

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3063**79th Oregon Legislative Assembly – 2017 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***Prepared by: Kim To
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Date: 4/5/2017**Measure Description:**

Establishes Mental Health Housing Fund, appropriates moneys to Oregon Health Authority and requires authority to seek out and apply for additional moneys for fund to pay for construction and start-up costs of housing for individuals with mental illness.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Expenditure Impact:

	2017-19 Biennium	2019-21 Biennium
General Fund		
Personal Services	463,170	463,170
Total Funds	\$463,170	\$463,170
Positions	2	2
FTE	2.00	2.00

Analysis:

To pay for the development of community-based housing, crisis intervention services, and rental subsidies for individuals with mental illness, House Bill 3063:

- Appropriates an unspecified amount in the millions of General Fund to the Oregon Health Authority;
- Establishes the Mental Health Housing Fund separate from the General Fund. Moneys from this fund do not revert to the General Fund;
- Directs the Oregon Health Authority (OHA) to seek out and apply for grants, gifts and contributions of moneys;
- Permits OHA to use this money to fund portions of the costs for purchasing land, construction of housing, fixtures, furnishing, and training of staff.
- Requires OHA to convene an advisory group to guide the agency in allocating funds, soliciting proposals, and reviewing applications.

The bill takes effect on passage.

The fiscal impact of this bill is estimated to be \$463,170 General Fund and 2.00 FTE per biennium. The bill requires the advisory group to include two OHA staff. The fiscal amount reflects the personal services costs for two full time Program Analyst 3 positions to work with the Housing Development Unit, coordinating efforts with the Mental Health Housing Stakeholder Group. The first position will spearhead the grant writing and fundraising activities. Assuming an increase in moneys in the Mental Health Housing Fund, the second position will be responsible for managing the funds allocation, proposal solicitation, and application review process.

The Legislative Fiscal Office (LFO) notes that the bill establishes a fund for which revenue sources have yet to be identified. In addition to requiring OHA to dedicate staff and resources to applying for grants and soliciting donations, the bill specifies that moneys in this fund can also come from the General Fund. LFO is concerned that if OHA is unable to identify and successfully solicit non-state funding in support of the work required by this bill, this language may set unrealistic expectations for future General Fund requests.