

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 2873 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

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Measure Description:

Authorizes issuance of general obligation bonds under Article XI-Q of Oregon Constitution for emergency preparedness equipment grant program.

Government Unit(s) Affected:

Department of Administrative Services, Department of Emergency Management, Legislative Assembly, Office of the Governor, State Treasurer

Summary of Fiscal Impact:

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

Analysis:

The measure authorizes the State Treasurer, upon request of the Oregon Department of Emergency Management (ODEM), to issue Article XI-Q General Obligation Bonds in an amount that produces \$10 million of net proceeds for deposit into the Resiliency Grant Fund which are used for a grant program to distribute emergency preparedness equipment throughout the state. The measure takes effect on the 91st day after sine die.

The measure will have a fiscal impact on the Department of Emergency Management. ODEM will request \$10 million in net proceeds from the bond issuance and if approved, deposit those funds into the Resiliency Grant Fund. ODEM anticipates that bonds proceeds will be evenly split between the Spring 2024 and Spring 2025 sales similar to how the bonds authorized in the 2021-23 biennium were sold. The face value of the bonds is \$10.19 million; \$10 million will be deposited into the Resiliency Grant Fund, and \$190,000 will be for issuance costs.

The State Preparedness and Incident Response Equipment (SPIRE) grant program utilizes the proceeds in the Resiliency Grant Fund to make grant awards pursuant to statute. The Department received two positions related to this work when the program was initially established in 2017. Those positions were part of the transfers included in HB 5202 (2022) when the Department became an independent agency from the Oregon Military Department. However, as a new agency, ODEM does not currently have the same level of capacity for some administrative functions and has had to reprioritize the work of some existing positions, including the positions formerly dedicated to the SPIRE program. As a result, the Department anticipates needing two positions, a Procurement & Contract Specialist 3 to support the contract and agreement planning and development and one Program Analyst 3 to assist the ongoing procurement workload and provide administrative support to the Resiliency Grant Fund program. The estimated costs of these positions are \$444,984 General Fund in the 2023-25 biennium and \$509,936 General Fund in the 2025-27 biennium.

There is no fiscal impact for the Office of the Governor, State Treasurer, Department of Administrative Services, or the Legislative Assembly.

This measure has a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact on the State's General Fund.