

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: HB 2459 - 4

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

Only Impacts on Original or Engrossed Versions are Considered Official

Prepared by: Tim Walker
Reviewed by: Matt Stayner
Date: 03/13/2023

Measure Description:

Appropriates moneys to Oregon Business Development Department to distribute to Oregon cultural organizations in response to negative impact of COVID-19 pandemic on organization finances.

Government Unit(s) Affected:

Oregon Business Development Department

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

	2023-25 Biennium	2025-27 Biennium
Oregon Business Development Department		
General Fund		
Personal Services	\$1,294,234	
Services and Supplies	\$123,820	
Special Payments	\$48,731,946	
Total Fiscal Impact	\$50,150,000	\$0
<i>Total Positions</i>	8	0
<i>Total FTE</i>	5.75	0.00

Analysis: The measure appropriates \$50.15 million General Fund to the Oregon Business Development Department to distribute to Oregon cultural organizations in response to the negative impacts of the pandemic.

The bill essentially outlines two methods for distributing the monies appropriated after withholding \$150,000 of the total for the administrative costs to the agency for the administration of both programs. The first of these directs the agency to distribute a total of \$11.8 million to specifically named major venues and \$11.3 million to specifically named independent venues, with enumerated amounts for each that sum to the total distributed in each category. The emergency clause contained in the bill would make this first program effective upon passage of the measure.

With the remaining funding, OBDD is directed to develop and implement a program to award unspecified grants directly to Oregon cultural organizations that can demonstrate a significant loss in earned revenue from 2020 through 2023 due to certain actions taken in response to the COVID-19 pandemic. OBDD will establish an application process, and applicants must demonstrate a significant loss in earned revenue with appropriate financial documents. The grants awarded will be prioritized to applicants who have experienced the greatest proportional loss (ratio provided) balanced with geographic location. OBDD may withhold up to 5% of the net \$50M appropriated to cover the actual costs of developing and implementing both programs in addition to the \$150,000 withheld as noted above. This second program has an effective date of January 1, 2024, however the measure allows for the agency to take any action necessary prior to this effective date to facilitate the program implementation on or after the effective date.

OBDD anticipates needing one Policy Analyst 4 (1.00 FTE) to coordinate workflows and programming for the grant program, two Operations and Policy Analyst 3 (2.00 FTE) to review applications, process awards, document files, and correspond with grant applications, and one Administrative Specialist 1 (1.00 FTE) to assist with scheduling, correspondence, filing, and reporting. In addition, OBDD will need one Procurement and Contracts Specialist 3 (0.25 FTE) for contract writing and review, Request for Proposals development, and working with staff to develop contract information. One Accounting Tech 1 (0.50 FTE) to establish fund accounts, process transactions, and provide data for reporting. One Information Services Specialist 7 (0.50 FTE) to set up an IT portal to manage and administer the grant program, set up staff with devices, set security profiles, enable software product access to program staff, and do technical support. One Human Resource Analyst 2 (0.50 FTE) for hiring and onboarding of all new staff, including classification analysis, recruitment, limited duration, temporary employee onboarding, and managing pay and benefits as needed.

The measure has a subsequent referral to the Joint Committee on Ways and Means.