

**FISCAL IMPACT OF PROPOSED LEGISLATION**

Measure: HB 2724 - 1

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: John Terpening  
Date: April 7, 2021**Measure Description:**

Requires State Department of Agriculture to establish advisory committee to advise department on policies related to Oregon crops.

**Government Unit(s) Affected:**

Oregon Department of Agriculture (ODA)

**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	\$176,204	\$178,404
<b>Total Funds</b>	<b>\$176,204</b>	<b>\$178,404</b>
Positions	1	1
FTE	0.38	0.50

**Analysis:**

HB 2724 - 1 directs the Oregon Department of Agriculture (ODA) to establish a committee to advise the department on policies related to high-value and value-added Oregon crops. The committee is to be comprised of between nine and eleven members who represent certain sectors and industries. The committee is to meet quarterly with the objectives of identifying policies that impact regulatory compliance or change production or marketing of Oregon crops; advising ODA and committees of the Legislative Assembly on policies related to Oregon's crop-related sectors or value-added industries; facilitating trade support for agricultural products and practices; and encouraging agriculture-related policies among state agencies. The advisory committee may establish policy-specific subcommittees.

ODA anticipates hiring a permanent, part-time Operations and Policy Analyst 3 (0.38 FTE in 2021-23, 0.50 FTE in 2023-25). The total cost of this position is estimated at \$78,989 General Fund, with an additional \$20,215 General Fund for position-related Services and Supplies. This position would compile policy recommendations, perform research, and provide other committee support.

This measure does not clarify if committee members are entitled to compensation, but ODA assumes costs of \$22,000 General Fund each biennium for reimbursement for costs of travel, as well as indeterminate costs should the advisory committee choose to establish policy-specific subcommittees. Additional costs include an estimated \$25,000 per biennium for legal fees, and one-time costs of \$30,000 in 2021-23 for rulemaking.

The effective date of this measure is January 1, 2022. ODA notes that there will be work required before this date in order to implement this program on time. If ODA were able to hire the Operations and Policy Analyst 3 position at the beginning of the biennium instead of January 1, 2022, estimated costs would increase by \$32,200

General Fund. ODA also notes that due to the complexity of the committee mandates, which will directly influence agricultural policies and regulation, there may be additional unknown costs to implement this measure.

This measure warrants a subsequent referral to the Joint Committee on Ways and Means for consideration of its budgetary impact.