

2009 Regular Legislative Session
FISCAL ANALYSIS OF PROPOSED LEGISLATION
Prepared by the Oregon Legislative Fiscal Office

MEASURE NUMBER: HB 2803 **STATUS:** A Engrossed
SUBJECT: Employer tax credit for hiring persons released from a correctional institution
GOVERNMENT UNIT AFFECTED: Department of Revenue, Department of Corrections and Counties
PREPARED BY: Dawn Farr
REVIEWED BY: Laurie Byerly and Doug Wilson
DATE: April 15, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Department of Corrections		
Personal Services – General Fund (GF)	\$ 904,248	\$ 1,003,960
Services and Supplies – GF	\$ 69,136	\$ 79,008
Additional one-time start-up costs – GF	\$ 38,328	\$ 0
Total Expenditures – GF	\$ 1,011,712	\$ 1,082,968

REVENUES:
See Revenue Impact Statement for revenue impacts.

POSITIONS / FTE:

Department of Corrections		
Business and Employment Specialist 2	7.0	8.0

EFFECTIVE DATE: 91 day after sine die.

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.

ANALYSIS: The bill provides employers with tax credits for hiring persons released from a correctional institution; employers must obtain approval in writing from Department of Corrections (DOC) or county community corrections agency prior to the date the released person commences work; and, requires the DOC to assist with job placement for inmates and to notify employers of the available tax incentives.

The DOC indicates that inmates currently receive assistance in job interviewing and resume development; however, job placement work with potential employers is not currently being done. DOC releases about 400 inmates a month, and only 5% leave prison with a job. To effectively pursue job placement work with potential employers and to notify them about available tax incentives, DOC estimates that they will need 8 additional Business and Employment Specialists 2 positions (8.0 FTE) with each carrying a caseload of approximately 50 inmates per month. Associated General Fund expenditures for the 2009-11 biennium are \$1,011,712 which includes one-time expenditures for computers and office equipment. Personal Services and Service and Supplies costs are slightly lower in the 2009-11 biennium because of the 91 day after sine die effective date. As this is a new program for DOC, experience may suggest that caseloads for Business and Employment Specialists may need to be adjusted and/or staff added based on economic conditions and release schedules. Given this, DOC may

need to return to the Emergency Board to request additional resource if initial estimates prove to be inadequate.

The Department of Revenue (DOR) anticipates needing to modify forms and publications. Assuming that no addition compliance work is performed, DOR assumes that the fiscal impact will be minimal and can be absorb with existing resources.

The Association of Oregon Counties also anticipates that counties will have a minimal fiscal impact associated with implementation of the bill.