

## Legislative Fiscal Office

Oregon State Capitol  
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## Joint Committee on Ways and Means

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Representative Tawna Sanchez, House Co-Chair

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Amanda Beitel, Legislative Fiscal Officer  
Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)  
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

**To:** Capital Construction Subcommittee

**From:** Tom MacDonald, Legislative Fiscal Office

**Date:** March 6, 2024

**Subject:** HB 5203 - Allocations  
Work Session Recommendations

HB 5203 modifies the 2023-25 revenue allocations from the Administrative Services Economic Development Fund, Veterans' Services Fund, Criminal Fine Account (CFA), Oregon Marijuana Account (OMA), and Fund for Student Success. The allocations are within the resources forecasted in the March 2024 state revenue forecast. The -2 amendment replaces the bill with the allocation changes.

The forecast for current biennium lottery resources is \$16.2 million higher than the forecast used in the 2023 session for the 2023-25 legislatively adopted budget, including one-time resources. The measure includes a net lottery allocation increase of \$13.1 million, which accounts for adjustments to allocations for the State School Fund, Outdoor School Fund, and state employee compensation and debt service adjustments across multiple agencies.

The measure increases CFA allocations by \$3.5 million for state employee compensation changes and decreases the OMA allocation to the Drug Treatment and Recovery Services Fund by \$5.8 million consistent with the forecasted revenue dedicated for this purpose. The Fund for Student Success is rebalanced to the March 2024 economic and revenue forecast and to use the balance of funds remaining in the Statewide Education Initiatives Account and Early Learning Account from the 2021-23 biennium.

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

### **Recommended Changes**

The Legislative Fiscal Office (LFO) recommends adoption of the -2 amendment.

MOTION: I move adoption of the –2 amendment to HB 5203. (VOTE)

**Final Subcommittee Action**

LFO recommends that HB 5203, as amended by the –2 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5203, as amended, to the Ways and Means Full Committee with a do pass recommendation. (VOTE)

**Carriers**

Full Committee: \_\_\_\_\_

House Floor: \_\_\_\_\_

Senate Floor: \_\_\_\_\_

## LOTTERY FUNDS CASH FLOW SUMMARY

	2021-23 Legislatively Approved Budget	2023-25 Legislatively Adopted Budget	2023-25 Legislatively Approved Budget March 2024	HB 5203 Allocations and Revenue Updates
<b>ECONOMIC DEVELOPMENT FUND</b>				
<b>RESOURCES</b>				
Beginning Balance	\$ 72,369,513	\$ 84,396,435	\$ 84,396,435	\$ -
Lottery Funds Reversions under ORS 461.559	5,258,580	-	5,685,238	5,685,238
<b>REVENUES</b>				
Transfers from Lottery				
Net Proceeds	1,815,092,019	1,832,994,344	1,834,371,777	1,377,433
Administrative Actions	-	-	9,151,897	9,151,897
Other Revenues				
Interest Earnings	2,000,000	2,000,000	2,000,000	-
Other	-	-	-	-
Total Revenue	1,817,092,019	1,834,994,344	1,845,523,674	10,529,330
<b>TOTAL RESOURCES</b>	<b>\$ 1,894,720,112</b>	<b>\$ 1,919,390,779</b>	<b>\$ 1,935,605,347</b>	<b>16,214,568</b>
<b>DISTRIBUTIONS / ALLOCATIONS</b>				
Distribution to Education Stability Fund	(326,714,207)	(329,938,982)	(331,834,261)	(1,895,279)
Distribution to Parks and Natural Resources Fund	(272,263,803)	(274,949,152)	(276,528,551)	(1,579,399)
Distribution for Veterans' Services Fund	(27,226,380)	(27,494,915)	(27,652,855)	(157,940)
Distribution for Outdoor School Fund	(49,418,728)	(56,406,064)	(36,406,064)	20,000,000
Distribution of Video Revenues to Counties	(54,209,527)	(59,982,296)	(59,982,296)	-
Distribution for Sports Programs	(16,514,607)	(18,329,943)	(18,329,943)	-
Distribution for Gambling Addiction	(16,542,526)	(18,329,825)	(18,472,837)	(143,012)
Distribution for County Fairs	(3,828,000)	(3,828,000)	(3,828,000)	-
Distribution to PERS Employer Incentive Fund	(15,335,236)	(28,186,388)	(28,186,388)	-
Allocation to State School Fund	(650,508,965)	(604,125,973)	(638,737,863)	(34,611,890)
Debt Service Allocations	(271,357,713)	(342,481,317)	(336,702,668)	5,778,649
Other Agency Allocations	(106,403,985)	(115,337,924)	(118,943,621)	(3,605,697)
<b>TOTAL DISTRIBUTIONS / ALLOCATIONS</b>	<b>\$ (1,810,323,677)</b>	<b>\$ (1,879,390,779)</b>	<b>\$ (1,895,605,348)</b>	<b>\$ (16,214,568)</b>
<b>ENDING BALANCE</b>	<b>\$ 84,396,435</b>	<b>\$ 40,000,000</b>	<b>\$ 40,000,000</b>	<b>\$ 0</b>
<b>EDUCATION STABILITY FUND</b> (not including the Oregon Growth Account balances)				
<b>RESOURCES</b>				
Beginning Balance	\$ 414,351,706	\$ 708,394,230	\$ 708,394,230	\$ -
Revenues				
Transfer from the Economic Development Fund	294,042,786	296,945,084	\$ 298,650,835	1,705,751
Interest Earnings	21,928,160	73,732,015	\$ 81,015,049	7,283,034
Oregon Growth Account Earnings Distributions	11,705,102	-	\$ 12,054,200	12,054,200
Total Revenue	\$ 327,676,048	\$ 370,677,099	\$ 391,720,084	\$ 21,042,985
<b>TOTAL RESOURCES</b>	<b>\$ 742,027,754</b>	<b>\$ 1,079,071,329</b>	<b>\$ 1,100,114,314</b>	<b>\$ 21,042,985</b>
<b>DISTRIBUTIONS</b>				
Oregon Opportunity Grant Program	(33,633,262)	(73,732,015)	\$ (93,069,249)	(19,337,234)
Debt Service Allocations to Department of Education	-	-	\$ -	-
Education Stability Fund Withdrawal	-	-	\$ -	-
Treasury Account Fees	(262)	-	\$ (98)	-
<b>TOTAL DISTRIBUTIONS</b>	<b>\$ (33,633,524)</b>	<b>\$ (73,732,015)</b>	<b>\$ (93,069,347)</b>	<b>\$ (19,337,234)</b>
<b>ENDING BALANCE</b>	<b>\$ 708,394,230</b>	<b>\$ 1,005,339,314</b>	<b>\$ 1,007,044,967</b>	<b>\$ 1,705,751</b>

**Notes:**

1. 2023-25 legislatively adopted amounts are based on the May 2023 state revenue forecast and 2023-25 legislatively approved amounts are based on the March 2024 forecast.
2. Oregon Growth Account distributions and transfers to the Oregon Education Fund and Oregon Opportunity Grant Program are included in the Education Stability Fund.

**2023-25 LOTTERY FUNDS ALLOCATIONS AND EXPENDITURES**

<b>ECONOMIC DEVELOPMENT FUND</b>	<b>New Lottery Funds Allocation</b>	<b>Beginning Lottery Balance</b>	<b>Interest and Other Earnings</b>	<b>2023-25 LAB Expenditure Limitation</b>	<b>Ending Lottery Balance</b>
<b>DEBT SERVICE COMMITMENTS</b>					
Higher Education Coordinating Commission Outstanding bonds	44,554,121	227,765	-	44,781,886	-
Business Development Department Outstanding and Proposed bonds	49,512,454	339,155	-	49,851,609	-
Housing and Community Services Department Outstanding and Proposed bonds	29,544,065	162,965	-	29,707,030	-
Department of Transportation Outstanding bonds	133,743,875	810,875	-	134,554,750	-
Department of Administrative Services Outstanding and Proposed bonds	47,562,112	164,860	-	47,726,972	-
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	3,805,835	19,910	-	3,825,745	-
Water Resources Department Outstanding and Proposed bonds	14,060,623	42,215	-	14,102,838	-
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	-
<b>OTHER ALLOCATIONS</b>					
Higher Education Coordinating Commission Collegiate Athletics	18,329,943	-	-	18,329,943	-
Outdoor Schools	36,406,064	-	-	36,406,064	-
Oregon Health Authority Gambling Addiction Treatment	18,472,837	-	-	18,472,837	-
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	638,737,863	-	-	638,737,863	-
Office of the Governor Regional Solutions	4,923,010	-	-	4,923,010	-
Business Development Department Operations	16,970,908	-	-	16,970,908	-
Business, Innovation, and Trade Infrastructure	76,741,709	12,379,401	-	89,121,110	-
Infrastructure	18,828,531	1,528,380	-	20,356,911	-
Film and Video	1,479,463	-	-	1,479,463	-
<b>TOTAL ECONOMIC DEVELOPMENT FUND</b>	<b>1,199,607,384</b>	<b>16,058,346</b>	<b>-</b>	<b>1,215,665,730</b>	<b>-</b>
<b>EDUCATION STABILITY FUND / OREGON EDUCATION FUND</b>					
Higher Education Coordinating Commission Opportunity Grants	93,069,249	17,486,996	-	101,500,000	9,056,245
<b>TOTAL EDUCATION STABILITY/OREGON EDUCATION FUND</b>	<b>93,069,249</b>	<b>17,486,996</b>	<b>-</b>	<b>101,500,000</b>	<b>9,056,245</b>

**VETERANS' SERVICES FUND**

	<b>2021-23 Legislatively Approved Budget</b>	<b>2023-25 Legislatively Adopted Budget</b>	<b>2023-25 Legislatively Approved Budget</b>	<b>HB 5203 and Revenue Adjustments</b>
<b>RESOURCES / REVENUES</b>				
Beginning Balance	\$ 1,982,016	\$ 5,528,837	\$ 5,528,837	\$ -
Lottery Funds Reversions under ORS 406.141	1,133,202	-	1,323,552	1,323,552
Lottery Revenue	27,226,380	27,494,915	27,652,855	157,940
Interest Earnings	-	-	-	-
<b>TOTAL RESOURCES</b>	<b>\$ 30,341,598</b>	<b>\$ 33,023,752</b>	<b>\$ 34,505,244</b>	<b>\$ 1,481,492</b>
<b>ALLOCATIONS</b>				
Department of Veterans' Affairs				
Veterans' Services Program	\$ (12,863,062)	\$ (14,192,356)	\$ (14,672,060)	\$ (479,704)
County Veteran Service Officers	(7,474,669)	(7,788,605)	(7,788,605)	-
National Service Organizations	(497,880)	(541,693)	(541,693)	-
Total ODVA Allocations	\$ (20,835,611)	\$ (22,522,654)	\$ (23,002,358)	\$ (479,704)
Bureau of Labor and Industries				
Veterans' Outreach	(270,809)	(297,187)	(316,222)	(19,035)
Criminal Justice Commission				
Veterans' Specialty Courts	(578,865)	(603,177)	(603,177)	-
Oregon Health Authority				
Veterans Behavioral Health	(2,127,476)	(2,233,850)	(2,233,850)	-
Veterans Dental Program	(1,000,000)	(2,730,796)	(2,730,796)	-
<b>TOTAL ALLOCATIONS</b>	<b>\$ (24,812,761)</b>	<b>\$ (28,387,664)</b>	<b>\$ (28,886,403)</b>	<b>\$ (498,739)</b>
<b>ENDING BALANCE</b>	<b>\$ 5,528,837</b>	<b>\$ 4,636,088</b>	<b>\$ 5,618,841</b>	<b>\$ 982,753</b>

Note: The 2023-25 legislatively adopted amounts are based on the May 2023 state revenue forecast and the 2023-25 legislatively approved amounts are based on the March 2024 forecast.

## CRIMINAL FINE ACCOUNT ALLOCATIONS

	2021-23 Legislatively Approved Budget	2023-25 Legislatively Adopted Budget	2023-25 Legislatively Approved Budget HB 5203	Percent Change
<b>Criminal Fine Account Revenues</b>	\$ 100,025,161	\$ 118,305,114	\$ 106,981,362	-9.6%
<b>Criminal Fine Account Allocations:</b>				
<b>Department of Public Safety Standards and Training</b>				
Operations	\$ 44,416,940	\$ 51,667,438	\$ 55,016,548	6.5%
Public Safety Memorial Fund	279,677	279,677	279,677	0.0%
Subtotal:	\$ 44,696,617	\$ 51,947,115	\$ 55,296,225	6.4%
<b>Department of Justice</b>				
Child Abuse Multidisciplinary Intervention Account	\$ 11,694,249	\$ 12,210,883	\$ 12,210,883	0.0%
Regional Assessment Centers	883,388	920,490	920,490	0.0%
Criminal Injuries Compensation Account	9,846,982	10,272,994	10,272,994	0.0%
Child Abuse Medical Assessments	747,739	779,144	779,144	0.0%
Subtotal:	\$ 23,172,358	\$ 24,183,511	\$ 24,183,511	0.0%
<b>Department of Human Services</b>				
Domestic Violence Fund	\$ 2,320,336	\$ 2,668,697	\$ 2,668,697	0.0%
Sexual Assault Victims Fund	556,265	605,216	605,216	0.0%
Subtotal:	\$ 2,876,601	\$ 3,273,913	\$ 3,273,913	0.0%
<b>Oregon Health Authority</b>				
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	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%
Drug Treatment and Recovery Services Fund	31,200	31,200	31,200	0.0%
Subtotal:	\$ 6,028,908	\$ 6,028,908	\$ 6,028,908	0.0%
<b>Oregon Judicial Department</b>				
State court security and emergency preparedness	\$ 4,147,778	\$ 4,493,981	\$ 4,614,833	2.7%
County court facilities security	3,057,584	3,326,651	3,326,651	0.0%
State Court Technology Fund	3,887,500	3,887,500	3,887,500	0.0%
Subtotal:	\$ 11,092,862	\$ 11,708,132	\$ 11,828,984	0.0%
<b>Oregon State Police</b>				
Driving Under the Influence Enforcement	\$ 351,572	\$ 351,572	\$ 351,572	0.0%
Subtotal:	\$ 351,572	\$ 351,572	\$ 351,572	0.0%
<b>Department of Corrections</b>				
County correction programs and facilities, and alcohol and drug programs	\$ 4,846,812	\$ 5,197,236	\$ 5,197,236	0.0%
Subtotal:	\$ 4,846,812	\$ 5,197,236	\$ 5,197,236	0.0%
<b>Department of Revenue</b>				
Administrative Expenses	\$ 100,000	\$ 100,000	\$ 100,000	0.0%
Subtotal:	\$ 100,000	\$ 100,000	\$ 100,000	0.0%
<b>Total Allocations:</b>	<b>\$ 93,165,730</b>	<b>\$ 102,790,387</b>	<b>\$ 106,260,349</b>	<b>3.4%</b>
<b>Transfer to the General Fund:</b>	<b>\$ 6,859,431</b>	<b>\$ 15,514,727</b>	<b>\$ 721,013</b>	<b>-95.4%</b>

## 2023-25 Oregon Marijuana Account

	2021-23 Legislatively Approved Budget	2023-25 Legislatively Adopted Budget	2023-25 Legislatively Approved Budget	HB 5203 Adjustments
Cities	9,000,000	10,187,665	10,187,665	0
Counties	9,000,000	10,187,665	10,187,665	0
<b>Subtotal Local</b>	<b>18,000,000</b>	<b>20,375,330</b>	<b>20,375,330</b>	<b>0</b>
Drug Treatment and Recovery Services Fund	211,668,069	196,609,572	190,824,043	(5,785,529)
State School Fund	36,000,000	40,750,659	40,750,659	-
Mental Health Alcoholism & Drug Services Account	18,000,000	20,375,329	20,375,329	-
State Police Account	13,500,000	15,281,497	15,281,497	-
Drug and alcohol abuse prevention and treatment	4,500,000	5,093,832	5,093,832	-
<b>Subtotal State</b>	<b>283,668,069</b>	<b>278,110,889</b>	<b>272,325,360</b>	<b>(5,785,529)</b>
<b>Total</b>	<b>301,668,069</b>	<b>298,486,219</b>	<b>292,700,690</b>	<b>(5,785,529)</b>

Note: 2023-25 legislatively adopted amounts are based on the May 2023 state revenue forecast and 2023-25 legislatively approved amounts are based on the March 2024 revenue forecast.

## FUND FOR STUDENT SUCCESS CASH FLOW SUMMARY

	2023-25 Legislatively Adopted Budget	2023-25 Legislatively Approved Budget	HB 5203 Adjustments and other Revenue Adjustments
<b>FUND FOR STUDENT SUCCESS</b>			
<b>RESOURCES</b>			
Beginning Balance	\$ 318,527,158	\$ 326,038,120	7,510,961
<b>REVENUES</b>			
Transfers from Department of Revenue			
Net Proceeds	2,779,097,659	2,814,622,394	35,524,736
Administrative Actions	(21,312,000)	(21,312,000)	-
Retain as a reserve/cash flow - ORS 327.001(4)(b)	(200,000,000)	(200,000,000)	-
Total Revenue	2,557,785,659	2,593,310,394	35,524,736
<b>TOTAL RESOURCES</b>	<b>\$ 2,876,312,817</b>	<b>2,919,348,514</b>	<b>\$ 43,035,697</b>
<b>TRANSFERS / ALLOCATIONS</b>			
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)	(661,954,823)	(743,271,403)	(81,316,580)
Allocation to the Student Investment Account	(1,087,178,997)	(1,087,178,997)	-
Allocation to the Statewide Education Initiatives Account	(557,396,445)	(548,451,330)	8,945,115
Allocation to the Early Learning Account	(529,782,552)	(500,430,284)	29,352,268
<b>TOTAL DISTRIBUTIONS / ALLOCATIONS</b>	<b>\$ (2,876,312,817)</b>	<b>(2,919,332,014)</b>	<b>\$ (43,019,197)</b>
<b>ENDING BALANCE</b>	<b>\$ 0</b>	<b>16,500</b>	<b>\$ 16,500</b>
<b>STUDENT INVESTMENT ACCOUNT - ORS 327.175</b>			
<b>RESOURCES</b>			
Beginning Balance	\$ -	4,882,252	4,882,252
Revenues			
Allocation from the Fund for Student Success	1,087,178,997	1,087,178,997	-
Total Revenue	\$ 1,087,178,997	1,092,061,249	4,882,252
<b>TOTAL RESOURCES</b>	<b>\$ 1,087,178,997</b>	<b>1,092,061,249</b>	<b>4,882,252</b>
<b>EXPENDITURES</b>			
Grants to education programs	(1,087,178,997)	(1,092,061,249)	(4,882,252)
<b>TOTAL STUDENT INVESTMENT ACCOUNT</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
<b>STATEWIDE EDUCATION INITIATIVES ACCOUNT - ORS 327.250</b>			
<b>RESOURCES</b>			
Beginning Balance	\$ 38,450,278	82,327,152	43,876,874
Revenues			
Allocation from the Fund for Student Success	557,396,445	548,451,330	(8,945,115)
Total Revenue	\$ 595,846,723	630,778,482	34,931,759
<b>TOTAL RESOURCES</b>	<b>\$ 595,846,723</b>	<b>\$ 630,778,482</b>	<b>34,931,759</b>
<b>EXPENDITURES</b>			
Grants to education programs	(595,846,723)	(630,778,482)	(34,931,759)
<b>TOTAL STATEWIDE EDUCATION INITIATIVES ACCOUNT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>EARLY LEARNING ACCOUNT - ORS 327.269</b>			
<b>RESOURCES</b>			
Beginning Balance	\$ 12,819,816	67,860,085	55,040,269
Revenues			
Allocation from the Fund for Student Success	529,782,552	500,430,284	(29,352,268)
Total Revenue	\$ 542,602,368	\$ 568,290,368	25,688,001
<b>TOTAL RESOURCES</b>	<b>\$ 542,602,368</b>	<b>\$ 568,290,368</b>	<b>25,688,000</b>
<b>EXPENDITURES</b>			
Grants to education programs	(542,602,368)	(568,290,368)	(25,688,000)
<b>TOTAL EARLY LEARNING ACCOUNT</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>
<b>ENDING BALANCE</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

1. The 2023-25 legislatively adopted budget is based on the May 2023 forecast of 2023-25 resources.  
2. The 2023-25 legislatively approved budget is based on the March 2024 forecast of 2023-25 resources.