

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2167 - A

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office

*Only Impacts on Original or Engrossed
Versions are Considered Official*

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Measure Description:

Creates the Racial Justice Council within the Office of the Governor. Provides that the membership of the council shall consist of the Governor, as chairperson, and no more than 40 additional members appointed by and serving at the pleasure of the Governor.

Government Unit(s) Affected:

Office of the Governor, Bureau of Labor and Industries (BOLI), Department of Justice (DOJ), Secretary of State (SOS), Oregon State Treasurer (OST), Legislative Assembly, Oregon Advocacy Commissions Office (OACO), Department of Administrative Services (DAS), Statewide

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

Office of the Governor

General Fund	2021-23 Biennium	2023-25 Biennium
Personal Services	\$342,203	\$456,272
Services and Supplies	172,106	172,206
Total Funds	\$514,309	\$628,478
Positions	2	2
FTE	1.50	2.00

Analysis:

House Bill 2167, A-engrossed, replaces the introduced version. The measure creates the Racial Justice Council within the Office of the Governor. The council shall consist of the Governor, as chairperson, and no more than 40 additional members appointed by and serving at the pleasure of the Governor.

The Governor may assign one or members to serve as a liaison between the council and the advocacy commissions. The Governor shall establish committees to address policies of interest to the council and appoint each council member to at least one committee. Each committee shall report and make recommendations to the council. Council members are not entitled to compensation; however, the council chairperson may authorize reimbursement of council members for actual and necessary expenses incurred in the performance of their council duties.

The measure directs all state agencies to assist the council in the performance of its duties and, to the extent permissible, to furnish information and advice to the council as the council considers necessary. At least once per year, the council shall report to the Legislative Assembly, the Secretary of State, the Bureau of Labor and Industries, the State Treasurer, and the Attorney General. The report must describe strategies to implement racial justice into state government and may include other matters pertinent towards dismantling systemic and institutional racism. The council shall provide advice and recommendations to the Governor relating to racial

justice. The council shall advise and assist state agencies in creating racial impact statements for programs included in agency request budgets. The council shall communicate with the appropriate officers and committees of the Legislative Assembly to monitor investments in and track progress towards racial equity.

The measure also directs each agency request budget to include a racial impact statement, which must be developed in consultation with the council. The racial impact statements must describe the impact of programs, policies and budget modifications on Oregonians who are Black, Indigenous or other people of color. The Governor's budget shall include a narrative summarizing the racial impact statements required by law. The measure takes effect on January 1, 2022.

Office of the Governor

The measure would have a fiscal impact on the Office of the Governor. The Governor's Office would need two permanent, full-time positions (1.50 FTE) to serve the council in conducting its work. The two positions include a Principal Executive Manager G (PEM G) and an Executive Support Specialist 2 (ESS 2). The PEM G position would serve as the chief policy advisor to the council, in charge of developing, implementing and integrating best practices and emerging best practices relating to racial justice. The ESS 2 position would provide administrative support and research to the PEM G position and the council. The estimated total cost of these positions, including related services and supplies, is \$514,309 General Fund in the 2021-23 biennium and \$628,478 General Fund in the 2023-25 biennium. These two positions are included in the 2021-23 Governor's Budget as a Policy Option Package.

Statewide

The measure would have an indeterminate fiscal impact statewide. The measure directs all state agencies to assist the council in the performance of its duties and, to the extent permissible, to furnish information and advice to the council, as the council considers necessary. It also requires every agency request budget, developed in consultation with the council, to include a racial impact statement, which must describe the impact of programs, policies and budget modifications on Oregonians who are Black, Indigenous or other people of color. Presently, the fiscal impact to state agencies is not anticipated to require additional funding or resources for individual agency budgets. However, it is unclear what kind of assistance state agencies would need to provide the council and how much staff time and resources would be needed to prepare racial impact statements. The scope of this work could be more than minimal for some agencies, specifically smaller boards and commissions, depending on the guidance provided by and the requests made by the council.

Department of Administrative Services

The measure would have a minimal fiscal impact on the Department of Administrative Services. The Chief Financial Office (CFO) would need to prepare a narrative summarizing the racial impact statements in the Governor's Budget. CFO would also need to update the 2023-25 budget instructions to state agencies.

Oregon Advocacy Commissions Office

The measure would not have a fiscal impact on the Oregon Advocacy Commissions Office. The Governor may assign one or members to serve as a liaison between the council and the advocacy commissions. The advocacy commissions are defined in this measure to include the Commission on Asian and Pacific Islander Affairs, the Commission on Black Affairs, and the Commission on Hispanic Affairs. Coordination with the Racial Justice Council would not have a fiscal impact on the Oregon Advocacy Commissions Office, which provides administrative support for the advocacy commissions.

Other Agencies

The measure would not have a fiscal impact on the Legislative Assembly, the Secretary of State, the Bureau of Labor and Industries, the State Treasurer, and the Attorney General. The measure directs the council to report to these agencies at least once per year on ways to improve racial justice in state government. While these agencies are also directed to assist the council and prepare racial impact statements, receipt of this report would not in itself impact these agencies.