

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2427 - 2

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: April 6, 2021**Measure Description:**

Directs Housing and Community Services Department to establish and maintain uniform rental application system.

Government Unit(s) Affected:

Housing and Community Services Department (HCSD), Department of Justice (DOJ), Oregon Judicial Department (OJD)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact - Housing and Community Services Department (HCSD):

	2021-23 Biennium	2023-25 Biennium
General Fund		
Personal Services	1,607,844	2,063,771
Services and Supplies		
Universal Rental Application Outreach and Customer Service	2,075,659	3,503,370
Procurement and Contracts	60,926	42,690
Information Technology	4,177,024	361,280
Total General Fund	\$7,921,453	\$5,971,111
Positions	11	11
FTE	8.38	11.00

Analysis:

HB 2427 with the -2 amendment directs the Housing and Community Services Department (HCSD) to develop, by September 1, 2022, and maintain a uniform rental application system. The measure requires HCSD to convene a uniform rental application system advisory committee to consult with the Department in the development and maintenance of the uniform rental application system. HCSD is required to report its progress to an interim committee of the Legislative Assembly by March 31, 2022. The measure requires landlords to accept a uniform rental application from prospective tenants under specified circumstances. The measure takes effect on the 91st day after the date on which the 2021 legislative session adjourns sine die.

Housing and Community Services Department (HCSD)

HCSD estimates the cost of developing and maintaining the uniform rental application system to be \$7,921,453 General Fund, 11 positions, 8.38 FTE for the 2021-23 biennium; and \$5,971,111 General Fund, 11 positions, 11.00 FTE for the 2023-25 biennium. Establishing this new program is a significant departure from the agency's traditional role as policy and financing entity, and establishes the agency as a direct service provider, on a larger, more permanent scale than services provided through the temporary landlord compensation program in response to the COVID-19 pandemic. The agency will need the following permanent full-time positions to spearhead communications, establish policy, and oversee process and system design and development as well as to provide contracts and procurement management and administrative support:

- One Public Affairs Specialist 2 to lead outreach and communications including convening an advisory committee to ensure that stakeholders (including market-rate housing landlords and tenant screening companies) are included.
- One Program Analyst 4 to lead policy design and implementation, coordinate with the advisory committee, and integrate all facets of the project.
- One Administrative Specialist 2 position to assist with posting meeting notices, sending agendas and meeting information, taking notes, and following up with minutes and next steps.
- Two Customer Services Representatives starting in July of 2022 for training before project implementation in September.
- One Information Services Specialist 7 to serve as the Business Analyst for the uniform rental application system.
- Two Information Services Specialist 6 positions, one to serve as project manager and one to serve as a system developer, to implement the system.
- One Information Services Specialist 4 position to set up and manage the technology needs for the new staff.
- One Procurement and Contracts Specialist 2 to manage reviews of tenant screening company criteria.
- One Training and Development Specialist 2 position to assist with on-boarding and orientation of new staff.

Services and Supplies amounts for the 2021-23 biennium include Department of Justice expenses, stipends for the advisory committee, \$1,988, 385 to contract with a customer service company beginning July 2022, and \$4,000,000 for the online application system.

The Legislative Fiscal Office (LFO) notes that implementation of this measure includes an information technology component that will require HCSD to comply with the state's IT investment oversight processes. Therefore, the information technology pricing component of this impact statement serves as a high-level preliminary approximation. If this measure passes, HCSD will have to: (1) complete business requirements analysis; (2) develop a business case; (3) hire/assign or contract with qualified and experienced project management or other professional staff resources; and (4) develop foundational project management plans to demonstrate the feasibility of the project and its scope, as well as refined cost and schedule estimates pursuant to protocols developed by the Office of the State Chief Information Officer (OSCIO) and the Legislative Fiscal Office. The oversight process may influence the timeline within which HCSD completes the uniform rental application system. Depending on a variety of cost or risk factors, HCSD may also be required to contract for independent quality management services in compliance with ORS 276A.223. In addition, in working with LFO and OSCIO to comply with the state's IT investment oversight processes, HCSD may need to reassess the timeline of the project as well as the number of positions, roles, and classification of the information technology staff listed above.

Oregon Judicial Department (OJD), Department of Justice (DOJ)

Passage of this measure is anticipated to have minimal fiscal impact on OJD and DOJ.