

2007 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 3267 **STATUS:** Original
SUBJECT: Creates Task Force on Coordination of Behavioral Science Research
GOVERNMENT UNIT AFFECTED: Department of Human Services
PREPARED BY: John F. Borden
REVIEWED BY: John C. Britton
DATE: April 27, 2007

	<u>2007-2009</u>	<u>2009-2011</u>
EXPENDITURES:		
See Comments		--

EFFECTIVE DATE: On passage

GOVERNOR’S BUDGET: This bill is not anticipated by the Governor’s recommended budget.

LOCAL GOVERNMENT MANDATE: This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

COMMENTS: This measure creates a 15-member Taskforce on Coordination of Behavioral Science Research. The Department of Human Services (DHS) is to provide staff support for the Taskforce. The Taskforce shall study the methods to increase the coordination of behavior science research with the goal of improving the well-being of Oregonians. The Taskforce may create a database of behavior science information. The Taskforce is to report to the Governor and interim committees related to education no later than October 1, 2008. The Legislative Fiscal Office assumes that these are legislative committees. Taskforce members are not entitled to compensation, but may be reimbursed actual and necessary travel and other expenses in the performance of their Taskforce duties. Reimbursements are to be paid out of funds appropriated to the DHS for that purpose. The section of the measure creating the Taskforce repeals on the convening of the next regular biennial legislative session.

DHS estimates the fiscal impact of this measure to total \$66,254 General Fund in one-time costs for the 2007-09 biennium. This would include establishing one limited duration Administrative Support Specialist 1 position (0.50 FTE) at a cost of \$44,159. DHS impact includes supporting services and supplies costs of \$22,095 to support the position. Services and supplies costs include: travel, office expenses, training, telecommunication charges, systems furniture, computer, printer, server, and a DHS rental charge. The DHS fiscal impact made no estimate of the cost to reimburse Taskforce member travel and other expenses. The Department has assumed that these costs can be absorbed within its budget, but has not provided an estimate of such costs. The potential cost of a database was also not addressed in the DHS fiscal impact.

The Legislative Fiscal Office (LFO) has two concerns with how DHS approaches fiscal impact statements such as this one:

1. The purpose of a fiscal impact statement is to disclose to legislative members an estimate of the total costs of a measure, regardless of whether those costs can be absorbed by an agency. This allows members to consider a measure’s fiscal implications when assessing their support of a particular measure or when considering the agency’s budget measure. DHS fiscal impacts that

assume certain costs are absorbed are not reflective of the total estimated cost of a measure because those costs that are absorbed may be undisclosed.

2. Agency decisions to absorb costs can be contrary to the legislative process since it represents a decision to move funds from an existing statutory requirement or priority to a different priority based solely at the discretion of agency staff. While *some* budgetary flexibility for an agency is appropriate and necessary, LFO believes that fundamental budget prioritization decisions are a legislative, rather than an agency prerogative. Furthermore, the DHS decision to absorb costs could put upward cost pressure not only on the DHS budget, but the State's General Fund. Such decisions could lead to DHS requests from a future legislature or Emergency Board for more General Fund through the rebalance process.

LFO believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of this measure's budgetary impact on the State's General Fund and DHS.