

# Miscellaneous

## EMERGENCY BOARD

	2005-07 Legislatively Approved	2007-09 Governor's Recommended
General Fund	\$234,634,550	\$162,000,000
Lottery Funds	0	0
Other Funds	0	0
Federal Funds	0	0
Other Funds (Nonlimited)	0	0
Federal Funds (Nonlimited)	0	0
Total Funds	\$234,634,550	\$162,000,000
Positions	0	0
Full-time Equivalent	0.00	0.00

### Overview

The Emergency Board acts to meet emergency needs when the Legislature is not in session. It can allocate money from the Emergency Fund to state agencies. It can also take other action on agency budget requests. The Governor's recommended budget provides a total of \$162 million for the Emergency Fund. The two components of this are described below.

### General Purpose

The Governor's recommended budget proposes \$30 million for the General Purpose Emergency Fund. The Emergency Board can use this for any purpose during the biennium.

Items that would be appropriate for consideration for General Purpose Emergency Fund include situations in which the state must deal with unforeseen but critical needs, program levels or financing options become unachievable, or when additional investment is critical to an agency or service.

### Special Purpose Appropriations

The Governor's budget puts \$130 million in the Emergency Fund for employee compensation. The money will help cover increasing costs for health and benefit plans and wages for all state employees. A portion will go to specific management compensation issues.

The other Special Purpose Appropriation includes \$2.0 million for the Defense of Criminal Convictions program in the Department of Justice. This money will be available to the agency for caseload or cost growth above resources contained in the Department of Justice budget for this program.

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## TAX EXPENDITURE REPORT

### Summary of the 2007-09 Tax Expenditure Report

Oregon law (ORS 291.202) requires the Governor to produce a tax expenditure report. The Department of Revenue prepares the report, which goes to the Legislature along with the Governor's budget. The following is a summary of the report for the 2007-09 biennium. The full report may be obtained from the Budget and Management Division, Department of Administrative Services.

A tax expenditure is defined in ORS 291.201. It is any law that exempts something from taxes that otherwise could be taxed. Much of income and property value is taxed, but the law exempts some income and property value from taxation. The part that is not taxed is a "tax expenditure."

The report looks at 362 tax expenditures in Oregon law. There are 122 related to property taxes, and 202 relate to income taxes. The remaining 38 are related to other state tax programs. About half of the income tax expenditures result from Oregon's connection to the federal income tax code. This reduces the costs to comply with Oregon tax law, and makes it simpler to run the tax programs.

### Oregon Revenues and Tax Expenditures

*by Tax Program*

(In Millions)

<u>Tax Programs</u>	<u>Number of Tax Expenditures</u>	<u>Estimated Revenues 2007-09</u>	<u>Revenue Impact of Tax Expenditures</u>	
			<u>2005-07</u>	<u>2007-09</u>
Income	202	\$12,963.1	\$8,838.7	\$9,860.2
Property	122	8,612.5	17,006.3	18,732.3
Gas and Use Fuel	5	869.9	13.2	14.2
Weight-Mile	7	510.8	13.5	14.9
Cigarette and Other Tobacco	5	527.8	2.5	2.5
Beer and Wine	2	30.9	2.3	2.7
Other State Taxes	<u>19</u>	<u>221.2</u>	<u>7.9</u>	<u>4.5</u>
<b>All Taxes</b>	<b><u>362</u></b>	<b><u>\$23,736.2</u></b>	<b><u>\$25,884.4</u></b>	<b><u>\$28,631.3</u></b>

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## Tax Expenditures Scheduled for Sunset in 2007-09

ORS 291.214 requires the Governor to identify tax expenditures that fully or partially sunset in the coming biennium. A sunset means the tax item is no longer allowed. The Governor recommends whether the sunset should take effect. A sunset must be changed by the Legislature to keep it from taking place. The sunset recommendations are shown below.

### Sunsets

#### *Income Tax*

1.112	Land Donated to Schools	ORS 316.852/317.488	Sunsets 12/31/07
	Governor's Recommendation: <b>Extend sunset.</b>		
1.125	Gains from Manufactured Dwelling Park Sale	ORS 316.153	Sunsets 12/31/07
	Governor's Recommendation: <b>Extend sunset.</b>		
1.153	Long-term Nonurban Enterprise Zone	ORS 317.124	Sunsets 06/30/09
	Governor's Recommendation: <b>Extend sunset.</b>		
1.163	Child Care Division Contributions	ORS 315.213	Sunsets 12/31/08
	Governor's Recommendation: <b>Extend sunset.</b>		
1.166	Involuntary Manufactured Dwelling Moves	ORS 316.153	Sunsets 12/31/07
	Governor's Recommendation: <b>Extend sunset.</b>		
1.172	Alternatives to Field Burning	ORS 468.150	Sunsets 12/31/07
	Governor's Recommendation: <b>Extend sunset.</b>		
1.173	Farm Machinery and Equipment	ORS 315.119/315.123	Sunsets 12/31/07
	Governor's Recommendation: <b>Extend sunset.</b>		
1.176	Pollution Control	ORS 315.304	Sunsets 12/31/07
	Governor's Recommendation: <b>Allow sunset.</b>		
1.178	Diesel Truck Engines	Note: ORS 315.356	Sunsets 12/31/07
	Governor's Recommendation: <b>Extend sunset.</b>		

#### *Property Tax*

2.009	Construction-in-Process in an Enterprise Zone	ORS 285C.170	Sunsets 06/30/09
	Governor's Recommendation: <b>Extend sunset.</b>		

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2.010	Enterprise Zone Businesses	ORS 285C.175	Sunsets 06/30/09
	Governor's Recommendation: <b>Extend sunset.</b>		
2.011	Long-Term Rural Enterprise Zone	ORS 285C.406	Sunsets 06/30/09
	Governor's Recommendation: <b>Extend sunset.</b>		
2.094	Rehabilitated Housing	ORS 308.459	Sunsets 06/30/08
	Governor's Recommendation: <b>Extend sunset.</b>		
2.101	Pollution Control Facilities	ORS 307.405	Sunsets 12/31/07
	Governor's Recommendation: <b>Allow sunset.</b>		
2.102	Ethanol Production Facility	ORS 307.701	Sunsets 06/30/08
	Governor's Recommendation: <b>Extend sunset.</b>		

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## AID TO LOCAL GOVERNMENT

### Introduction

Since the 1990s, changes in the economy and public finance system have altered the relationship between state and local governments, especially in regard to funding for K-12 education. Historically, property taxes were the largest source of tax revenue in the state. However, the passage of Measure 5 in 1990 caused property tax collections to decline. By fiscal year 1993, the income tax (personal and corporate combined) became Oregon's largest source of tax revenue. Measure 50, which passed in 1997, will continue to limit property tax collections in the future.

The shift away from the property tax has created uncertainty about the level of funding for local governments and districts, including fire and school districts. Under the levy-based system, rates could be adjusted to accommodate changes in the tax base. Under Measure 50, tax rates are fixed, so changes to the tax base have a direct impact on collections and, subsequently, programs. Additionally, state decisions to exempt property from taxation may affect local government revenue.

Revenue stability and the ability of tax revenue to keep pace with economic expansion are key issues for state and local governments. Local governments remain dependent on the property tax. The property tax is an inelastic tax, which tends to be a very stable revenue source. However, revenues may not grow fast enough however, to keep up with inflation and high population growth. The state is highly dependent on the income tax. It is a more elastic source of revenue, that grows or drops as fast or faster than the economy.

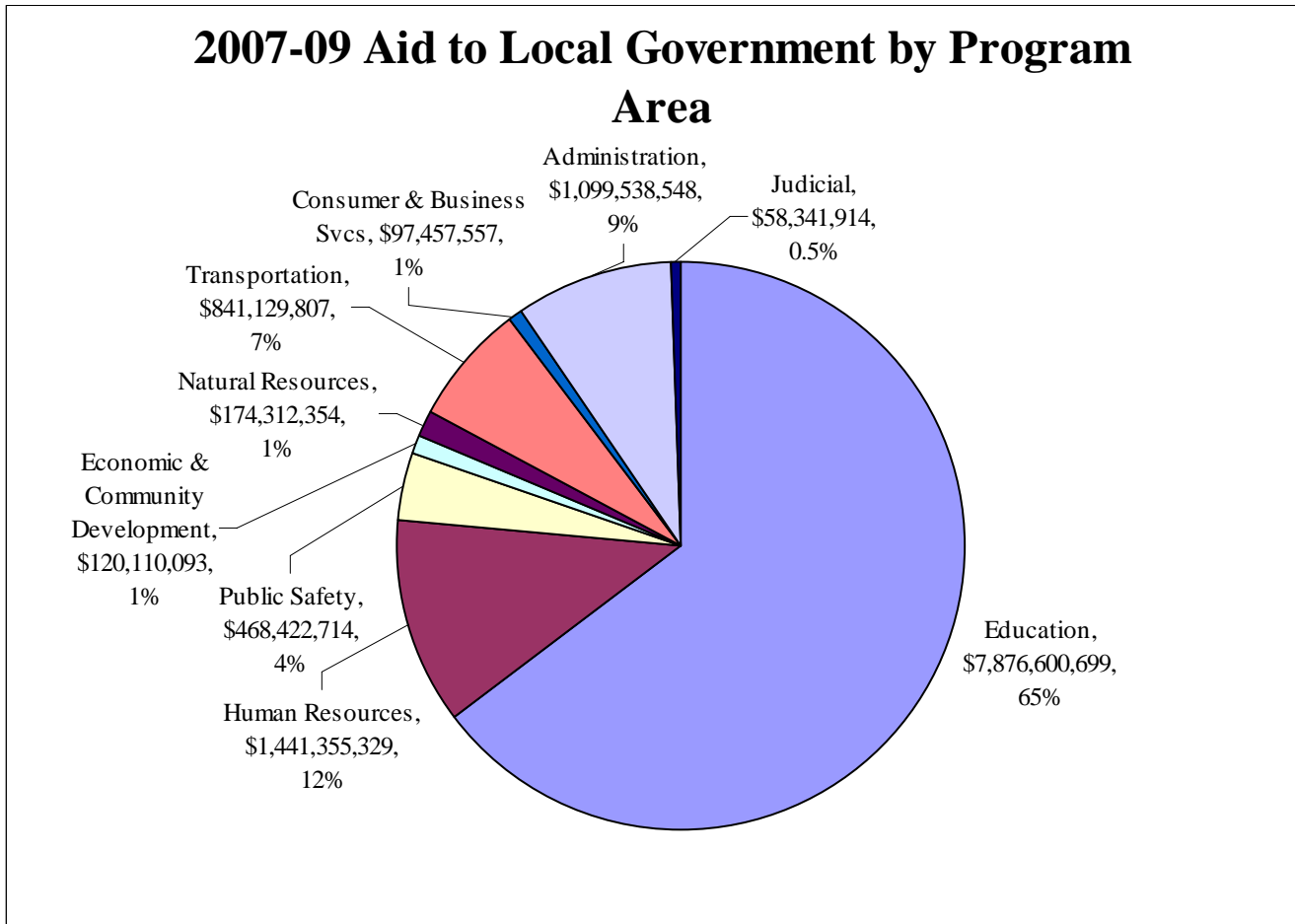
Before passage of Measure 5, education was mainly funded by the property tax through school districts. Since then, education has been mostly funded by the income tax driven state General Fund. In the mid to late 1990s, the General Fund grew with the economy. During the recession, the General Fund forecast dropped significantly. During the 2003-05 biennium, the General Fund forecast slowly began to grow again. Tax income still lags significantly behind the needs of Oregon's state government programs, however.

While education is the largest portion of the budget, this shortfall affected all General Fund agencies. The jail and prison system, for example, is a key area of cooperation between state and local governments. Budget cuts may reduce capacity for inmates at both the state and local level at the same time Measure 11 requires longer sentences.

Even with these changes, many state and local partnerships have been strengthened and new ones created. Revenue sharing is critical. State services that benefit local governments and state funding of locally administered programs are also vital connections. These coordinated efforts address shared goals and result in the best inter-governmental partnerships. Some of these efforts include:

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- Juvenile Crime Prevention.
- Community Corrections.
- Oregon Health Plan.
- Mental Health and Substance Abuse Services.
- Services to People with Developmental Disabilities.
- Salmon Initiatives.
- Community and Rural Development Initiative.
- Gas Tax Revenue Sharing.



The property tax initiatives of the 1990s reinforced the link between the financial health of local governments and the state's economy: local governments provide some basic services – such as police and fire protection, transportation, sewer, water, housing, and educated workers – that businesses need to develop and thrive.

State and local government are interdependent and it is important that partnerships be created, supported, and expanded. These partnerships benefit Oregon's citizens by providing services efficiently.

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## Budget Overview

There are three primary types of aid to local government:

- Funds paid by state agencies to local governments for locally administered programs (primarily county human services, public education, etc.).
- Revenues collected by state agencies and shared with local governments (shared revenues) for the purpose of funding local government services.
- Services delivered by state agencies that benefit local governments.

Aid to non-governmental units, individuals, and tax relief is not included.

The 2007-09 Governor's Recommended Budget contains \$12.2 billion total funds in aid to local government (see chart on previous page for specific program area distributions). Total funds increase by 13.4 percent from 2005-07.

The following program narrative provides a sampling of aid to local government. It is not meant to be a complete documentation. Aid is both direct and indirect. Sometimes it is not directly reflected in state budgets. Individual agencies can be contacted for more information.

## Administration Program Area

The Administration Program Area represents 9.0 percent of total aid. Agency budgets apportion \$1.1 billion total funds to local government. Some examples of aid to local government are:

Department of Administrative Services. The Department acts as the administrator for a number of funds distributed to cities and counties in Oregon. In the 2007-09 biennium, transfers total more than \$350 million, excluding Lottery Funds. The support includes cigarette, tobacco, and amusement tax revenues received from the Department of Revenue, as well as liquor and beer and wine taxes from the Oregon Liquor Control Commission. Federal Funds are received from U.S. Land Sales, forest reserve rentals and leases, Taylor Grazing Act funds, and mineral leases. Distributions to counties from video Lottery proceeds pass through the Economic Development Fund.

Employment Relations Board. The Local Government Labor Relations program provides mediation and adjudication of labor relation disputes for local governments and private employers that are not under the jurisdiction of the National Labor Relations Board. The majority of the funding for this program comes from the state General Fund.

Oregon Liquor Control Commission. A portion of liquor sales revenue, privilege tax revenue, and license fee revenue is transferred to local governments. Twenty percent of net liquor revenues and 10 percent of net privilege tax revenues are transferred to cities. Ten percent of net liquor revenues and 5.0 percent of net privilege tax revenues are transferred to counties. Fourteen percent of net liquor taxes and seven percent of net privilege tax revenues are transferred to city revenue sharing. For 2007-09, it is estimated that \$133.6 million will be transferred to local governments. This is an increase from the \$120.6 million estimated to be transferred during 2005-07.

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Department of Revenue. The agency sends funds to counties from a variety of sources. A total of \$569.9 million will be distributed to counties during 2007-09. Local transit tax moneys make up \$477.5 million of this total. Funds for property tax assessors are about \$45 million (from the County Assessment Function Funding Account). General Fund special payments totaling \$5.16 million are also distributed to the Counties. For 2007-09, \$30.4 million (Other Funds receipts from the payment of deferred taxes) will be transferred to counties for taxes deferred through the Senior Citizen Property Tax Deferral program. The Department also collects and transfers revenues for programs such as the Electric Co-op and Private Rail Car programs.

Oregon State Library. The State Library provides aid to local governments in the form of Ready to Read grants totaling \$1,496,416 General Fund and Library Services and Technology Act (LSTA) competitive grants totaling \$1,051,698 Federal Funds. These grants are distributed to city, county, and other libraries across the state.

### **Economic and Community Development Program Area**

The Economic and Community Development Program Area includes one percent of total aid and \$120 million total funds. Agencies in this area help provide economic and cultural enhancement. Some examples of aid to local government are:

Economic and Community Development Department. The Department supports local infrastructure projects through technical assistance, grants, loans, and bond financing. It also distributes Lottery Funds to counties in support of the local Regional/Rural Investment Program. Distributions through this program were significantly reduced in the 2003-05 biennium and remained flat in 2005-07. The Governor's recommended budget increases funding in this program by \$4.4 million.

Employment Department. The agency contracts with organizations in local service delivery areas to provide child care resource and referral services to parents and businesses and to maintain a database of child care providers. Most of these contracts are with non-government entities, but the recommended budget includes \$2.3 million in Other Funds and Federal Funds for Special Payments to Local School Districts and Community Colleges.

Housing and Community Services Department. The recommended budget provides approximately \$59 million as Special Payments to local government. The agency works with community development corporations, community action agencies, housing authorities, and local governments and school districts to expand affordable housing, revitalize rural and distressed communities, and low-income utility assistance.

Department of Veterans' Affairs. The Department of Veterans Affairs budget includes \$3,371,242 General Fund special payments to 34 county veterans service organizations in a service delivery partnership with counties.

### **Education Program Area**

The Education Program Area represents 65 percent or \$7.9 billion of all state aid to local government, more than any other program area. State aid to schools has grown significantly since Ballot Measure 5 amended the Oregon Constitution to reduce property taxes and required the state to replace property tax

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revenues lost by schools. The phase-in of Measure 5, as well as the replacement requirement, ended after the 1995-96 fiscal year. However, Measure 50 will continue to restrict the growth in property taxes, and the state has continued to provide increases in school funding. Some examples of aid to local government are:

Department of Higher Education. OUS does not directly transfer funds to local governments. However, Oregon’s universities provide a significant amount of assistance to local governments through their research and public service programs. For example, the Extension Service works with all 36 counties to provide educational programs based on locally identified needs. A majority of Extension faculty are assigned to county locations. Extension Specialists are Oregon State University (OSU) faculty members who develop educational programs and serve as technical resources for county-delivered programs. Extension Agents are OSU faculty assigned to county field locations. Generally, counties provide office space and operating expenses, including support staff. Programs are delivered with the assistance of thousands of volunteers.

Department of Community Colleges and Workforce Development (CCWD). The majority of the budget for CCWD is aid to local governments. This aid consists of Community College Support Fund payments to local districts; distribution of the federal Workforce Investment Act funds to regional, county, or community service delivery agents; and distribution of state funding for local OYCC programs. Article XI-G bond revenues support community college capital construction projects. The agency request budget includes the transfer of the following amounts to local governments:

	<b>General Fund</b>	<b>Other Funds</b>	<b>Federal Funds</b>	<b>Federal Funds Nonlimited</b>
<b>Counties</b>	\$1,285,714	\$586,604	\$5,837,130	
<b>Other Gov Units</b>	\$364,240	\$902,860	\$66,228	\$5,968,831
<b>Local School Districts</b>			\$32,038	
<b>Community Colleges</b>	\$487,685,073	\$174,318,000	\$21,672,914	

Department of Education (ODE). Almost 95 percent of the budget for ODE is aid to local governments. This aid consists of the State School Fund payments to local education districts, as well as numerous Grant-in-Aid programs.

	<b>General Fund</b>	<b>Lottery</b>	<b>Other Funds</b>	<b>Federal Funds</b>
<b>Other Gov Units</b>			\$453,605	
<b>Local School Districts</b>	\$5,667,198,181	\$534,142,231	\$88,137,745	\$885,807,011
<b>Community Colleges</b>				\$1,471,233

Oregon Health and Science University. OHSU operates a number of programs and services that provide health care resources to Oregon’s communities, including Area Health Education Centers, Community Development and Rehabilitation Centers, and others.

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Oregon Student Assistance Commission. The budget includes \$671,081 General Fund to pay local school districts for 50 percent of the cost of ASPIRE program coordinators. ASPIRE provides training and technical assistance to Oregon high schools to implement and sustain a corps of volunteer advisors who help students understand their post-secondary options.

### **Human Services Program Area**

The Human Services Program Area promotes health and safety. Agencies foster self-sufficiency and independence. State and local partnerships are vital in providing social supports. The program area represents 11.8 percent of total aid. The agencies provide \$1.44 billion total funds to local governments. Some examples of aid to local government are:

Commission on Children and Families. The Commission transfers over 81 percent of budgeted resources to the 36 counties for the delivery of locally based services. County commissioners oversee the commissions. The recommended budget proposes allocating a total of \$56.9 million (\$35.1 million General Fund) to counties. These funds are used for a variety of programs and support including Healthy Start, Relief Nurseries, Court-Appointed Special Advocates (CASA), and Childcare.

Department of Human Services. The Department contracts with local government to provide a variety of mental health, developmental disability, public health, and substance abuse services, as well as case management for seniors and people with disabilities. In addition, other local governmental units like the Area Agencies on Aging (long-term care system), school districts, local Commissions on Children and Families, community action agencies, and cities also play key roles in providing or coordinating services. In total, DHS distributes almost \$3.57 billion to counties and other local governmental agencies, with \$813 million from the Health Services cluster, \$52 million from the Children and Families cluster, and \$2.7 billion from the Seniors and People with Disabilities cluster being the primary distributors.

*Health Services.* The Health Services cluster contracts with local governments to deliver a significant amount of state services. These contracts include mental health payments for county-based Mental Health Organizations, alcohol and drug abuse treatment services, communicable disease testing, parental/prenatal services, and various other public health initiatives.

*Children, Adults and Families(CAF)/Community Human Services.* CAF contracts with many county health departments to provide public health nurses and Alcohol and Drug facilitators for Family Support Teams. This cluster also has residential services contracts with several counties. Contracts with Community Colleges and many local providers provide JOBS services for clients.

*Seniors and People with Disabilities.* The Seniors and People with Disabilities Services cluster contracts with local governments to deliver a significant amount of state services. The Developmental Disability program is managed through contracts with local brokerages and county offices. The senior and disabled services system is primarily managed through contracts with local Area Agencies on Aging.

### **Natural Resources Program Area**

The Natural Resource Program Area represents 1.4 percent of total aid. Agencies apportion \$174 million total funds to local governments.

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Agencies in this program area manage, protect, and preserve Oregon's natural resources. This is done with the best interests of present and future generations in mind and is accomplished in conjunction with protecting a sound, diversified, and sustainable economy. The Oregon Plan for Salmon and Watersheds is a cooperative endeavor among the state, local communities, and the private sector. The agreement works toward improving and restoring salmon and steelhead runs, habitat and watershed health. Some examples of aid to local government are:

Department of Agriculture. The budget includes distributions to various cities, counties, and other local government entities for weed control activities and to soil and water conservation districts to fund various conservation projects. As per the agency's 2007-09 Essential Budget Level, the agency anticipates approximately \$2.0 million in General Fund and \$1.7 million in Lottery Funds for soil and water conservation districts, and approximately \$1.6 million in Lottery Funds for weed control grants.

Department of Energy. The Department provides aid to numerous local government entities through a variety of its programs. Assistance to cities has been primarily to the City of Portland for assistance in promoting the State Home Oil Weatherization Program and various tax credit programs. Assistance to counties has been to provide coordination of emergency response activities for the Hanford and Columbia Generating Station, for the State Home Oil Weatherization program, and for assistance in evaluating energy facility siting applications. The Department also provides assistance under their Energy Awareness program to the Confederated Tribes of Coos, Lower Umpqua, and Suislaw Indians for their work. Finally, funds are distributed to local schools for energy efficiency.

Department of Environmental Quality. The agency provides a subsidy to the Lane Regional Air Pollution Authority. It also provides grants to improve solid waste planning and recycling, and loans for sewage treatment infrastructure.

Forestry Department. The Department manages some state forests for benefits to counties. These lands were transferred to the state in the earlier part of the 20<sup>th</sup> Century. Revenues from these lands help support county operations and local school districts. Also, counties and schools receive a share of revenues from the harvesting of timber on forestland managed by the Department on behalf of the State Land Board.

Department of Land Conservation and Development. Through its Grants program unit, the agency distributes funds to cities and counties. Grants are awarded to maintain, improve, and carry out comprehensive plans and land use regulations, and to assist local governments in meeting the statutory obligation for periodic review of those plans. For the 2007-09 biennium, distributions under this program are expected to total \$3.1 million total funds.

Division of State Lands. The Department sends revenue through a transfer to the Department of Education; this revenue becomes part of the funding for primary and secondary public schools (Kindergarten through 12<sup>th</sup> grade).

Marine Board. The Marine Board provides aid to local government in three ways. First, the Board assists local communities in submitting facility construction grant proposals for docks and boat ramps. Second, the Board has staff engineers that work with the community to provide technical expertise. Finally, the Board provides direct assistance, which in 2007-09 includes:

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- Marine law enforcement contracts with 32 local county sheriffs' offices. The Governor's recommended budget of \$9.2 million total funds is a 9.0 percent increase over the 2005-07 Legislatively Approved Budget.
- Facility grants for marine facility improvements and construction. The Governor's recommended budget of \$11.2 million total funds is a 19.5 percent increase from the 2005-07 Legislatively Approved Budget.

Parks and Recreation Department. Funds are distributed primarily to counties for grants to enhance local parks and recreation systems and opportunities. Some funds are specifically related to the creation of All-Terrain Vehicle recreational opportunities. Other funding goes to municipalities for historic resource programs, historic trails, and pioneer cemeteries.

- Grants for historic resource programs, historic trails, and pioneer cemeteries are funded at about \$1 million.
- Grants for veteran and war memorials and the Oregon youth recreation initiative are funded at about \$1.9 million.
- County grants for recreational vehicles and all-terrain vehicle grants are funded at \$1.1 million.

Grants to enhance local parks and recreation systems and opportunities are funded at \$22 million.

### **Public Safety Program Area**

The Public Safety Program Area represents 3.9 percent of total aid to local government. It provides \$468 million total funds. Juvenile crime prevention is a key area of cooperation among counties, the Criminal Justice Commission, and the Oregon Youth Authority.

Agencies in the public safety area are responsible for ensuring the safety of Oregon's people, property, and natural resources. This is done through trained militia and law enforcement. It also includes prosecution and incarceration of juvenile and adult offenders. Some examples of aid to local government are:

Criminal Justice Commission. The recommended budget includes \$5.2 million General Fund and \$3.6 million Other Funds for distribution to counties to fund drug court grants that were begun midway through the 2005-07 biennium as part of the Governor's and Legislature's package of bills responding to statewide methamphetamine abuse issues.

Department of Corrections. The recommended budget includes \$232.6 million total funds for grants to counties for supervision of state felony offenders on parole, probation, and post-prison supervision, and for management of felony offenders sentenced to incarceration for 12 or fewer months. This amount includes \$25 million to bring funding to the counties in line with their actual costs, according to a year-long cost study undertaken during the 2005-07 biennium.

District Attorneys and Their Deputies. The Governor's budget includes \$810,290 General Fund for prosecutorial assistance (formerly called deputy supplements).

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Department of Justice. The Department will transfer about \$10.3 million total funds to cities and counties for crime victim assistance. These funds are from the Criminal Fines and Assessment Account, which are levied against defendants who were found guilty of committing certain crimes by the courts. An additional \$2.2 million Federal Funds are expended, primarily to counties, for victim assistance compensation and drug enforcement coordination activities. The Department also distributes \$13.9 million Federal Funds to counties to fund the District Attorney (DA) cost of the child support program. For the 2007-09 biennium, the Department will also transfer \$2.8 million General Fund to the District Attorney's to offset a funding reduction from passage of the federal Deficit Reduction Act of 2005. In addition, \$2.0 million Other Funds are transferred to District Attorney's for work related to the juvenile dependency hearings.

Military. The Military Department provides a variety of services to local government during state emergencies. National Guard members assist in the design and construction of public improvement projects as part of their training activities. The budget transfers the Emergency Management and Criminal Justice Services Division homeland security grants unit from Oregon State Police to the Department. The 9-1-1, federal emergency planning and management grants and homeland security grants will be distributed from the Department. As a result, the department total is \$31.4 million for cities and \$62.8 million for counties.

Department of State Police. Payments include Medical Examiner payments for autopsy services, and federal funds passed through for criminal investigation activities in high intensity drug trafficking areas. The State Police total is \$3.9 million to Cities and \$4.5 million to Counties. The Emergency Management and Criminal Justice Services Division homeland security grants unit are transferred to the Oregon Military Department (OMD). The 9-1-1, federal emergency planning and management grants and homeland security grants are disbursed from OMD.

Oregon Youth Authority (OYA). OYA provides funds to juvenile departments to purchase services designed to prevent youth from re-offending and to provide focused gang-related programs. The amount is \$24.3 million General Fund.

Board of Parole and Post-Prison Supervision. The Board has the responsibility for parole violation hearings throughout the state. In some cases, counties conduct their own hearings with partial support funding provided under intergovernmental agreements with the Board. The budget includes funds to reimburse counties for parole violation hearings.

Department of Public Safety Standards and Training (DPSST). DPSST certifies and trains city and county police officers and state and local corrections, parole and probation, telecommunications, and emergency medical dispatchers. It also certifies and provides training for volunteer and professional firefighters. The recommended budget covers continued provision of these services, but does not include revenue transfers or special payments to local governments.

### **Transportation Program Area**

The Transportation Program Area distributions make up 1.0 percent of total aid, or \$841 million total funds. Some examples of aid to local government are:

Department of Transportation. Cities: \$247 million Other Funds for highway construction. Cities receive a portion of revenues from fuels tax, weight mile tax and licensing.

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Counties: \$361 million Other Funds for highway construction. Counties receive a portion of revenues from fuels tax, weight mile tax and licensing.

Department of Aviation. The agency provides \$212,000 in grants to local governments. These grants are awarded to cities, counties, and ports for airport improvement projects.

### **Judicial Branch**

Judicial agencies are in a separate branch of government. As such, they are not subject to executive budgetary control. The Oregon Judicial Department sends out almost \$47.2 million total funds to cities and counties, which is their share of collected traffic fines.

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RECIPIENT	FUND TYPE	2003-05 ACTUALS	2005-07 LEGISLATIVELY ADOPTED	2007-09 GOVERNOR'S RECOMMENDED
<b>Cities</b>				
	General Fund	\$2,195,019	\$1,662,373	\$2,215,661
	Lottery Funds	\$4,491,584	\$3,506,563	\$3,990,777
	Other Funds	\$83,607,858	\$68,719,555	\$70,428,938
	Federal Funds	\$47,578,760	\$44,532,145	\$53,275,326
	<b>Total</b>	<b>\$137,873,221</b>	<b>\$118,420,626</b>	<b>\$129,910,702</b>
<b>Counties</b>				
	General Fund	\$554,360,462	\$660,230,428	\$857,834,317
	Lottery Funds	\$10,384,765	\$11,424,904	\$15,214,391
	Other Funds	\$414,419,475	\$192,970,033	\$194,059,424
	Federal Funds	\$543,093,503	\$681,044,213	\$782,198,380
	<b>Total</b>	<b>\$1,522,258,205</b>	<b>\$1,545,669,578</b>	<b>\$1,849,306,512</b>
<b>Other Governmental Units</b>				
	General Fund	\$47,605,402	\$22,875,839	\$33,049,098
	Lottery Funds	\$14,732,147	\$12,698,167	\$16,680,672
	Other Funds	\$180,833,436	\$226,568,982	\$285,362,310
	Federal Funds	\$132,636,132	\$204,033,136	\$133,188,491
	<b>Total</b>	<b>\$375,807,117</b>	<b>\$466,176,124</b>	<b>\$468,280,571</b>
<b>Local School Districts</b>				
	General Fund	\$4,585,670,619	\$4,951,185,687	\$5,669,628,242
	Lottery Funds	\$452,100,536	\$447,302,659	\$534,142,231
	Other Funds	\$34,895,105	\$103,520,588	\$88,937,726
	Federal Funds	\$788,393,477	\$854,583,555	\$888,452,764
	<b>Total</b>	<b>\$5,861,059,737</b>	<b>\$6,359,592,489</b>	<b>\$7,181,160,963</b>
<b>Community College Districts</b>				
	General Fund	\$416,732,973	\$428,958,855	\$487,685,073
	Lottery Funds	\$2,224,044	\$2,200,000	\$0
	Other Funds	\$7,920,983	\$86,509,368	\$174,860,801
	Federal Funds	\$30,005,561	\$7,020,953	\$23,206,746
	<b>Total</b>	<b>\$456,883,561</b>	<b>\$524,689,176</b>	<b>\$685,752,620</b>

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### Transfer to Cities

General Fund	\$0	\$0	\$0
Lottery Funds	\$0	\$0	\$0
Other Funds	\$335,665,766	\$340,090,818	\$377,867,353
Federal Funds	\$0	\$0	\$0
<hr/>			
Total	\$335,665,766	\$340,090,818	\$377,867,353

### Transfer to Counties

General Fund	\$0	\$0	\$0
Lottery Funds	\$25,359,887	\$32,510,243	\$43,848,688
Other Funds	\$984,668,099	\$1,037,398,044	\$1,114,337,773
Federal Funds	\$284,644,310	\$282,468,358	\$291,224,877
<hr/>			
Total	\$1,294,672,296	\$1,352,376,645	\$1,449,411,338

### Transfer to Other

General Fund	\$0	\$0	\$0
Lottery Funds	\$0	\$100,158	\$0
Other Funds	\$32,097,888	\$29,869,457	\$31,678,116
Federal Funds	\$1,981,664	\$3,900,840	\$3,900,840
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Total	\$34,079,552	\$33,870,455	\$35,578,956

### TOTALS

General Fund	\$5,606,564,475	\$6,064,913,182	\$7,050,412,391
Lottery Funds	\$509,292,963	\$509,742,694	\$613,876,759
Other Funds	\$2,074,108,610	\$2,088,646,845	\$2,337,532,441
Federal Funds	\$1,828,333,407	\$2,077,583,200	\$2,175,447,424
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Total	\$10,018,299,455	\$10,740,885,921	\$12,177,269,015