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# MEMORANDUM

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**To:** *Education Subcommittee*

**From:** *Krista McDowell*, Legislative Fiscal Office  
(503) 986-1838

**Date:** June 18, 2015

**Subject:** *HB 2728*  
Work Session Recommendations

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HB 2728 - A relates to the Oregon Talent Council. The bill abolishes the Engineering and Technology Industry Council, creates the Oregon Talent Council (Council) within the Oregon Employment Department, and establishes the Oregon Talent Council Fund.

The measure, amendments, and original staff measure summary are available on the Oregon Legislative Information System (OLIS).

The measure previously had a public hearing and work session in the House Higher Education, Innovation, and Workforce Development Committee.

The measure, as amended by the –A4 amendment, has \$6,112,818 million General Fund impact and two permanent positions (1.65FTE).

## Amendment

The proposed – A4 amendment to the measure strikes the \$15,000,000 appropriation to the Employment Department and instead appropriates \$6,112,818 General Fund.

**Motion: Move the –A4 amendment to HB 2728 .**

## Measure as Modified

The measure, as amended, is recommended to be moved to the full Committee on Joint Ways and Means.

**Motion: Move HB 2728 to the full committee with a “do pass” recommendation, as amended.**

## Assignment of Carriers

Full: \_\_\_\_\_  
1<sup>st</sup> Chamber: \_\_\_\_\_  
2<sup>nd</sup> Chamber: \_\_\_\_\_

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2728 - A4**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session  
Legislative Fiscal Office**Only Impacts on Original or Engrossed  
Versions are Considered Official**Prepared by: Krista McDowell  
Reviewed by: Michelle Deister, Doug Wilson  
Date: 6/17/2015**Measure Description:**

Establishes Oregon Talent Council.

**Government Unit(s) Affected:**

Employment Department, Oregon Educational Investment Board

**Summary of Expenditure Impact:**

	2015-17 Biennium	2017-19 Biennium
General Fund	\$6,112,818	\$370,448
<b>Total Funds</b>	<b>\$6,112,818</b>	<b>\$370,448</b>
Positions	2	2
FTE	1.65	1.65

**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 abolishes the Engineering and Technology Industry Council, creates the Oregon Talent Council (Council) within the Oregon Employment Department (Employment), and establishes the Oregon Talent Council Fund. The bill, as amended, appropriates \$6,112,818 General Fund to Employment for the purpose of carrying out the provisions of the bill. Section 1 (9) permits Employment to use up to 10 percent of the amount appropriated to employ staff and support the operations of the Council.

Given the 10 percent cap on the total amount appropriated for expenses to support to the Council, Employment will be permitted to expend up to \$611,281 General Fund (GF) for administration costs in the 2015-17 biennium based on the appropriation amount contained in the –A5 amendment. To support the new Council, Employment anticipates the need for one Operations and Policy Analyst 2 (0.65 FTE) at a cost of \$115,636, General Fund (GF) per biennium, and an Operations and Policy Analyst 4 (1.00 FTE) at a cost of \$225,391 GF per biennium. Coordination between Employment's Planning, Innovation, and Evaluation office and the Council is anticipated to require a portion of an existing PEM F position (0.10 FTE) for an estimated cost of \$29,421 per biennium. The costs for outside contracts related to outreach, forecasting, and research on industry sectors, and travel related expenses for the Council are estimated at \$129,000 GF per biennium. Costs for the 2017-19 biennium are estimated at \$370,448 GF based on sustaining the previously mentioned positions, and no assumptions have been made in regards to funding for the Council to make investments with.

The minimum amount of the total appropriation the Council will have to make investments, using the criteria and measurements set in Section 2 of the bill, will be \$5,501,537 GF in the 2015-17 biennium. If total administration costs for the Council are below 10 percent of the total amount appropriated, the difference can be expended for Council investments.

HB 2728-A4  
(LC 1091)  
6/16/15 (DRG/ps)

**PROPOSED AMENDMENTS TO  
A-ENGROSSED HOUSE BILL 2728**

1 On page 6 of the printed A-engrossed bill, line 1, delete “\$15,000,000” and  
2 insert “\$6,112,818”.

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