

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3304 – A7**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Kim To
Reviewed by: John Terpening
Date: 6/4/2015

Measure Description:

Allows applicant for licensing as landscape construction professional to take practical skills test and attend class on landscape contracting business practices as alternative to taking written examination.

Government Unit(s) Affected:

Landscape Contractors Board [Semi-Independent Agency]

Analysis:

House Bill 3304 requires the Landscape Contractors Board (LCB) to design and make available a practical skills test for persons applying for a landscape construction professional license. The bill requires the board to offer the option of practical skills tests, and to offer practical skills tests and written exams in Spanish. The bill requires the board to offer or approve a class on landscape contracting business practices. The board is directed to report to the legislature by May 15, 2017 regarding the implementation of these options.

Passage of this bill will have an Other Fund impact to the agency's fee structure. If this bill passes, the board will have to either contract with vendors or develop in-house capacity to supply the exam materials, scoring tools for the exam, proctors for the exams, and change its forms and applications to allow for the option of requesting: 1) a written exam or a practical skills test; and 2) practical skills tests and written exams in Spanish. At this time, the board is working to quantify these costs fully. The Legislative Fiscal Office offers the following information as a point of reference: Currently, the board has approximately 1,350 individual licensees and 1,164 business licensees. At present, the cost for the written six-section exam is \$65 for the first section, and \$10 for each additional section taken at the same time. Based on the last three biennia, the board has received an average of 168 testing applicants per biennium.

The board predicts a rough estimate of the total direct cost of offering the testing options required by this bill to be approximately \$105,000 Other Funds. This amount includes a one-time cost of \$10,000 to translate the test to Spanish; as well as continuing biennial costs of \$48,000 to cover the costs for exam proctors; \$12,000 for exam committee expenses; \$20,000 for testing materials; \$5,000 for rental of testing site; and \$10,000 for publication and outreach.

The bill allows the board to establish fees for applicants to offset the full cost of administering the exam and classes. The board will fine-tune the calculations of the cost of complying with the provisions of this bill, explore ways to offer these new test and class options with existing study resources and translation efforts, and work with stakeholders to determine a fair and reasonable fee to offset the full cost. This fiscal assumes LCB will need to implement fee increases or new testing fees in the 2017-2019 biennium as a result of this bill. This new fee structure will be included in the required report to the legislature.

Note that the Landscape Contractors Board is a semi-independent state agency subject to ORS 182.456 to 182.472. The agency's budget is not subject to Executive Branch review, or approval or modification by the Legislative Assembly.