

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 27 - B

80th Oregon Legislative Assembly – 2019 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
Reviewed by: Tom MacDonald
Date: May 31, 2019**Measure Description:**

Authorizes Oregon Health Authority to adopt by rule schedule for fees assessed on water suppliers to partially defray costs of authority related to performance of certain duties under Oregon Drinking Water Quality Act.

Government Unit(s) Affected:

Oregon Health Authority (OHA)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact - Oregon Health Authority:

| | 2019-21 Biennium | 2021-23 Biennium |
|---|--------------------|--------------------|
| Other Funds | | |
| Personal Services | \$826,734 | \$826,734 |
| Services and Supplies | 196,563 | 196,563 |
| Special Payments to Local Public Health Authorities | 830,000 | 830,000 |
| TOTAL OTHER FUNDS | \$1,853,297 | \$1,853,297 |
| Positions | 5 | 5 |
| FTE | 5.00 | 5.00 |

Summary of Revenue Impact:

| | 2019-21 Biennium | 2021-23 Biennium |
|--------------------------|--------------------|--------------------|
| Other Funds | | |
| Fees | 1,853,297 | 1,853,297 |
| TOTAL OTHER FUNDS | \$1,853,297 | \$1,853,297 |

Analysis:

SB 27 authorizes the Oregon Health Authority's Public Health Division's Center for Health Protection Drinking Water Services to restructure the schedule of fees assessed on water suppliers to adequately support regulation of all public drinking water systems. The -bill contains an emergency clause and takes effect on passage.

With passage of this bill, the Oregon Health Authority (OHA) anticipates moving from charging an inspection-based fee to charging an annual regulatory fee based on the number of connections served by the water system, to build capacity to regulate all water systems equitably.

OHA estimates the expenditure impact of this measure to be \$1,853,297 Other Funds, 5 positions, and 5.00 FTE per biennium. Of the \$1,853,297 amount, OHA anticipates \$830,000 will be distributed to county local public health authorities who perform a portion of the inspections and respond to local contaminant detections. This \$830,000 distribution to counties reflects a 30.48% increase to the current \$2,723,356 distribution to counties. This increase is in response to a 2017 state and county workgroup which determined that labor costs in the local jurisdictions had increased approximately 30% over the past 10 years.

The expenditure estimate also includes personal services and related services and supplies for five additional permanent compliance and data management positions (three Natural Resource Specialist 3, one Compliance Specialist 2, and one Research Analyst 1) to provide technical assistance to small systems and more comprehensive technical review of large systems, allowing the agency to better monitor and investigate drinking water systems and sources in order to eliminate compliance backlogs.

With the new proposed rates under the fee structure authorized by this measure, OHA projects an additional \$1,853,297 Other Funds in fee revenue. Revenue projections are based on the fee restructure charging an annual regulatory fee based on the number of connections served by the water system.

The fiscal impact of this measure on OHA is anticipated in the agency's 2019-21 budget as Policy Option Package 418.