

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 516

Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Requires Housing and Community Services Department to dedicate and use portion of moneys deposited in certain housing accounts from County Assessment and Taxation Fund for benefit of county from which fees deposited into fund were charged and collected.

Government Unit(s) Affected:

Housing and Community Services Department

Summary of Expenditure Impact:

	2015-17 Biennium	2017-19 Biennium
Other Funds	173,826	231,769
Total Funds	\$173,826	\$231,769
Positions	2	5
FTE	1.13	1.50

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:

Senate Bill 516 requires that Housing and Community Services Department (OHCS) dedicate 75 percent of funds, collected from Document Recording Fees, to the benefit and use of the county in which the funds were collected. Currently these funds are distributed to Emergency Housing Assistance (EHA) account, the Home Owner Assistance Program (HOAP) account, and the General Housing Account. The bill will require 36 separate funding streams -- one account for each county -- in each of the above listed programs.

In order to award funds by county OHCS will need to modify its accounting and allocation systems which will require additional staff time to make system modifications. These Information Technology adjustments are anticipated to be minimal and absorbable within the existing parameters of the agency budget.

Changes to program(s) fund allocations are expected to add complexity and therefore increase workloads related to contracting, program oversight and tracking, reporting, and payment processing for multiple sections at OHCS. Additionally, OHCS may need to provide outreach and training to partners who receive HOAP funds, particularly in smaller communities with regional housing centers that serve multiple counties. This increased workload is anticipated to require a permanent Program Analyst 2 position for 18 months (.75 FTE) for a cost of \$115,883 Other Funds (OF) in the 2015-17 biennium, and a cost of \$154,513 OF for 1.00 FTE in 2017-19 biennium. The increased contracting and accounting duties are anticipated to require a half-time (.38 FTE) Fiscal Analyst 2 position for a cost of \$57,943 OF in the 2015-17 biennium, and a cost of \$77,256 OF for .50 FTE in the 2017-19 biennium.

The Legislative Fiscal Office (LFO) notes that the bill would significantly change the current processes and criteria used by the Oregon State Housing Council to evaluate proposals and grant funding for

affordable housing construction and rehabilitation. Some counties will receive lower or a higher funding level from what was historically disbursed from the same program(s).

LFO believes this measure warrants a subsequent referral to the Joint Committee on Ways and Means Committee for consideration of this measure's budgetary impact.