

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2634 - A

Seventy-Sixth Oregon Legislative Assembly – 2011 Regular Session
Legislative Fiscal Office

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Measure Description:

Creates Citizens' Initiative Review Commission to oversee review of state initiative measures by citizen panels.

Government Unit(s) Affected:

Secretary of State, Legislative Administration, Department of Administrative Services (DAS), Legislative Fiscal Office

Expenditure Impact:

See Analysis

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:

HB 2634 – A Engrossed creates a Citizens' Initiative Review Commission within the executive branch of state government, charged with ensuring that citizen panels are convened to review initiated measures in a fair and impartial manner, summarize their findings and produce recommendations in voter information booklets. The bill contains an emergency clause and takes effect on passage.

New State Agency – Citizens' Initiative Review Commission

The bill establishes the Citizens Initiative Review Fund; authorizes the Commission to accept contributions of moneys and assistance from certain public and private sources; and requires the Commission to make public certain contributions. Moneys in the fund are continuously appropriated to the Commission. While the fiscal impact of establishing a new state agency and for the Treasurer to establish a new account is minimal, the Legislative Fiscal Office (LFO) notes the following:

- The establishment of a new continuously appropriated fund, that is not associated with an existing state agency, means that the Department of Administrative Services will need to establish a new state agency;
- A new state agency will require an Other Funds expenditure limitation that is subject to the state's budgetary process; and
- Although there is a commitment from Healthy Democracy Oregon to fund the provisions of this bill for the 2011-13 biennium, no sustainable source of funding has been identified to carry on this work in the future.

The bill authorizes the Commission to appoint an executive director and to enter into contracts to hire staff. If there is sufficient funding, the Commission is required to select citizens for panels to review state measures proposed by initiative petition to be voted on at a general election. The Commission is directed to determine if there is sufficient funding no later than four months before the date of the general election in an even-numbered year. The Commission is required to compensate each citizen panelist for each day served on the panel in an amount calculated using the average weekly wage of workers in covered employment in Oregon, as determined by the Employment Department, for the last quarter of the calendar year preceding the fiscal year in which compensation is paid. Citizen panelists are also entitled to reimbursements for travel expenses.

Healthy Democracy Oregon, a 501c(3) organization formed in part to advocate for and serve as a fundraising vehicle for the Citizens' Initiative Review, estimates the staffing, operational and reimbursement costs of the Citizens' Initiative Review to be approximately \$622,500 Other Funds for the 2011-2013 biennium. This amount assumes the convening of four Citizens' Initiative Review panels each general election year, and includes the cost of one Executive Director position (1.00 FTE), moderator fees, reimbursement and operational expenses.

Healthy Democracy Oregon raised approximately \$500,000 for the 2008 field test and 2010 Citizens' Initiative Review pilot project enabled by House Bill 2895 (2009). The organization anticipates that the Healthy Democracy Fund will be able to provide a combination of direct financial assistance, in-kind staffing contributions, and fundraising from foundations and individual donors to fund the Citizens' Initiative Review Commission for the 2011-13 biennium.

Department of Administrative Services (DAS)

Passage of this bill is anticipated to have minimal fiscal impact on the Department of Administrative Services. The bill directs DAS to pay any expenses incurred in the initial appointment and organization of the Citizens' Initiative Review Commission. When the Commission determines that moneys in sufficient amount are available in the Citizens' Initiative Review Fund, the Commission is required to reimburse DAS, without interest.

Legislative Assembly

Passage of this bill is anticipated to have minimal fiscal impact on the Legislative Assembly. Members of the Commission who are members of the Legislative Assembly are entitled to compensation and expense reimbursement. The Legislative Assembly budget contains funding for the participation of legislators on interim committees. If the cumulative effect of the enactment of other bills exceeds expenditure levels assumed in Legislative Administration's budget, Legislative Administration may need to seek additional resources.

Secretary of State

Passage of this bill is anticipated to have minimal fiscal impact on the Secretary of State. HB 2634 requires the Secretary of State to set by rule a date by which statements drafted by the citizens' panel must be filed. The Secretary of State is also directed to prescribe the size and manner of placement of the statements submitted by the citizens' panel to be printed in the voters' pamphlet. The bill requires the Commission to transfer to the Secretary of State all moneys necessary to pay the costs of printing any statements submitted by the citizens' panel to be printed in the voters' pamphlet.