

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: HB 3101 - 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:

Requires schools to have at least one panic alarm in each school building.

Government Unit(s) Affected:

Department of Education, School Districts

Summary of Fiscal Impact:

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

Analysis:

House Bill 3101 A-engrossed appropriates an unspecified amount of General Fund to the Oregon Department of Education (ODE) in the 2023-25 biennium to assist school districts to purchase and install wireless panic alert devices and systems, including 9-1-1 integration. The measure requires every public school, including any educational institution with an average daily attendance of 50 or more students, to have emergency safeguards to protect the safety and well-being of school students and staff, including drills and instruction on emergency procedures and a wireless panic alert device in each classroom of each school building. However, a public school would not be required to have a wireless panic alert device in each classroom of each school building if the school chooses to use a hard-wired panic alert device or a combination of wireless and hard-wired panic alert devices, or the purchase and maintenance of panic alert devices causes the school a financial hardship. The measure takes effect on July 1, 2023, becomes operative on July 1, 2024, and first applies to the 2024-25 school year.

Oregon Department of Education

The fiscal impact to ODE is indeterminate because the measure appropriates an unspecified amount of General Fund to ODE to assist school districts to purchase and install wireless panic alert devices, and the level of investment in this new program will ultimately inform the level of assistance that ODE would be required to provide to school districts, education service districts, and public charter schools.

ODE would need to establish a new grant program within the Office of Finance and Information Technology in the Office of School Facilities. The grant program would provide financial assistance to school districts to purchase and install wireless panic alert devices. Prior to beginning the new grant program, ODE would need to adopt new administrative rules for how to run the program, including the application process, award process, payment process, and any audit or review process; create forms and templates for applications and awards, including a grant agreement template approved by the Oregon Department of Justice for use in the program; and provide ongoing monitoring and administration of the program. ODE anticipates that the application process would be a discrete process, i.e., grant applications and awards would be processed at designated times prior to the July 1, 2024 operative date.

To administer the program, ODE would need one limited duration, full-time Program Analyst 2 position (0.75 FTE) to collect information on infrastructure compatibility from school districts, determine the reasonable cost for installation of wireless panic alert devices, and oversee the distribution of grants to school districts that apply for and are eligible for funding. The estimated cost of this position, including related services and supplies, is

\$183,141 General Fund in the 2023-25 biennium. The position would be phased out after the grant program sunsets.

Based on a hypothetical cost of \$8 million General Fund for purchasing and installing panic alert systems in schools, this fiscal impact statement assumes that ODE would provide financial assistance to every public school and public charter school in the state. There are 1,250 schools in Oregon. The estimated cost for the initial panic alarm systems is \$1,600 per unit, including installation. Based on these assumptions, the estimated total cost for initial panic alarm systems needed is \$2,000,000 General Fund. That estimate would only cover the cost of initial panic alarm systems for each school, but not for each classroom as the measure requires. There are an estimated 16,276 classrooms in the state, thus requiring an additional 15,026 panic alarms after the initial system purchase. The estimated cost of these additional panic alarms is \$250 per unit and \$150 per installation. Based on these assumptions, the estimated cost of the additional panic alarms is \$6,010,400 General Fund. Including the cost of the Program Analyst 2 position, the total estimated fiscal impact to ODE is \$8,193,541 General Fund in 2023-25.

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

School Districts

The fiscal impact to school districts is indeterminate. It is currently unknown what kind of panic alert systems and devices would be installed in each school. Cost estimates for installing panic alert systems in every Oregon classroom range between \$7 million and \$16.8 million. School districts would also incur training costs to ensure that school staff are properly trained in how to use the panic alert systems and devices, though the extent of this training would depend on the system and devices purchased.