

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

MEASURE NUMBER: SB 895 **STATUS:** A Engrossed
SUBJECT: Creates the Construction Diversity Oversight Board with staff support provided by the Bureau of Labor and Industries, and creates the Construction Diversity Oversight Fund.
GOVERNMENT UNIT AFFECTED: Bureau of Labor and Industries, Department of Higher Education, and state agencies involved with construction
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REVIEWED BY: Steve Bender and Paul Siebert
DATE: May 4, 2009

	<u>2009-2011</u>	<u>2011-2013</u>
EXPENDITURES:		
Bureau of Labor and Industries		
Personal Services	\$ 290,694	\$ 290,694
Services and Supplies	\$ 58,139	\$ 58,139
Total General Fund (See analysis)	\$ 348,833	\$ 348,833

REVENUES:
See Analysis

POSITIONS / FTE:

	3/2.50	3/2.50
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EFFECTIVE DATE: The bill includes an emergency clause and is effective on passage.

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: SB 895 creates the Construction Diversity Oversight Board with staff support provided by the Bureau of Labor and Industries (BOLI), and creates the Construction Diversity Oversight Fund (Fund). The Construction Diversity Oversight Board (Board) will consist of 15 members and will make project assistance grants on a competitive basis out of moneys in the Fund. The grants will assist eligible organizations to provide a variety of services, wage subsidies or stipends, or retention incentives to encourage diversity. The Board will monitor the effectiveness of these grants. The Board will also recommend goals for diversity representation; develop strategies and recommend best practices; collect, compile and report on how funds have been used to encourage diversity and the results; and review the performance of the Office of Minority, Women and Emerging Small Business.

The responsibility for assisting the Board to meet the responsibilities outlined in SB 895 is assigned to BOLI. BOLI estimates that it will require 3 positions (2.50 FTE) to implement the requirements of the bill. Biennial personal services costs are estimated at \$290,694 and services and supplies will cost \$58,139, for a total biennial cost of \$348,833.

The bill does not provide any funding for the Board or the agency support costs. Since BOLI is predominantly funded with the General Fund, it is assumed that operating expenses will be paid out of the General Fund.

This fiscal estimate does not include any meeting or related costs for Board members for which there could be agency costs. The Department of Transportation, for example, estimates that the expenses associated with quarterly Board meetings could be approximately \$27,600 per biennium.

The fiscal impact to the Department of Higher Education is indeterminate, but assumed to be minimal. The Department states that, depending on the level of involvement of staff, the complexity of the compliance reports required by the Board and the possible need to create or modify current databases, the measure may have a fiscal impact.

The bill creates the Construction Diversity Oversight Fund but does not provide any source of revenue for the Fund. The bill indicates that the Fund may receive allocations of Federal and Other Funds for apprenticeship, training and education, and other sources excluding the General Fund. The bill also does not specify the state entity that is responsible for the Fund, but continuously appropriates the funds to the Board, which is not a state agency. Presumably, BOLI will provide accounting services for the Board. The Legislative Fiscal Office assumes that moneys in the Fund should be continuously appropriated to the administrative state agency which is BOLI.