

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 4107 - 2

81st Oregon Legislative Assembly – 2022 Regular Session
Legislative Fiscal Office

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

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Measure Description:

Requires the director of the Legislative Policy and Research Office to develop a pilot racial and ethnic impact statement template and begin producing a limited number of statements during the 2023 legislative session.

Government Unit(s) Affected:

Legislative Policy and Research Office (LPRO), Legislative Assembly

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
Legislative Policy and Research Office (LPRO)		
General Fund		
Personal Services	599,755	685,435
Services and Supplies	28,000	28,000
TOTAL GENERAL FUND	\$627,755	\$713,435
Positions	6	6
FTE	2.33	2.67

Analysis:

House Bill 4107, as modified by the -2 amendments, requires the director of the Legislative Policy and Research Office (LPRO) to develop a pilot racial and ethnic impact statement template for proposed legislation. The template shall set forth standard questions, sources of data, and sources of research to be considered in the preparation of a racial and ethnic impact statement. The LPRO director must select three Senate measures and three House measures that were enacted in the 2021 regular session as test measures on which to apply the pilot racial and ethnic impact statement template. The director will use those six bills to test the pilot template and process, and then present a preliminary report by September 15, 2022 to the interim House Committee on Rules and a final report by December 15, 2022, to both interim committees on Rules, complete with findings from the six test statements. Incorporating feedback from the interim committees on Rules, the director will propose to the Legislative Policy and Research Committee a process to prepare racial and ethnic impact statements for the 2023 regular session. A racial and ethnic impact statement must be prepared for at least two, but no more than five, measures in committees focusing on the policy areas of health care, education, revenue, human services, administration of justice, and housing. The director must report to the interim House Committee on Rules by September 15, 2022, on the racial and ethnic impact statement process to be used for the 2023 regular session. The measure takes effect on passage.

Legislative Policy and Research Office

The measure directs the LPRO director to develop a pilot racial and ethnic impact statement template for proposed legislation. As soon as practicable after the measure’s effective date, LPRO anticipates needing to hire a Research Analyst to develop a pilot racial and ethnic impact statement template and process. This position will

require specialized knowledge to develop the pilot racial and ethnic impact statement template, produce the statements, and continue to develop the process and statements. Furthermore, because the measure requires racial and ethnic impact statements to be completed on measures each long session and for the LPRO director to work with the Rules committees to suggest how to integrate the statements into short sessions, special sessions, and Emergency Board meetings, the new Research Analyst position would likely need to be permanent full-time (0.67 FTE in 2021-23, 1.00 FTE in 2023-25). Current LPRO staff will support the new Research Analyst, the costs of which are expected to be absorbed within LPRO's current budget.

Once the pilot template is developed, the measure directs LPRO to continue producing racial and ethnic impact statements each odd-numbered year legislative session, starting with the 2023 session. The measure also requires the LPRO director to suggest ways to expand racial and ethnic impact statements to additional policy areas and additional legislative sessions, including even-numbered year short sessions, special sessions, and Emergency Board meetings.

Based on the measure's requirements of producing two to five racial and ethnic impact statements for committees within the policy areas of health care, education, revenue, human services, administration of justice, and housing, LPRO expects to produce 24 to 60 statements in the 2023 session. Because it is currently unknown what the research process for the statement will entail, it is unknown how long it will take to develop a statement or how many staff will be needed to produce it. Nevertheless, LPRO anticipates needing five limited duration Research Analysts (1.67 FTE in 2021-23 and 2023-25) for the 2023 session to produce statements. This assumes each Research Analyst will focus on one of the six policy areas mentioned in the measure and will support two committees, streamlining the process and developing subject matter expertise specific to the racial and ethnic impacts within a particular policy area. However, as a practical matter, it should be noted that only five of the six policy areas covered by the measure are staffed by LPRO; one of the policy areas (revenue) is staffed by the Legislative Revenue Office (LRO). While the measure does not contemplate any impact to LRO, it is quite possible that a Research Analyst with expertise in revenue would be staffed by LRO. For purposes of this fiscal impact statement, though, it is assumed that all six Research Analysts will be staffed by LPRO.

LPRO would need a General Fund budget increase to be able to fund these new positions. The estimated fiscal impact to LPRO, including ongoing costs for personal services and services and supplies, is \$627,755 General Fund for six positions (2.33 FTE) in the 2021-23 biennium and \$713,435 General Fund for six positions (2.67 FTE) in the 2023-25 biennium. Ongoing workload driven by this measure may be better informed after the template is developed and data availability is better understood.

The measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its impact to LPRO's budget and the state General Fund.

Legislative Assembly

The measure is anticipated to have no fiscal impact on the Legislative Assembly.