

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2842 - 4

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office**Only Impacts on Original or Engrossed
Versions are Considered Official**

Prepared by: Haylee Morse-Miller
 Reviewed by: Gregory Jolivet, Michelle Deister, Ben Ruef, Kim To, Laurie Byerly, Tom MacDonald, John Terpening, Doug Wilson, Paul Siebert
 Date: April 5, 2021

Measure Description:

Establishes Healthy Homes Program within the Oregon Health Authority to provide grants to entities to provide financial assistance to low income households and landlords.

Government Unit(s) Affected:

Department of Consumer and Business Services (DCBS), Office of the Governor, Housing and Community Services Department (HCSD), Department of Land Conservation and Development (DLCD), Public Utility Commission (PUC), Department of Energy (DOE), Department of Environmental Quality (DEQ), Oregon Health Authority (OHA), Department of Human Services (DHS), Counties, Cities, Task Force/Committee/Workgroup, Higher Education Coordinating Commission (HECC), Public Universities

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

| | 2021-23 Biennium | 2023-25 Biennium |
|--------------------|---------------------|---------------------|
| General Fund | \$20,000,000 | \$20,000,000 |
| Total Funds | \$20,000,000 | \$20,000,000 |
| Positions | 4 | 4 |
| FTE | 3.08 | 3.50 |

Analysis:

HB 2842 - 4 establishes the Healthy Homes Program within the Oregon Health Authority (OHA). The program is to provide grants to repair and rehabilitate residences for low-income households and landlords with low-income tenants. Grants are to be disbursed by entities that serve certain communities or geographic areas with a focus on environmental justice; and that have the capacity to administer grant funds. Grant program recipients must enter into an agreement with OHA that contains provisions including the purpose the grant will be used, limits administrative and program delivery costs to less than 15 percent of grant funds, allows for audits and reporting by the grant recipient, and includes repayment provisions.

OHA is to establish grant criteria by rule and consult with the Governor’s Policy Advisor for Economic and Business Equity for grant monies to be used for work to be performed by disadvantaged business enterprises, minority-owned businesses, women-owned businesses, or businesses owned by service-disabled veterans. OHA also may develop or contract with nonprofits or public higher education institutions to develop performance measures, as well as ways to identify and reduce health hazards in housing.

Additionally, this measure establishes the Interagency Task Force on Healthy Homes. The Task Force is to report on the Healthy Homes Program to the interim committees of the Legislative Assembly related to housing, to the Governor, and to the Environmental Justice Task Force no later than September 15, 2022. OHA is to provide staff support for the Task Force. The Task Force sunsets January 2, 2023.

This measure establishes the Healthy Homes Repair Fund, separate and distinct from the General Fund, to implement this measure. The fund includes appropriations, repaid grant funds, moneys transferred from federal or state government, application fees, and gifts, grants, or donations. The measure includes a \$20.0 million General Fund appropriation for deposit into the Fund.

This measure takes effect on the 91st day after the date on which the Legislative Assembly adjourns sine die.

Oregon Health Authority

The Oregon Health Authority (OHA) would establish four new positions to administer this grant program, with position costs paid for from moneys deposited in the Healthy Homes Repair Fund. All positions would start October 2021, and include:

- One part-time Principal Executive Manager - D to manage the program and program staff;
- One full-time Operations and Policy Analyst 3 to design program elements and implement the program, coordinate the Task Force, and develop policies;
- One full-time Program Analyst 2 to work on program procedures and communication, and contract and program administration; and,
- One full-time Fiscal Analyst 2 to provide financial tracking and reporting.

Total costs of program administration are estimated at \$849,442, which includes these positions and position-related Services and Supplies; estimated legal costs; and a meeting facilitation contract for the Task Force as well as other task force expenditures. The remainder of the funds, totaling \$19,150,558 General Fund in 2021-23, would be disbursed as grants.

This fiscal analysis assumes funding for this program will continue at the same level into the 2023-25 biennium.

Other state agencies

There is no or minimal fiscal impact on the Department of Consumer and Business Services, Office of the Governor, Housing and Community Services Department, Department of Land Conservation and Development, Public Utility Commission, Department of Energy, Department of Environmental Quality, Department of Human Services, Higher Education Coordinating Commission, Public Universities, Counties, and Cities.