

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2854 - A

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

Prepared by: Matt Stayner
Reviewed by: Laurie Byerly
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Measure Description:

Requires Oregon Department of Administrative Services, in cooperation with other state agencies and public agencies, to establish policies, methods and means by which department, other state agencies and public agencies can acquire, share, maintain, use, repair and dispose of motor pool resources cost-effectively and efficiently.

Government Unit(s) Affected:

Department of Administrative Services (DAS)

Expenditure Impact:

Indeterminate, 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:

The proposed legislation amends statute related to motor pool services provided by the Department of Administrative Services (DAS). Certain costs can be estimated given significant caveats, but the total cost of the implementation of the measure is indeterminate due to the proposed broad ranging items constituting the motor pool.

Section 1(1) of the bill adds language to the current statute that dictates the general composition and purpose of the motor pool. However, the broad definition of "vehicles, supplies, services, facilities and equipment necessary...to meet the...transportation and related needs" engenders an unknown quantity in the statute related to exactly what those needs may be. One might assume that those needs would be defined in the agreements that DAS has for motor pool services, but the agency has no current method of predicting the number or types of vehicles, supplies, services, facilities and equipment necessary that would be required for customers seeking new or expanded agreements should the legislation be adopted. It is also unclear whether or not "services" would include price agreements or contracts with private vendors for vehicle rentals. Therefore, DAS can only provide general estimates of what their current cost to provide motor pool services on a per vehicle basis.

Currently each new vehicle purchased by DAS has an average price of approximately \$20,000. The average biennial cost of maintenance, fuel and management of each vehicle is \$6482. DAS currently provides over 120 vehicles to 31 public agencies. DAS estimates that 4.75 additional FTE would be required for each 500 vehicles added. These figures are limited to the light fleet vehicles (under 8500 GVW) that DAS currently manages; DAS has no estimates for heavy equipment or other vehicles that may be included as a result of this legislation.

Section 1(2) requires the creation of certain policies. The majority of these policies are already established for statewide uses, but additional policies would need to be adopted to accommodate other public agency use. Existing agreements would have to be updated to incorporate these new policies as provided by Section 1(3). The department estimates the cost to implement this provision to be approximately \$6,200 for the biennium.

The remaining requirements of Section 1(2) and (4), the creation of programs and reports, would be accomplished with existing agency resources if possible. The fiscal impact of these requirements is also indeterminate and somewhat dependent on the complexity of the actual motor pool, policies, and programs resulting from the bill.