

also predicated on DLCD completing the review and resolution of claims by December 31, 2010. Under current law, the time for completion of Measure 37/49 claims is not fixed in statute.

For 2009-11, the Governor’s recommended budget (GRB) includes 5 permanent positions to staff the Measure 49 program; these are budgeted within the Essential Budget Level. The budget also includes Policy Option Package (POP) 107, which adds 26 limited duration positions and one permanent position, at a cost of \$5,964,826 General Fund. This package was developed in spring 2008 using assumptions and claim processing timelines similar to those noted above.

With actual claim processing experience under its belt, the agency has refined the level and types of resources needed to complete this work. DLCD recently developed an updated estimate for what it would cost to complete claims processing by December 31, 2010. The agency’s revised projection indicates it would cost \$5,215,315 General Fund, which is \$749,511 less than the amount contemplated in the Governor’s budget. Only 20 positions would be needed under this scenario.

Impacts of the Bill on DLCD

Under the bill, DLCD would need to process approximately 395 new claims and make final determinations on claims by June 30, 2010. The additional work and new timeframe, which compresses work initially planned for an 18 month period into 12 months, requires the agency to bring on more resources (positions) in the 2009-11 biennium but use them over a shorter period of time. With these changes, DLCD estimates the cost to complete claim processing would be \$5,348,754 General Fund, which is slightly more than the updated estimate noted above. The agency would need 8 additional positions, for a total of 28. This fiscal impact does not address potential costs that could be incurred if the statutory deadline was not met and claimants were to take legal action.

The bill should not change the general process DLCD has been following to resolve existing claims; however, to meet bill requirements DLCD would modify the mix of positions and distribute workload differently. Less than half of the new claims would need a separate process and rule making to establish the procedures for them. The “hardship” claim provision in the bill would be handled by the Measure 49 Ombudsman. The requirement to investigate county only claims and report findings to the legislature by December 31, 2009 would be taken care of by an existing position.

The table below summarizes expenditures under three scenarios: POP 107 (December 31, 2010), Revised POP 107 (December 31, 2010), and SB 945 (new claims plus June 30, 2010 completion).

Summary of Information for Completion of Measure 37/49 Claims

	GRB POP 107	Revised POP 107	HB 3225
Expenditures			
Personal Services – General Fund (GF)	\$ 2,308,535	1,807,111	1,923,895
Services and Supplies – GF	\$ 1,151,841	642,203	655,698
Attorney General Expenses – GF	\$ 2,504,450	2,766,001	2,769,161
Total GF Expenditures	\$ 5,964,826	5,215,315	5,348,754
Positions/FTE	27/19.25	20/15.00	28/15.38

The bill also authorizes DLCD to charge a fee of \$175 per new claim. Assuming 430 claims are received, the Department anticipates receiving \$75,250 in Other Fund revenues which can be used to offset the costs to implement this bill.

The Department of Justice (DOJ) may see some increased activity due to this bill. This change is not expected to require positions beyond what is already anticipated in the DOJ budget.

The Association of Oregon Counties anticipates a minimal fiscal impact associated with the bill.