

Legislative Fiscal Office

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Joint Committee on Ways and Means

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Tom MacDonald, Deputy Legislative Fiscal Officer (Budget)
Paul Siebert, Deputy Legislative Fiscal Officer (Audit/IT)

To: Transportation and Economic Development Subcommittee

From: Michelle Deister, Legislative Fiscal Office

Date: March 7, 2023

Subject: HB 5019 – Relating to state financial administration.
Work Session Recommendations

HB 5019 is a blank appropriation bill. The -3 amendment replaces the measure and appropriates a net \$128.2 million to the Housing and Community Services Department; \$1.6 million to the Department of Emergency Management, and \$19.9 million to the Department of Human Services, to support the state's response to the homelessness emergency declared in Executive Order 23-02; to provide corresponding services to the balance of state in the 2023-25 biennium; to address youth homelessness; and to repurpose \$30.6 million in funds from the Housing and Community Services Department 2021-23 budget towards these efforts.

The following table summarizes, by section and agency, the budgetary provisions of the -3 amendment.

Section/Agency	Description	Amount
§1-2 Housing and Community Services Department	Provides \$7.4 million in the 2021-23 biennium and \$26.2 million in the 2023-25 biennium for the Oregon Eviction Diversion and Prevention and Eviction Prevention Rapid Response programs. Funding is anticipated to support the prevention of homelessness for 8,750 households statewide.	\$33,600,000 General Fund
§3 Housing and Community Services Department	Supports development and design of a statewide, long-term rent assistance program for individuals who are rehoused with state investments. Program development is anticipated to be completed by the end of the 2021-23 biennium.	\$200,000 General Fund

Section/Agency	Description	Amount
§4-5 Housing and Community Services Department	Provides \$20.9 million in the 2021-23 biennium and \$64.3 million in the 2023-25 biennium to support local plans submitted to the Department to address homelessness in emergency areas through shelter capacity and connections to shelter, rapid rehousing initiatives, capacity support for culturally responsive organizations, and sanitation services. Funding is anticipated to create 600 new shelter beds across emergency areas, as well as rehouse 1,200 individuals experiencing unsheltered homelessness.	\$85,200,000 General Fund
§6 Housing and Community Services Department	Pass-through funding for the 2023-25 biennium to the nine federally recognized Indian tribes in Oregon to support tribal members experiencing homelessness.	\$5,000,000 General Fund
§7-8 Housing and Community Services Department	Provides \$1.1 million in both the 2021-23 and 2023-25 biennia for administration of homelessness prevention programs and local plans addressing unsheltered homelessness in emergency areas. Supports 13 positions (2.33 FTE) for the remainder of the 2021-23 biennium and 20 positions (5.00 FTE) for the first six months of the 2023-25 biennium.	\$2,271,127 General Fund
§9-10 Department of Emergency Management	Provides \$923,925 in the 2021-23 biennium and \$722,631 in the 2023-25 biennium for the coordination of efforts to address homelessness in emergency areas as part of the activation of the State of Oregon Emergency Operations Plan. Supports funding for nine existing positions (0.99 FTE) and establishment of six new positions (1.50 FTE) for the remainder of the 2021-23 biennium and six positions (3.00 FTE) for the first six months of the 2023-25 biennium.	\$1,646,556 General Fund
§11-12 Housing and Community Services Department	Appropriates \$26.1 million to address homelessness through shelter capacity and connections to shelter, rapid rehousing initiatives, capacity support for culturally responsive organizations, and sanitation services in communities within the for the Oregon 505 - Oregon Balance of State Continuum of Care, and \$1.25 million for contracted management, coordination and attainment of service goals, for the 2023-25 biennium. Funding is anticipated to create 100 new shelter beds, as well as rehouse 450 individuals experiencing unsheltered homelessness.	\$27,385,000 General Fund

Section/Agency	Description	Amount
§13-15 Housing and Community Services Department	Appropriates \$5 million General Fund in the 2023-25 biennium for deposit into the Emergency Housing Account, and corresponding Other Funds expenditure limitation, for HCSD to use the program for services to school-aged children, or their families, who are homeless or at risk of becoming homeless. Provides administrative funding for one position (0.88) FTE to expand the program.	\$5,200,854 General Fund \$5,000,000 Other Funds
§16-18 Department of Human Services	Appropriates \$12.5 million for grants to support services and outreach to youth experiencing homelessness, \$6.25 million for host home project grants, and \$1.2 million for administration of programs and services for youth experiencing homelessness, including five positions (5.00 FTE), for the 2023-25 biennium.	\$19,921,469 General Fund
§19 Housing and Community Services Department	Reduces General Fund appropriated to compensate landlords for 100% missed rental payments for applications submitted for rent owed between April 1, 2020 and June 30, 2021. This program, known as the Landlord Compensation Fund, was repealed on January 2, 2023 (HB 4401, 2020 third special session and SB 278, 2021). Of the \$30 million appropriated for the program in HB 5006 (2021), \$16.6 million remains unspent.	(\$16,623,741) General Fund
§20 Housing and Community Services Department	Reduces General Fund appropriated for foreclosure assistance (\$1.5 million), permanent supportive housing rental assistance (\$11.5 million), and shelter supports and services (\$1 million). Rental assistance for permanent supportive housing units is not needed in the current biennium because development delays have resulted in units not being ready for occupancy according to original schedules. Providers of shelter services and foreclosure avoidance services are not anticipated to utilize all funding originally appropriated for these services.	(\$14,000,000) General Fund
§ 21	Emergency Clause	

Budget Notes

LFO recommends the following budget note:

The Housing and Community Services Department will report quarterly to the Joint Committee on Ways and Means and House and Senate policy committees relating to housing through June 30, 2025 with information on resources and outcomes related to

investments in shelter and rehousing pursuant to HB 5019. Reports shall include the following:

- The amount of funding awarded to each continuum of care region.
- Targets and actual outcomes for each continuum of care region, including:
 - the number of new emergency shelter beds created;
 - the number of unsheltered homeless families rehoused and the duration of their rehousing (to measure housing retention);
 - the number of households whose homelessness was prevented; and
 - information on contracts with individual service delivery partners including funding amounts, services provided, timelines for service delivery, and outcomes achieved.

Accept LFO Recommendation:

MOTION: I move the LFO recommendation on Budget Notes. (VOTE)

OR

Change LFO Recommendation (any changes must be approved by the co-chairs):

MOTION: I move the LFO recommendation on Budget Notes, with modifications. (VOTE)

Recommended Changes

LFO recommends adoption of the – 3 amendment.

MOTION: I move adoption of the – 3 amendment to HB 5019. (VOTE)

Final Subcommittee Action

LFO recommends that HB 5019, as amended by the – 3 amendment, be moved to the Ways and Means Full Committee.

MOTION: I move HB 5019, as amended, to the Full Committee with a do pass recommendation. (VOTE)

Carriers

Full Committee: _____

House Floor: _____

Senate Floor: _____