

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 4040**

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

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

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Date: 02/10/2022

**Measure Description:**

Appropriates moneys to Oregon Business Development Department to develop and implement program to award grants to Oregon cultural organizations in response to negative impact of COVID-19 pandemic on organizations' earned revenue.

**Government Unit(s) Affected:**

Oregon Business Development Department (OBDD)

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

|                    | <b>2021-23 Biennium</b> | <b>2023-25 Biennium</b> |
|--------------------|-------------------------|-------------------------|
| General Fund       | \$50,000,000            |                         |
| <b>Total Funds</b> | <b>\$50,000,000</b>     | <b>\$0</b>              |
| Positions          | 0                       |                         |
| FTE                | 1.25                    |                         |

**Analysis:** The measure appropriates \$50 million General Fund to the Oregon Business Development Department (OBDD) with up to 5% allowable for administrative costs, for grants to Oregon cultural organizations whose earned revenue were negatively affected by the COVID-19 pandemic. Grants shall be awarded as follows: 60% to cultural organizations that operate cultural venues, performing arts organizations, and museums; and 40% to cultural organizations that operate cultural support businesses. The bill is effective on passage with an operative date of July 1, 2022. The grant application period may not exceed eight weeks following the operative date.

OBDD anticipates the need to extend five existing limited-duration positions by six months and the likely need to use temporary staffing to assist with grant processing, review, and payment for approximately 4,000 anticipated grant applications. Additionally, the agency notes that the program would potentially increase the workload of existing staff in program oversight, procurement, and information technology.