

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 863 - A

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

Prepared by: Matt Stayner
Reviewed by: Michelle Deister
Date: 4/22/11

Measure Description:

Amends statutes regarding the advisory committee on energy at the Housing and Community Services Department (HCSD), requires additional representation on the advisory committee, requires that the committee meets at least four times a year instead of two; requires the HCSD to investigate alternative delivery models to reduce service disconnects etc.; requires the HCSD to keep records regarding consumers served, average amounts paid, and assistance types; requires report; allows for the collection and subsequent distribution of an additional \$5 million for electric bill payment assistance each year for at most twenty-four between passage of the bill and 1/1/2014 if at least two of four conditions are met.

Government Unit(s) Affected:

Public Utility Commission (PUC), Oregon Housing and Community Services (OHCS)

Summary of Fiscal Impact:

Please 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 measure contains a number of provisions related to the funding and administration of low-income energy assistance programs. The majority of these provisions have minimal or no impact related to the administrative costs of the PUC and The OHCS. Section 3 of the bill however, requires to the PUC to collect an additional \$5 million per year for no more than two years between the passage of the bill and January 1, 2014 for the low-income bill payment assistance program if at least two of four economic conditions are met. The OHCS believes that at least two of these conditions will be met for at least two years in the given time period. The OHCS expends these funds through allocation to various energy assistance providers. Should the triggering conditions be met, the PUC would collect the funds and subsequently transfer them to the OHCS for expenditure; requiring additional Other Funds expenditure limitation for the OCHS than is currently contained in the agency's budget proposal.

One of the conditions that OHCS believes has or will be met is that "The unemployment rate in Oregon as determined by the Bureau of Labor Statistics of the United States Department of Labor has exceeded 10 percent for at least six months of the previous 12-month period". In the twelve months prior to the last Bureau of Labor Statistics report published on their web site for February of 2011, the remained above 10 percent every month. If the bill was to be adopted and made law by July 1, 2011 this condition would be met for 2011.

The second condition that OHCS believes has or will be met is that "The poverty rate in Oregon as determined by the United States Census Bureau has exceeded 12 percent during the previous 12-month period". Oregon's poverty rate in 2008 as reported by the Census Bureau was 13.5 percent and the national rate was 13.2 percent. The 2009 national poverty rate was reported as 14.5 percent.

It appears likely that the conditions would be met for at least one of the years and therefore the fiscal impact of the measure would be the collection and subsequent expenditure of at least \$5 million Other

Funds in the 2011-13 biennium and it is possible that the cost could be \$10 million Other Funds if the economic conditions do not significantly change. The changes contemplated by the measure do not have an impact on the ongoing administrative cost of the program.