays its collection expenses from these revenues, and transfers the balance to the Fund for Student Success established in ORS 327.001. Corporate Activity Tax revenues are projected to be \$2.78 billion in the 2023-25 biennium based on the May 2023 state revenue forecast. After making deposits into the High Cost Disability Account established in ORS 327.348 and State School Fund established in ORS 327.008, and after retaining a reserve for cash flow and revenue shortfall purposes, the Department of Education transfers the balance of revenues in the Fund for Student Success into three statutorily defined education accounts according to the following statutory distribution percentages:

- At least 50% to the Student Investment Account established in ORS 327.175
- Up to 30% to the Statewide Education Initiatives Account established in ORS 327.250
- At least 20% to the Early Learning Account established in ORS 32.269.

Consistent with the May 2023 revenue forecast and the estimated beginning balances in each account, HB 5029 makes the following allocations from the Fund for Student Success for 2023-25 expenditures budgeted in the Department of Education:

- \$1,087,178,997 to the Student Investment Account
- \$557,396,445 to the Statewide Education Initiatives Account
- \$529,782,552 to the Early Learning Account

POLYCHLORINATED BIPHENYLS REMEDIATION AND RESTITUTION ACCOUNT

In December 2022, the Oregon Department of Justice reached a \$698 million settlement with the Monsanto Company over environmental pollution caused by polychlorinated biphenyls. SB 1049 (2023) creates the Polychlorinated Biphenyls Remediation and Restitution Account (PBRRA) for the purpose of depositing proceeds of the Monsanto Settlement Agreement, net of related legal expenses, into the account (an estimated \$565 million). Moneys in the account are continuously appropriated to the Department of Administrative Services for distribution as directed by the Legislative Assembly. The intended purpose of allocations from the account is to support environmental remediation or restitutionary projects or purposes having a nexus with environmental harms to air, water, soil, or other natural resources. HB 5029 allocates \$18.8 million from the account to the Department of State Lands for deposit into the Oregon Abandoned and Derelict Vessel Fund for environmental remediation or restitutionary projects.

TOBACCO SETTLEMENT FUNDS ACCOUNT

On November 23, 1998, 46 states and the four largest U.S. tobacco manufacturers, Philip Morris, R. J. Reynolds, Brown & Williamson, and Lorillard, entered into an agreement known as the Master Settlement Agreement (MSA). For release from past and present smoking-related claims by the states and for a continuing release of future smoking-related claims, these four companies, which are collectively known as the Original Participating Manufacturers (OPM), agreed to make annual payments to the states in perpetuity. The MSA requires an escrow agent to distribute the annual payments on or before April 15 of each year. The size of the annual payments is subject to numerous adjustments as outlined in the MSA. The OPMs also agreed to tobacco advertising and marketing restrictions, the disbandment of specific tobacco-related organizations, and efforts to reduce youth smoking, among other provisions.

MSA payments to Oregon are deposited in the Tobacco Settlement Funds Account administered by the Department of Administrative Services (DAS). HB 5029 allocates these funds according to the purposes stated in the bill and are based on resources projected by DAS to be available for the 2023-25 biennium. As actual amounts vary, the allocations or distributions set forth could also vary.

The following summarize the MSA allocations from the Tobacco Settlement Funds Account included in HB 5029 for 2023-25:

- \$7.3 million to the Higher Education Coordinating Commission, XI-L Oregon Health and Science University Bond Fund to pay debt service and administrative fees on Oregon Opportunity Bonds
- \$121.7 million to the Oregon Health Authority for the Oregon Health Plan
- \$14.2 million to the Oregon Health Authority for community mental health programs
- \$3.7 million to the Department of Education for physical education related grants authorized by ORS 329.501
- \$1.6 million to the Department of Justice for supplemental enforcement activities

State law (ORS 293.537) requires DAS to transfer sufficient funds from the Tobacco Settlement Funds Account to the Department of Justice (DOJ) for MSA enforcement activities (ORS 180.400 to 180.455, ORS 323.106, and ORS 323.806). DOJ expends these funds for the enforcement of the Non-Participating Manufacturing (NPM) requirements under the MSA, which includes a DOJ lawyer, paralegal, two field inspectors, investigator/auditor, and part of an administrator position. This program certifies tobacco product manufacturers and maintains a directory of all compliant tobacco products that can be sold in Oregon, monitors quarterly escrow payments by NPMs, coordinates with the Department of Revenue on distributor cigarette sales, and performs other compliance duties directed by statute.

LOTTERY FUNDS CASH FLOW SUMMARY

| | 2021-23 Legislatively Approved Budget | 2023-25 Legislatively Adopted Budget |
|--|--|--|
| ECONOMIC DEVELOPMENT FUND | | |
| RESOURCES | | |
| Beginning Balance | \$ 72,369,513 | \$ 84,396,435 |
| Lottery Funds Reversions under ORS 461.559 | 5,258,580 | - |
| REVENUES | | |
| Transfers from Lottery | | |
| Net Proceeds | 1,815,092,019 | 1,832,994,344 |
| Administrative Actions | - | |
| Other Revenues | | |
| Interest Earnings | 2,000,000 | 2,000,000 |
| Other | - | |
| Total Revenue | 1,817,092,019 | 1,834,994,344 |
| TOTAL RESOURCES | \$ 1,894,720,112 | \$ 1,919,390,779 |
| DISTRIBUTIONS / ALLOCATIONS | | |
| Distribution to Education Stability Fund | (326,714,207) | (329,938,982) |
| Distribution to Parks and Natural Resources Fund | (272,263,803) | (274,949,152) |
| Distribution for Veterans' Services Fund | (27,226,380) | (27,494,915) |
| Distribution for Outdoor School Fund | (49,418,728) | (56,406,064) |
| Distribution of Video Revenues to Counties | (54,209,527) | (59,982,296) |
| Distribution for Sports Programs | (16,514,607) | (18,329,943) |
| Distribution for Gambling Addiction | (16,542,526) | (18,329,825) |
| Distribution for County Fairs | (3,828,000) | (3,828,000) |
| Distribution to PERS Employer Incentive Fund | (15,335,236) | (28,186,388) |
| Allocation to State School Fund | (650,508,965) | (604,125,973) |
| Debt Service Allocations | (271,357,713) | (342,481,317) |
| Other Agency Allocations | (106,403,985) | (115,337,924) |
| TOTAL DISTRIBUTIONS / ALLOCATIONS | \$ (1,810,323,677) | \$ (1,879,390,779) |
| ENDING BALANCE | \$ 84,396,435 | \$ 40,000,000 |

LOTTERY FUNDS CASH FLOW SUMMARY (continued)

| | 2021-23 Legislatively Approved Budget | 2023-25 Legislatively Adopted Budget |
|---|--|--|
| EDUCATION STABILITY FUND | | |
| (not including the Oregon Growth Account balances) | | |
| RESOURCES | | |
| Beginning Balance | \$ 414,351,706 | \$ 708,394,230 |
| Revenues | | |
| Transfer from the Economic Development Fund | 294,042,786 | 296,945,084 |
| Interest Earnings | 22,981,427 | 73,732,015 |
| Oregon Growth Account Earnings Distributions | 11,705,102 | - |
| Total Revenue | \$ 328,729,315 | \$ 370,677,099 |
| TOTAL RESOURCES | \$ 743,081,021 | \$ 1,079,071,329 |
| DISTRIBUTIONS | | |
| Oregon Opportunity Grant Program | (34,686,529) | (73,732,015) |
| Debt Service Allocations to Department of Education | - | - |
| Education Stability Fund Withdrawal | - | - |
| Treasury Account Fees | (262) | - |
| TOTAL DISTRIBUTIONS | \$ (34,686,791) | \$ (73,732,015) |
| ENDING BALANCE | \$ 708,394,230 | \$ 1,005,339,314 |

Notes:

1. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included in the Education Stability Fund.
2. Transfers from the Economic Development Fund to the Education Stability Fund (ESF) represent those made only to the main ESF account and do not include the 10% transferred to the Oregon Growth Account.
3. 2021-23 and 2023-25 amounts are based on the May 2023 revenue forecast.

2023-25 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES

| ECONOMIC DEVELOPMENT FUND | New Lottery Funds Allocation | Beginning Lottery Balance | Interest and Other Earnings | 2023-25 LAB Expenditure Limitation | Ending Lottery Balance |
|---|-------------------------------------|----------------------------------|------------------------------------|---|-------------------------------|
| DEBT SERVICE COMMITMENTS | | | | | |
| Higher Education Coordinating Commission Outstanding bonds | 44,554,121 | 227,765 | - | 44,781,886 | - |
| Business Development Department Outstanding and Proposed bonds | 49,547,114 | 339,155 | - | 49,886,269 | - |
| Housing and Community Services Department Outstanding and Proposed bonds | 30,406,918 | 162,965 | - | 30,569,883 | - |
| Department of Transportation Outstanding bonds | 135,257,275 | 810,875 | - | 136,068,150 | - |
| Department of Administrative Services Outstanding and Proposed bonds | 49,032,524 | 164,860 | - | 49,197,384 | - |
| State Forestry Department Outstanding Bonds | 2,540,230 | 16,850 | - | 2,557,080 | - |
| Department of Energy Outstanding Bonds | 1,416,320 | 22,840 | - | 1,439,160 | - |
| State Parks and Recreation Department Outstanding bonds | 3,949,140 | 19,910 | - | 3,969,050 | - |
| Water Resources Department Outstanding and Proposed bonds | 15,814,642 | 42,215 | - | 15,856,857 | - |
| Department of Veterans' Affairs Outstanding Bonds | 548,870 | 2,130 | - | 551,000 | - |
| Oregon Health Authority Outstanding Bonds and Proposed bonds | 6,186,773 | - | - | 6,186,773 | - |
| Department of Education Outstanding Bonds | 3,227,390 | - | - | 3,227,390 | - |
| OTHER ALLOCATIONS | | | | | |
| Higher Education Coordinating Commission Collegiate Athletics | 18,329,943 | - | - | 18,329,943 | - |
| Outdoor Schools | 56,406,064 | - | - | 56,406,064 | - |
| Oregon Health Authority Gambling Addiction Treatment | 18,329,825 | - | - | 18,329,825 | - |
| Department of Administrative Services Distribution to County Fairs | 3,828,000 | - | - | 3,828,000 | - |
| Public Employees Retirement System Employer Incentive Fund | 28,186,388 | 341,000 | - | 28,527,388 | - |
| Department of Education State School Fund | 604,125,973 | - | - | 604,125,973 | - |
| Office of the Governor Regional Solutions | 4,639,197 | - | - | 4,639,197 | - |
| Business Development Department Operations | 15,248,370 | - | - | 15,248,370 | - |
| Business, Innovation, and Trade Infrastructure | 75,400,115 | 8,477,500 | - | 83,877,615 | - |
| Infrastructure | 18,570,779 | 1,600,000 | - | 20,170,779 | - |
| Film and Video | 1,479,463 | - | - | 1,479,463 | - |
| TOTAL ECONOMIC DEVELOPMENT FUND | 1,187,025,434 | 12,228,065 | - | 1,199,253,499 | - |
| EDUCATION STABILITY FUND / OREGON EDUCATION FUND | | | | | |
| Higher Education Coordinating Commission Opportunity Grants | 73,732,015 | 18,540,263 | - | 84,000,000 | 8,272,278 |
| TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND | 73,732,015 | 18,540,263 | - | 84,000,000 | 8,272,278 |

VETERANS' SERVICES FUND

| | 2021-23 | 2023-25 |
|--|------------------------|------------------------|
| | Legislatively Approved | Legislatively Adopted |
| RESOURCES / REVENUES | | |
| Beginning Balance | \$ 1,982,016 | \$ 5,528,837 |
| Lottery Funds Reversions under ORS 406.141 | 1,133,202 | - |
| Lottery Revenue | 27,226,380 | 27,494,915 |
| Interest Earnings | - | - |
| TOTAL RESOURCES | \$ 30,341,598 | \$ 33,023,752 |
| ALLOCATIONS | | |
| Department of Veterans' Affairs | | |
| Veterans' Services Program | \$ (12,863,062) | \$ (14,192,356) |
| County Veteran Service Officers | (7,474,669) | (7,788,605) |
| National Service Organizations | (497,880) | (541,693) |
| Total ODVA Allocations | \$ (20,835,611) | \$ (22,522,654) |
| Bureau of Labor and Industries | | |
| Veterans' Outreach | (270,809) | (297,187) |
| Criminal Justice Commission | | |
| Veterans' Specialty Courts | (578,865) | (603,177) |
| Oregon Health Authority | | |
| Veterans Behavioral Health | (2,127,476) | (2,233,850) |
| Veterans Dental Program | (1,000,000) | (2,730,796) |
| TOTAL ALLOCATIONS | \$ (24,812,761) | \$ (28,387,664) |
| ENDING BALANCE | \$ 5,528,837 | \$ 4,636,088 |

Note: 2021-23 and 2023-25 amounts are based on the May 2023 revenue forecast.

CRIMINAL FINE ACCOUNT ALLOCATIONS

| | 2021-23 Legislatively Approved Budget | 2023-25 Current Service Level (CSL) | Percent Change from 2021-23 | 2023-25 Legislatively Adopted Budget | Percent Change from 2023-25 CSL |
|---|---|---|--------------------------------|--|---------------------------------------|
| Criminal Fine Account Revenues: | | | | | |
| May 2023 State Revenue Forecast Chapter 33, Oregon Laws 2023 (HB 2095) | \$ 100,025,161 | \$ 113,105,114 | 13.1% | \$ 113,105,114 5,200,000 | 0.0% |
| Total Revenue: | \$ 100,025,161 | \$ 113,105,114 | 13.1% | \$ 118,305,114 | 4.6% |
| Criminal Fine Account Allocations: | | | | | |
| Department of Public Safety Standards and Training | | | | | |
| Operations | \$ 44,416,940 | \$ 42,591,455 | -4.1% | \$ 51,667,438 | 21.3% |
| Public Safety Memorial Fund | 279,677 | 279,677 | 0.0% | 279,677 | 0.0% |
| Subtotal: | \$ 44,696,617 | \$ 42,871,132 | -4.1% | \$ 51,947,115 | 21.2% |
| Department of Justice | | | | | |
| Child Abuse Multidisciplinary Intervention Account | \$ 11,694,249 | \$ 12,210,883 | 4.4% | \$ 12,210,883 | 0.0% |
| Regional Assessment Centers | 883,388 | 920,490 | 4.2% | 920,490 | 0.0% |
| Criminal Injuries Compensation Account | 9,846,982 | 10,272,994 | 4.3% | 10,272,994 | 0.0% |
| Child Abuse Medical Assessments | 747,739 | 779,144 | 4.2% | 779,144 | 0.0% |
| Subtotal: | \$ 23,172,358 | \$ 24,183,511 | 4.4% | \$ 24,183,511 | 0.0% |
| Department of Human Services | | | | | |
| Domestic Violence Fund | \$ 2,320,336 | \$ 2,668,697 | 15.0% | \$ 2,668,697 | 0.0% |
| Sexual Assault Victims Fund | 556,265 | 605,216 | 8.8% | 605,216 | 0.0% |
| Subtotal: | \$ 2,876,601 | \$ 3,273,913 | 13.8% | \$ 3,273,913 | 0.0% |
| Oregon Health Authority | | | | | |
| Emergency Medical Services & Trauma Services | \$ 331,824 | \$ 331,824 | 0.0% | \$ 331,824 | 0.0% |
| Alcohol & Drug Abuse Prevention | 42,884 | 42,884 | 0.0% | 42,884 | 0.0% |
| Law Enforcement Medical Liability Account (LEMLA) | 1,300,000 | 1,300,000 | 0.0% | 1,300,000 | 0.0% |
| Intoxicated Driver Program | 4,323,000 | 4,323,000 | 0.0% | 4,323,000 | 0.0% |
| Drug Treatment and Recovery Services Fund Transfer | 31,200 | 31,200 | 0.0% | 31,200 | 0.0% |
| Subtotal: | \$ 6,028,908 | \$ 6,028,908 | 0.0% | \$ 6,028,908 | 0.0% |

CRIMINAL FINE ACCOUNT ALLOCATIONS (continued)

| | 2021-23 Legislatively Approved Budget | 2023-25 Current Service Level (CSL) | Percent Change from 2021-23 | 2023-25 Legislatively Adopted Budget | Percent Change from 2023-25 CSL |
|---|---|---|--------------------------------|--|---------------------------------------|
| <i>Oregon Judicial Department</i> | | | | | |
| State court security and emergency preparedness | \$ 4,147,778 | \$ 4,493,981 | 8.3% | \$ 4,493,981 | 0.0% |
| County court facilities security | 3,057,584 | 3,326,651 | 8.8% | 3,326,651 | 0.0% |
| State Court Technology Fund | 3,887,500 | 3,887,500 | 0.0% | 3,887,500 | 0.0% |
| Subtotal: | \$ 11,092,862 | \$ 11,708,132 | 5.5% | \$ 11,708,132 | 0.0% |
| <i>Oregon State Police</i> | | | | | |
| Driving Under the Influence Enforcement | \$ 351,572 | \$ 351,572 | 0.0% | \$ 351,572 | 0.0% |
| <i>Department of Corrections</i> | | | | | |
| County correction programs and facilities, and alcohol and drug programs | \$ 4,846,812 | \$ 5,197,236 | 7.2% | \$ 5,197,236 | 0.0% |
| <i>Department of Revenue</i> | | | | | |
| Administrative Expenses | \$ 100,000 | \$ 100,000 | 0.0% | \$ 100,000 | 0.0% |
| Total Allocations: | \$ 93,165,730 | \$ 93,714,404 | 0.6% | \$ 102,790,387 | 9.7% |
| Transfer to the General Fund: | \$ 6,859,431 | \$ 19,390,710 | 182.7% | \$ 15,514,727 | -20.0% |

PRELIMINARY

2023-25 Oregon Marijuana Account

| | 2021-23 Legislatively Approved Budget (May 2023) | 2023-25 Legislatively Adopted Budget (May 2023) |
|--|--|---|
| Cities | 9,000,000 | 10,187,665 |
| Counties | 9,000,000 | 10,187,665 |
| Subtotal Local | 18,000,000 | 20,375,330 |
| | | |
| Drug Treatment and Recovery Services Fund | 211,668,069 | 196,609,572 |
| State School Fund | 36,000,000 | 40,750,659 |
| Mental Health Alcoholism & Drug Services Account | 18,000,000 | 20,375,329 |
| State Police Account | 13,500,000 | 15,281,497 |
| Drug and alcohol abuse prevention and treatment | 4,500,000 | 5,093,832 |
| Subtotal State | 283,668,069 | 278,110,889 |
| Total | 301,668,069 | 298,486,219 |

PRELIMINARY

FUND FOR STUDENT SUCCESS CASH FLOW SUMMARY

| | 2021-23 Legislatively Approved Budget (May 2023) | 2023-25 Legislatively Adopted Budget (May 2023) | HB 5029 Adjustments and other Revenue Adjustments |
|---|--|---|--|
| FUND FOR STUDENT SUCCESS | | | |
| RESOURCES | | | |
| Beginning Balance | \$ 200,557,016 | \$ 318,527,158 | 117,970,142 |
| REVENUES | | | |
| Transfers from Department of Revenue | | | |
| Net Proceeds | 2,541,377,030 | 2,779,097,659 | 237,720,629 |
| Administrative Actions | (19,200,000) | (21,312,000) | (2,112,000) |
| Retain as a reserve/cash flow - ORS 327.001(4)(b) | (150,000,000) | (200,000,000) | (50,000,000) |
| Total Revenue | 2,372,177,030 | 2,557,785,659 | 185,608,629 |
| TOTAL RESOURCES | \$ 2,572,734,046 | \$ 2,876,312,817 | \$ 303,578,771 |
| TRANSFERS / ALLOCATIONS | | | |
| Transfer to the High Cost Disabilities Account - ORS 327.001(4)(a)(A) | (40,000,000) | (40,000,000) | - |
| Transfer to the State School Fund - ORS 327.001(4)(a)(B) | (691,770,847) | (661,954,823) | 29,816,024 |
| Allocation to the Student Investment Account | (891,938,410) | (1,087,178,997) | (195,240,587) |
| Allocation to the Statewide Education Initiatives Account | (382,929,904) | (557,396,445) | (174,466,541) |
| Allocation to the Early Learning Account | (397,567,727) | (529,782,552) | (132,214,825) |
| TOTAL DISTRIBUTIONS / ALLOCATIONS | \$ (2,404,206,888) | \$ (2,876,312,817) | \$ (472,105,929) |
| ENDING BALANCE | \$ 168,527,158 | \$ 0 | \$ (168,527,158) |
| STUDENT INVESTMENT ACCOUNT - ORS 327.175 | | | |
| RESOURCES | | | |
| Beginning Balance | \$ 338,563 | \$ - | (338,563) |
| Revenues | | | |
| Allocation from the Fund for Student Success | 891,938,410 | 1,087,178,997 | 195,240,587 |
| Total Revenue | \$ 892,276,973 | \$ 1,087,178,997 | 194,902,024 |
| TOTAL RESOURCES | \$ 892,276,973 | \$ 1,087,178,997 | 194,902,024 |
| EXPENDITURES | | | |
| Grants to education programs | (892,276,973) | (1,087,178,997) | (194,902,024) |
| TOTAL STUDENT INVESTMENT ACCOUNT | \$ - | \$ - | \$ - |
| ENDING BALANCE | \$ - | \$ - | \$ - |

FUND FOR STUDENT SUCCESS CASH FLOW SUMMARY (continued)

| | 2021-23 Legislatively Approved Budget (May 2023) | 2023-25 Legislatively Adopted Budget (May 2023) | HB 5029 Adjustments and other Revenue Adjustments |
|--|--|---|--|
| STATEWIDE EDUCATION INITIATIVES ACCOUNT - ORS 327.250 | | | |
| RESOURCES | | | |
| Beginning Balance | \$ 15,048,507 | \$ 38,450,278 | 23,401,771 |
| Revenues | | | |
| Allocation from the Fund for Student Success | 382,929,904 | 557,396,445 | 174,466,541 |
| Total Revenue | \$ 397,978,411 | \$ 595,846,723 | 197,868,312 |
| TOTAL RESOURCES | \$ 397,978,411 | \$ 595,846,723 | 197,868,312 |
| EXPENDITURES | | | |
| Grants to education programs | (386,819,630) | (595,846,723) | (209,027,093) |
| TOTAL STATEWIDE EDUCATION INITIATIVES ACCOUNT | \$ 11,158,781 | \$ - | \$ (11,158,781) |
| ENDING BALANCE * | \$ 11,158,781 | \$ - | \$ (11,158,781) |
| EARLY LEARNING ACCOUNT - ORS 327.269 | | | |
| RESOURCES | | | |
| Beginning Balance | \$ 38,657,724 | \$ 12,819,816 | (25,837,908) |
| Revenues | | | |
| Allocation from the Fund for Student Success | 397,567,727 | 529,782,552 | 132,214,825 |
| Total Revenue | \$ 436,225,451 | \$ 542,602,368 | 106,376,917 |
| TOTAL RESOURCES | \$ 436,225,451 | \$ 542,602,368 | 106,376,917 |
| EXPENDITURES | | | |
| Grants to education programs | (436,225,451) | (542,602,368) | (106,376,917) |
| TOTAL EARLY LEARNING ACCOUNT | \$ - | \$ - | \$ - |
| ENDING BALANCE | \$ - | \$ - | \$ - |

*The 2021-23 legislatively approved budget contained a one-time transfer into the School Stabilization Subaccount for Wildfire-impacted School Districts (HB 4026, 2022)