

Oregon Legislative Emergency Board Minutes

October 1, 2009

Members Present

Senator Courtney, Presiding Chair

Senators Bates, Girod, Johnson, Monroe, Nelson, Shields, Verger, Whitsett, Winters

Representatives Berger, Buckley, Edwards, Garrard, Hunt, Jenson, Komp, Kotek, Nathanson, G. Smith

Pursuant to the provisions of ORS 291.328, and acting under the authority of ORS 291.326(1)(a), (b), (c), and (d); ORS 291.332(3); ORS 291.371; and ORS 291.375, we hereby certify that the Emergency Board, meeting on October 1, 2009, took the following actions:

The meeting was called to order by Senator Courtney at 1:10 p.m. in Hearing Room F of the State Capitol in Salem, Oregon.

Confirmation of Appointments to Emergency Board

Representative Hunt moved that the Emergency Board confirm the appointment of Senator Chip Shields to serve on the Emergency Board.

Senator Shields' appointment fills the vacancy created by the resignation of Senator Carter.

The motion carried with no objection voiced. Senator Nelson and Representative G. Smith excused.

Representative Buckley moved that the Emergency Board confirm the appointment of Representative Tina Kotek to serve on the Emergency Board.

Representative Kotek's appointment fills the vacancy created by the resignation of Representative Shields.

The motion carried with no objection voiced. Representative G. Smith excused.

1. Department of Human Services

Representative Buckley moved that the Emergency Board approve transfers of General Fund appropriations and increase Other Funds expenditure limitation, per the attached schedule, to close out the Department of Human Services 2007-09 biennium budget.

The following is a summary of the request:

The Department of Human Services (DHS) close-out plan requests appropriation transfers and \$5 million in additional Other Funds expenditure limitation to reconcile the 2007-09 biennium budget for the Department, as adjusted by the Legislature during the 2009 session, with updated revenue and

expenditure estimates. The close-out plan submitted by DHS balances to its legislatively approved General Fund budget overall, but requires adjustments to transfer General Fund appropriations within the agency. After the transfers, DHS expects to be able to repay the remaining \$17.5 million balance of its temporary \$60 million cash flow loan from the State Treasury, but expects to revert no General Fund at biennium-end.

The most significant General Fund issues in the close-out include:

- Savings in Health Services are expected due to the impact of the Medicaid Management Information System implementation, and lower mental health fee-for-service utilization. However, Oregon State Hospital (OSH) costs are higher due to a new women's maximum security unit and staffing in transition cottages for OSH clients. The net impact on the Health Services budget is an \$11.4 million General Fund savings.
- Higher expenditures in the Seniors and People with Disabilities Division for long-term care community facilities and Developmental Disability programs total \$8.8 million General Fund above the budgeted level. Savings in the Oregon Supplemental Income Program and the Eastern Oregon Training Center are estimated at \$2.6 million General Fund. System claims settlement issues add a \$3.4 million General Fund need for 2007-09, which is expected to be offset by similar savings in the 2009-11 budget when the system issues are resolved.
- Lower Other and Federal Funds revenues for the Administrative Services Division (Department Wide Support Services) are partially offset by General Fund savings in the Office of Oregon Health Policy and Research and the Oregon Health Fund Board, resulting in a net \$1.9 million General Fund need.

The following Committee discussion occurred:

The Committee discussed DHS' end-of-biennium cash flow issues and the temporary Treasury loan which DHS used to manage cash flow for the 2007-09 biennium. Members expressed concern about the 2009-11 budget impact of shifting \$16.6 million in federal Temporary Assistance to Needy Families (TANF) funds from that biennium to cover 2007-09 revenue issues. It was also noted that federal stimulus funding available for the 2007-09 and 2009-11 biennia have helped continue some program services, but these resources are not expected to be available in the 2011-13 biennium.

The motion carried with no objection voiced. Representative G. Smith excused.

2. Public Utility Commission

Representative Buckley moved that the Emergency Board increase the Federal Funds expenditure limitation established for the Public Utility Commission by section 2, chapter 116, Oregon Laws 2009 by \$2,000,000 for expenditures related to grant funds received for the Broadband Data Improvement Act under the American Recovery and Reinvestment Act, with the understanding that the Department of Administrative Services will unschedule the limitation pending notice of receipt of the grant award.

The following is a summary of the request:

The Legislature granted authorization for the Public Utility Commission (PUC) to apply for the Broadband Data Improvement Act (also referred to as Broadband Mapping) funding during the closing days of the 2009 regular legislative session. Since that time, more information about the requirements surrounding the federal program has become available, including direction that the majority of the mapping be completed by February 1, 2010. PUC requested the additional expenditure limitation to meet this deadline and pass funds through to its contractor in a timely manner. Federal Funds expenditure limitation provided in the PUC's legislatively adopted budget was sufficient only to support natural gas pipeline safety inspections, which are inadvisable to delay. October 15, 2009 is the deadline for the notice of intent from the federal administering agency to award the grant.

The following Committee discussion occurred:

Representative Edwards asked if the agency would be using Universal Service Fund dollars for activities associated with the receipt of the grant.

Representative Smith asked how broadband maps would be maintained into the future, after the conclusion of the grant period.

The motion carried with no objection voiced.

The meeting was adjourned at 2:00 p.m.

EMERGENCY BOARD:

Senator Peter Courtney, Presiding Chair

Representative Peter Buckley, Secretary

ATTEST:

Ken Rocco, Legislative Fiscal Officer

DEPARTMENT OF HUMAN SERVICES 2007-09 CLOSE-OUT PLAN
 October 2009

Division/Appropriation Reference	Fund Type	Adjustments to Legislatively Approved Budget
<u>Transfers and Expenditure Limitation Adjustments:</u>		
Children, Adults and Families		
Ch 743 1(2) Oregon Laws 2007	General	-
Ch 743 2(2) Oregon Laws 2007	Other Limited	-
Ch 743 4(2) Oregon Laws 2007	Federal Limited	-
	Total	-
Health Services		
Ch 743 1(3) Oregon Laws 2007	General	(11,387,027)
Ch 16, 51(2) Oregon Laws Special Session 2008	General	(26,250)
Ch 743 2(3) Oregon Laws 2007	Other Limited	-
Ch 743 4(3) Oregon Laws 2007	Federal Limited	-
	Total	(11,413,277)
Seniors and People with Disabilities		
Ch 743 1(4) Oregon Laws 2007	General	9,603,180
Ch 743 2(4) Oregon Laws 2007	Other Limited	5,000,000
Ch 743 4(4) Oregon Laws 2007	Federal Limited	-
	Total	14,603,180
Department Wide Support Services		
Ch 743 1(1) Oregon Laws 2007	General	2,734,562
Ch 697 25(1) Oregon Laws 2007	General	(302,491)
Ch 697 26(1) Oregon Laws 2007	General	(541,692)
Ch 743 2(1) Oregon Laws 2007	Other Limited	-
Ch 697 26(1) Oregon Laws 2007	Other Limited	-
Ch 743 4(1) Oregon Laws 2007	Federal Limited	-
	Total	1,890,379
Capital Improvement		
Ch 743 1(5) Oregon Laws 2007	General	(80,282)
Department Total		
	General	-
	Other Limited	5,000,000
	Federal Limited	-
	Total	5,000,000