

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2748 - 4**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:

Establishes Infrastructure Innovation Oregon as public advisory agency responsible for developing policy and programs in area of performance-based public infrastructure projects and providing consultation and services to units of government with respect to public infrastructure projects.

Government Unit(s) Affected:

Department of Administrative Services (DAS), Legislative Assembly, Oregon State Treasurer

Summary of Expenditure Impact:

See Analysis below

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 bill increases the membership of the Public Infrastructure Commission, which was created in 2014, by one member. Under current law, there must be either one architect or one engineer on the commission; the measure changes that requirement to one architect and one engineer. This change brings total membership to 13.

The measure also transfers responsibilities for state coordination and other duties related to the commission from the Office of the State Treasurer to the Department of Administrative Services (DAS). This action reduces the 2015-17 professional services budget in the Office of the State Treasurer by \$1,115,640 Other Funds; however, while expenditure limitation was included in the agency budget, there is currently no identified revenue source to cover these costs. The 2013-15 costs to the Office of the State Treasurer were covered by General Fund that was appropriated to the Office of the Governor and then transferred to the Office of the State Treasurer. The Office of the State Treasurer reports that it is expected that there will be approximately \$155,000 of the funds transferred to them for this purpose remaining at the end of this biennium.

DAS anticipates an increase in their budget would be needed that mirrors the reduction in the budget of the Office of the State Treasurer (\$1.1 million); however, it is not clear how much money will be needed for some of the work that is anticipated to occur in 2017-19. It should be noted again that there is currently no identified revenue source to fulfill the requirements of the bill. The measure does specify that the requirements of DAS are only in effect if sufficient funds are appropriated.

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