

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2687**79th Oregon Legislative Assembly – 2017 Regular Session  
Legislative Fiscal Office**Only Impacts on Original or Engrossed  
Versions are Considered Official**

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 Date: 2-13-2017

**Measure Description:**

Directs Office of Emergency Management and Oregon Homeland Security Council to develop and administer grant program to distribute emergency preparedness equipment to local governments and other recipients.

**Government Unit(s) Affected:**

Oregon Military Department, Department of Administrative Services, State Treasurer

**Summary of Expenditure Impact:**

Agency -- Fund Type	2017-2019 Biennium	2019-2021 Biennium
Oregon Military Department -- General Fund	\$319,969	\$319,969
Oregon Military Department -- Federal Funds	\$319,969	\$319,969
<b>Total Costs -- All Funds</b>	<b>\$639,938</b>	<b>\$639,938</b>

Positions / FTE	2017-2019 Biennium	2019-2021 Biennium
Oregon Military Department	4 / 4.00	4 / 4.00

**Analysis:**

The measure directs the Office of Emergency Management (OEM) within the Oregon Military Department (OMD), to develop and administer a grant program to distribute preparedness equipment or funds to purchase equipment to recipients through the state. The measure outlines the priority requirements OEM must use to determine the recipient of the equipment or funds and requires stipulated grant agreements in place before equipment or funds are distributed. OEM must submit an annual report on the grant program to the Legislative Assembly and to the Oregon Homeland Security Council.

The measure establishes the Resiliency Grant Fund, separate and distinct from the General Fund, continuously appropriates the moneys in the fund, and credits interest earned back to the fund. The measure allows the State Treasurer to issue up to \$10 million in Article XI-Q bonds for the purpose of acquiring preparedness equipment to be distributed through the grant program. The measure provides that the net bond proceeds shall be deposited into the Resiliency Grant Fund.

OMD anticipates the need for four full-time positions to administer the new grant program including: an Accountant 3 to provide the financial management functions, a Program Analyst 3 to administer the grant applications and agreements, a Procurement and Contracts Specialist 1 to perform procurement of the preparedness equipment, and an Administrative Specialist 1 to provide program communications and records management. Total cost of the four positions, including associated services and supplies, is estimated to be \$639,938, split 50-50 between General Fund and Federal Funds, as part of the Department's Emergency Management Performance Grant. OMD would also need Other Funds expenditure limitation to expend the bond proceeds once they are sold. Depending on when the bonds are sold during the 2017-19 biennium, there may also be associated General Fund debt service.

The Legislative Fiscal Office notes that Article XI-Q bonds must be sold for property that will be owned or operated by the state of Oregon, so ownership of the property purchased through the grant program must be considered.

There is no expenditure impact to the Department of Administrative Services and the State Treasurer related to the issuance of bonds.