

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 1537**80th Oregon Legislative Assembly – 2020 Regular Session  
Legislative Fiscal Office***Only Impacts on Original or Engrossed  
Versions are Considered Official***

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Date: February 4, 2020

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**Measure Description:**

Directs Office of Emergency Management to develop and administer program to ensure that certain number of Oregon households are prepared to be self-sufficient for at least two weeks after emergency.

**Government Unit(s) Affected:**

Oregon Military Department (OMD), Water Resources Department (WRD), Office of the Governor, Higher Education Coordinating Commission (HECC), Department of Administrative Services (DAS), Oregon State Treasurer (OST), Department of Education (ODE), Department of Geology and Mineral Industries (DOGAMI), Oregon Health Authority (OHA), Department of Human Services (DHS), Oregon Department of Transportation (ODOT), Oregon Business Development Department (OBDD), Department of Land Conservation and Development (DLCD), Department of Environmental Quality (DEQ), Oregon Tourism Commission (Travel Oregon)

**Summary of Fiscal Impact:**

Costs related to the measure will require budgetary action - See analysis.

**Analysis:**

SB 1537 authorizes the Higher Education Coordinating Council (HECC) to request Article XI-Q general obligation bonds in an amount that produces \$7.5 million of net proceeds to enable HECC to issue a grant of \$7.5 million to the University of Oregon to construct seismic stations. In addition, the bill appropriates a total of \$5.2 million General Fund to three agencies for the 2019-21 biennium:

1. \$2,700,000 General Fund to the Oregon Military Department to develop and administer: (1) a program to ensure that at least 250,000 households in Oregon have the necessary supplies and expertise to be self-sufficient for at least two weeks after a natural disaster or other emergency; (2) a grant program to establish and maintain staging areas for emergency response throughout Oregon.
2. \$375,000 General Fund to the Oregon Military Department to develop and administer an earthquake safety educational outreach campaign.
3. \$2,000,000 General Fund to the Water Resources Department to evaluate dams in Oregon for structural and other safety issues, including providing staffing support for the Dam Safety Task Force charged with identifying approaches to prioritizing the repair of dams and other dam safety projects. The task force is required to report its findings and recommendations for funding mechanisms for dam repair and other dam safety to the Legislative Assembly by March 1, 2021.
4. \$125,000 General Fund to the Office of the Governor to review and update the Oregon Resilience Plan.

**Higher Education Coordinating Commission (HECC), Bonding Costs of Issuance and Debt Service**

The bill authorizes HECC to request Article XI-Q general obligation bonds in an amount that produces \$7,500,000 of net proceeds to enable HECC to issue a grant of \$7,500,000 to the University of Oregon (UO) to construct seismic stations. The bill requires these seismic stations to be completed on or before June 30, 2023. A total of \$7,500,000 Other Funds of the bond proceeds are anticipated to be disbursed to UO and \$120,000 Other Funds will be necessary for bond costs of issuance. The bonds are anticipated to be sold in the spring of 2020, with an estimated \$1,006,646 General Fund debt service in the 2019-21 biennium. The debt service in the 2021-23

biennium is estimated at \$2,009,950 General Fund, and total debt service over the life of the bonds will be \$10,061,163 General Fund. The debt service estimates will likely change as actual debt service costs will be dependent on the interest rates at the time of issuance. The impact to HECC to administer the proceeds is expected to be minimal and no additional costs have been included in this fiscal analysis.

Oregon Military Department (OMD)

The Oregon Military Department calculates the fiscal impact of this bill to be \$3,075,000 General Fund, 8 positions (4.00 FTE) for the 2019-21 biennium; and \$4,840,149 General Fund, 8 positions (8.00 FTE) for the 2021-23 biennium.

	2019-21 Biennium	2021-23 Biennium
<b>Oregon Military Department - GENERAL FUND</b>		
Personal Services	828,173	1,656,346
Services and Supplies	421,851	313,851
Earthquake Education Outreach Program	375,000	0
Contracts for Education Materials		100,000
Special Payments		
Staging Area Development and Maintenance Grants	770,431	1,540,862
Incident Management Training Maintenance Contracts	614,545	1,229,090
Capital Outlay (Vehicles)	65,000	0
<b>Total Funds</b>	<b>\$3,075,000</b>	<b>\$4,840,149</b>
Positions	8	8
FTE	4.00	8.00

In addition to grants, contracts, and capital outlay expenses itemized above, the fiscal impact includes the cost of establishing the following eight new permanent full-time positions to work with existing Office of Emergency Management (OEM) staff to interact with local partners to develop and maintain the Two Weeks Ready program as well as develop and manage a program to establish and maintain staging areas for emergency response throughout Oregon:

- One Principal Executive Manager E position charged with developing and managing the state’s logistic staging base grant and Two Weeks Ready programs, including supervising eight subordinate staff members in the areas of operations, planning, training, emergency communications, search and rescue, incident management infrastructure, and geographic information systems. The position will be responsible for developing, updating, and disseminating the State Emergency Operations Plan and managing the various activities in the State Emergency Coordination Center (ECC) during emergency activations or exercises. This position will manage state grant programs and co-chair the Oregon Emergency Response System Council, which is comprised of 33 agencies that are responsible for various functions in the State Emergency Management Services System.
- One Principal Executive Manager D position to serve as the Regional Preparedness Program Manager, directly supervising five regional staff supporting the community through regional implementation. The position will serve as a liaison within local Emergency Operation Centers and the State Emergency Coordination Center during emergencies and exercises, providing technical planning assistance in all-hazard planning initiatives.
- One Operations and Policy Analyst 4 position to serve as a member of the management team, providing daily program management of the Incident Management Team Program and advising the Preparedness Section Manager, OEM Deputy and Director, and leveraging the capabilities of county, tribal, and local communities as resource multipliers to improve the State response capability to provide incident management support.
- Five Program Analyst 3 positions to work under the supervision of the Regional Preparedness Program Manager, coordinating the implementation of emergency management programs and activities within the region with a focus on supporting county, tribal, and local partners. These positions would develop, conduct, and evaluate regional-focused exercises; deliver regional emergency management training, seminars, and workshops, at the request of and in coordination with local and tribal emergency management; provide technical planning assistance for the development and maintenance of local

emergency operations plans; and serve as liaisons between local emergency operations centers and the State Emergency Coordination Center during emergencies and disasters.

Water Resources Department (WRD)

The Water Resources Department calculates the fiscal impact of this bill to be \$2,000,000 General Fund, 3 positions (1.88 FTE) for the 2019-21 biennium; and \$569,034 General Fund, 2 positions (2.00 FTE) for the 2021-23 biennium.

	2019-21 Biennium	2021-23 Biennium
<b>Water Resources Department - GENERAL FUND</b>		
Personal Services	385,542	463,818
Services and Supplies	91,170	105,216
Professional Services	1,523,288	0
<b>Total Funds</b>	<b>\$2,000,000</b>	<b>\$569,034</b>
Positions	3	2
FTE	1.88	2.00

With passage of the bill, WRD anticipates establishing one limited duration Operations and Policy Analyst 1 position to support the work of the Dam Safety Task Force, and two permanent full-time engineers (one Geotechnical Engineer and one Hydrotechnical Engineer) to work with existing staff to conduct assessments on approximately 950 non-federal dams under WRD dam safety jurisdiction to determine seismic, flood, and other safety risks, to prioritize dams for repair and funding, as well as for further analysis. Professional Services dollars would be used to contract out for engineering analyses on dams that have been identified to be at risk of failure to determine specific actions to address the risk, or dams that have had some initial evaluations that have identified a need for more detailed engineering analysis.

Office of the Governor

The Office of the Governor calculates the fiscal impact of this bill to be \$125,000 General Fund for the 2019-21 biennium.

	2019-21 Biennium	2021-23 Biennium
<b>Office of the Governor - GENERAL FUND</b>		
Professional Services	110,000	
IT Professional Services	9,000	
Instate Travel	6,000	
<b>Total Funds</b>	<b>\$125,000</b>	<b>\$0</b>

The Office of the Governor estimates the cost of contracting with the Office of Emergency Management established vendors to develop: (1) an open source resilience scorecard; and (2) an outreach plan that ensures underserved communities are included in state, local, and tribal response and recovery plans to be \$110,000 General Fund. The Office of the Governor also estimates \$6,000 in travel expenses to coastal cities for members of the Oregon Seismic Safety Policy Advisory Commission (OSSPAC) and \$9,000 in IT Professional Services to support work related to updating the Oregon Resilience Plan and the boundaries of the tsunami inundation zone.

Department of Administrative Services (DAS), Oregon State Treasurer (OST), Department of Education (ODE), Department of Geology and Mineral Industries (DOGAMI), Oregon Health Authority (OHA), Department of Human Services (DHS), Oregon Department of Transportation (ODOT), Oregon Business Development Department (OBDD), Department of Land Conservation and Development (DLCD), Department of Environmental Quality (DEQ), Oregon Tourism Commission (Travel Oregon)

Passage of this bill is anticipated to have minimal fiscal impact on DAS, OST, ODE, DOGAMI, OHA, DHS, ODOT, OBDD, DLCD, DEQ, and Travel Oregon. This fiscal analysis assumes these agencies will use existing staff and resources to work with the State Resilience Officer, the Office of Emergency Management, and the Higher Education Coordinating Commission as required by the bill.