

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 3249

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:

Directs State Department of Agriculture, in consultation with Minor Crops Advisory Committee, to establish grant program to study alternatives to chlorpyrifos.

Government Unit(s) Affected:

Public Universities, 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	\$1,250,000	\$0
Total Funds	\$1,250,000	\$0
Positions	0	0
FTE	0.00	0.00

Analysis:

HB 3249 directs the Oregon Department of Agriculture (ODA) in consultation with the Minor Crops Advisory Committee, to establish a grant program to fund research on alternatives to chlorpyrifos. The measure also directs Oregon State University (OSU), in cooperation with the United States Department of Agriculture’s Interregional Project Number 4, to research alternatives to chlorpyrifos. Research funded by these programs is to be completed no later than December 31, 2024. ODA and OSU are to report to the interim committees of the Legislative Assembly related to agriculture on the results of grant-funded research by September 15, 2025. This measure includes a one-time General Fund appropriation of \$850,000 to ODA and a one-time \$400,000 General Fund appropriation for OSU. This measure takes effect on the 91st day after the Legislative Assembly adjourns sine die.

OSU would use the \$400,000 to pay for costs of research in collaboration with the Interregional Research Project Number 4, and the Oregon Integrated Pest Management Center at OSU.

ODA anticipates administrative costs of between three and five percent of the total grant amount, or approximately \$25,500 to \$42,500 General Fund, which is assumed to come from the appropriation provided by this measure. These funds would pay for the costs of developing award criteria and grant applications, grant monitoring, stakeholder engagement, and Legislative reporting. Existing staff would be used to carry out these administrative functions. The remaining funds from the \$850,000 appropriation would be distributed as grants. It should be noted that the award criteria are still to be developed and the demand for grants is indeterminate. Excessive demand, the method of distribution, or the rigor of monitoring may increase the Department’s administrative workload. The number of grants that may be awarded based on the assumed amount of \$850,000 is also indeterminate.

The Legislative Fiscal Office (LFO) notes that appropriations are generally not made directly to public universities such as OSU but to the Higher Education Coordinating Commission (HECC) for distribution to a public university. LFO also notes that any unspent monies from the General Fund appropriation to ODA will be reverted to the General Fund at the end of 2021-23 biennium, as General Fund appropriations cannot be carried across biennia. It should be noted that while this is true for ODA, since they are a state agency that will be the direct recipient of the General Fund appropriation, the General Fund monies appropriated to HECC for distribution to OSU would not revert since these monies will have been “spent” by HECC during the 2021-23 biennium when the funds are distributed to OSU.

It is not clear how ODA would fund any administrative work required to complete close out of this grant program if costs went beyond the 2021-23 biennium, as the measure provides for research under this program to continue until the end of 2024 and the reporting requirements continue into 2025. Any additional grant program expenditures after the 2021-23 biennium must be approved as part of the 2023-25 legislatively adopted budget process or by future legislative action.