

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session  
 Legislative Fiscal Office

**Measure: SB 813 - A**  
**REVISED**

*Only Impacts on Original or Engrossed  
 Versions are Considered Official*

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 Date: 5-3-2013

**Measure Description:**

Transfers responsibility for seismic rehabilitation grant program from Director of Office of Emergency Management to Oregon Business Development Department.

**Government Unit(s) Affected:**

Business Development Department (Business Oregon), Oregon Military Department

**Summary of Expenditure Impact:**

Agency – Fund Type	2013-2015 Biennium	2015-2017 Biennium
Military Department – General Fund		
Administration Costs	(\$288,418)	--
Debt Service	(\$3,180,973)	--
Military Department – Other Funds		
Special Payments	(\$1,458,768)	--
<b>Total – All Funds</b>	<b>(\$4,928,159)</b>	<b>--</b>

Military Department -- Positions/FTE	(2)/(1.50)	--/--
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Agency – Fund Type	2013-2015 Biennium	2015-2017 Biennium
Business Oregon – General Fund		
Administration Costs	\$288,418	\$298,421
Debt Service	\$3,180,973	\$3,701,263
Business Oregon – Other Funds		
Special Payments	\$1,458,768	--
<b>Total – All Funds</b>	<b>\$4,928,159</b>	<b>\$3,906,810</b>

Business Oregon -- Positions/FTE	2/1.50	2/2.00
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**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 transfers the responsibility for the seismic rehabilitation grant program from the Oregon Military Department -- Office of Emergency Management to the Oregon Business Development Department (OBDD). The bill directs the Oregon Infrastructure Finance Authority established in OBDD to administer the grant program. The measure has an emergency clause and is effective on passage. The transfer of the program is operative January 1, 2014.

The Oregon Military Department (OMD) Seismic Rehabilitation Grant Program's 2011-2013 Legislative Approved Budget is \$377,741 General Fund, including three full-time positions (3.00 FTE) with related services and supplies, as well as \$3,180,973 of General Fund Debt Service.

The Legislative Fiscal Office (LFO) notes that one of the three currently budgeted positions is slated to be abolished. During the 2011-13 biennium, the Emergency Board (May 2012: Item #52) approved OMD's proposed elimination of an Administrative Specialist 1 position in the current program as part of a plan to make permanent changes to restructure state government business operations. The position was vacant and funded with 100% General Fund at a cost of \$109,174. According to the Department the remaining two positions in the program would be able to handle current and anticipated workload. The 2013-15 Governor's budget eliminates the Administrative Specialist 1 position as directed by the Emergency Board (\$115,453 General Fund).

The transfer from OMD to OBDD would include 18-months of the current program costs totaling \$283,306 General Fund and the remaining two positions (1.50 FTE).

Additionally, OMD's budget includes \$7,293,839 of Other Funds limitation for reimbursement of grant project costs that were associated with previously issued 2012 Series XI-M Bonds. OMD estimates as much as 80% of project costs could be reimbursed during the first six months of 2013-15. The amount of Other Funds in the table above represents the remaining 20% of the total amount of Other Funds limitation but the actual amount transferred to OBDD January 1, 2014 may be adjusted if OMD does not achieve the 80% objective.

The 2013-15 Governor's budget makes other noteworthy changes to the program: OMD does not transfer one of the two remaining positions within the current program (Accountant 3); two new positions are added within OBDD in addition to the one being transferred from OMD; the new positions in OBDD are funded with bond proceeds rather than General Fund. Currently, all administrative costs of the program are funded with General Fund thereby maximizing the amount of bond proceeds available to grants. Additionally, the Governor's budget adds \$30 million in bonding authority to the program through \$15 million of Article XI-M bonds for schools and \$15 million of Article XI-N bonds for public safety.