

**HB 3410 BUDGET REPORT and MEASURE SUMMARY**

**Joint Committee On Ways and Means**

**Prepared By:** Tamara Brickman, Department of Administrative Services

**Reviewed By:** Walt Campbell, Legislative Fiscal Office

---

**Department of Administrative Services  
2023-25**

**Higher Education Coordinating Commission  
2023-25**

**Oregon Business Development Department  
2023-25**

**Department of Agriculture  
2023-25**

PRELIMINARY

**Budget Summary\***

	2021-23 Legislatively Approved Budget <sup>(1)</sup>	2023-25 Current Service Level	2023-25 Committee Recommendation	Committee Change from 2021-23 Leg. Approved	
				\$ Change	% Change
<b>Department of Administrative Services</b>					
General Fund	\$ -	\$ -	\$ 11,190,000	\$ 11,190,000	100.0%
<b>Higher Education Coordinating</b>					
General Fund	\$ -	\$ -	\$ 5,500,000	\$ 5,500,000	100.0%
<b>Oregon Business Development</b>					
Lottery Funds	\$ -	\$ -	\$ 6,500,000	\$ 6,500,000	100.0%
<b>Oregon Department of Agriculture</b>					
General Fund	\$ -	\$ -	\$ 9,000,000	\$ 9,000,000	100.0%
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,190,000</b>	<b>\$ 32,190,000</b>	<b>100.0%</b>

**Position Summary**

**Higher Education Coordinating**

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.75	0.75

**Oregon Business Development**

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	0.50	0.50

<sup>(1)</sup> Includes adjustments through January 2023

\* Excludes Capital Construction expenditures

**Summary of Revenue Changes**

House Bill 3410 appropriates a total of \$25.7 million General Fund and provides \$6.5 million Lottery Funds to four agencies: Department of Administrative Services (DAS), Higher Education Coordinating Commission (HECC), Oregon Business Development Department (OBDD), and the Oregon Department of Agriculture (ODA). These funds are for purposes related to the outdoor recreation economy including a grant to the Rural Revitalization Strategies Consortium to plan for and develop housing; grants to county fair operators; a distribution to the Oregon Coast Visitors

Association; grants to establishments that process and sell meat products; the formation, improvement, and operation of small business development centers; and strategic investments in maritime workforce development programs and activities. House Bill 3410 also authorizes the OBDD to establish and charge an application fee to provide revenue for certain administrative responsibilities under the bill.

## **Summary of Transportation and Economic Development Subcommittee Action**

### **Department of Administrative Services**

House Bill 3410 appropriates \$11.2 million General Fund to DAS, on a one-time basis, for the following distributions:

- \$10.0 million General Fund for a grant to the Regional Rural Revitalization Strategies Consortium to provide planning, infrastructure, capital equipment, and predevelopment costs for housing, to award grants and loans to capacity builders and developers of housing and to enter public-private partnerships for the development of housing. Housing supported with money appropriated may be located in any area of the state except for within the urban growth boundary of a city with a population greater than 50,000.
- \$1.2 million General Fund as a grant to the Oregon Coast Visitors Association to be spent as follows:
  - \$190,000 to develop a geographic information systems tool for food systems with blue economy layers. The tool shall be developed to connect food producers and food technology businesses to suitable sites for start-up or expansion with the goal of capturing more value from Oregon's natural resources and agricultural and seafood industries.
  - \$700,000 to fill gaps in regional food system aggregation and production infrastructure, including development of coastal ports mariculture and coculture facility in partnership with the Oregon Kelp alliance; installation of a shared-use certified commercial kitchen, processing center and cold storage at the Newport Seafood Analytical Lab of the Coastal Oregon Marine Experiment Station; and development of a mobile processing unit to be shared across multiple port districts.
  - \$300,000 to support existing businesses connected to the projects above, as well as businesses identified in a technical assistance survey for rural seafood businesses that is currently being conducted and coproduced by the Oregon Coast Visitors Association, the Oregon State University Food Innovation Center, and the Oregon State University Seafood Research and Education Center.

### **Higher Education Coordinating Commission**

House Bill 3410 appropriates \$3.5 million General Fund, on a one-time basis, to HECC for distribution as follows:

- \$2.0 million to Oregon State University (OSU) Extension Service to distribute to OSU's Center for the Outdoor Recreation Economy for professional and workforce development programs.

- \$1.0 million to OSU Extension Service to distribute to OSU’s Center for the Outdoor Recreation Economy for facilitation and technical assistance in communities affected by wildfire for community engagement in the planning and construction of outdoor recreation facilities to support the communities’ economic recovery.
- \$500,000 to OSU-Cascades to equip a fabrication and maker space to support new product prototyping by outdoor recreation entrepreneurs in rural and central Oregon.

Additionally, the bill appropriates \$2.0 million General Fund to HECC for implementation and administration of a new maritime workforce development program supporting strategic investments in maritime workforce development programs and activities. For this program, the Subcommittee recommended one permanent full-time Program Analyst position (0.75 FTE) to manage and monitor the maritime workforce grant process to local workforce development boards, community colleges, school districts, and other community organization; work with a program consultant contracted for data collection and analysis; and oversee other program activities to promote growth and development of the maritime workforce sector.

### **Oregon Business Development Department**

House Bill 3410 provides \$6.5 million Lottery Funds, on a one-time basis, to OBDD for the following purposes:

- \$500,000 for matching grants to membership organizations and business accelerators for the purpose of capacity building and technical assistance in the outdoor gear and apparel industry. The committee’s recommendation also authorizes OBDD to establish and charge an application fee for the outdoor gear and apparel capacity building and technical assistance matching grant program, commensurate with cost of the program administration, which OBDD has indicated will mostly be associated with legal costs.
- \$3.0 million to develop and implement a program for awarding grants directly to county fair operators for the operation of county fairs and the maintenance and repair of county fairgrounds. The recommendation authorizes OBDD to use up to five percent of the total Lottery Funds allocation (or \$150,000) to cover actual administrative costs, including one limited duration Program Analyst 3 position (0.50 FTE) to coordinate with stakeholders, design application materials and administrative processes, oversee implementation, request grant contracts, and draft reports to the Legislature.
- \$3.0 million for the Small Business Development Centers program, which provides services and training to small businesses and entrepreneurs.

### **Oregon Department of Agriculture**

House Bill 3410 appropriates \$9.0 million General Fund, on a one-time basis, to ODA to continue a grant program, which provides infrastructure and capacity building grants for establishments that sell and process meat. The program was established in House Bill 2785 (2021) to support establishments expected to operate under the new State Meat Inspection Program and is scheduled to sunset on June 30, 2023. This measure extends the program’s sunset date to June 30, 2025. ODA anticipates utilizing existing staff time to support grant program administration.

**DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION**

Department of Administrative Services, Higher Education Coordinating Commission, Oregon Business Development Department, Oregon Department of Agriculture  
 Tamara Brickman -- (971) 719-3492

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<b>SUBCOMMITTEE ADJUSTMENTS</b>									
<b>Department of Administrative Services</b>									
<b>SCR 10700-099 - Special Government Payments</b>									
Special Payments	\$ 11,190,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,190,000		
<b>Higher Education Coordinating Commission</b>									
<b>SCR 52500-206 - Workforce Investments</b>									
Personal Services	\$ 167,631	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 167,631	1	0.75
Services and Supplies	\$ 76,926	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 76,926		
Special Payments	\$ 1,755,443	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,755,443		
<b>SCR 52500-210 - Public University State Programs</b>									
Special Payments	\$ 500,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 500,000		
<b>SCR 52500-211 - Statewide Public Services</b>									
Special Payments	\$ 3,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,000,000		
<b>Oregon Business Development Department</b>									
<b>SCR 12300-210 - Business, Innovation, Trade</b>									
Personal Services	\$ -	\$ 129,731	\$ -	\$ -	\$ -	\$ -	\$ 129,731	1	0.50
Services and Supplies	\$ -	\$ 16,244	\$ -	\$ -	\$ -	\$ -	\$ 16,244		
Special Payments	\$ -	\$ 6,354,025	\$ -	\$ -	\$ -	\$ -	\$ 6,354,025		
<b>Oregon Department of Agriculture</b>									
<b>SCR 60300-030 - Food Safety/Consumer Protection</b>									
Special Payments	\$ 9,000,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,000,000		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 25,690,000</b>	<b>\$ 6,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,190,000</b>	<b>2</b>	<b>1.25</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 25,690,000</b>	<b>\$ 6,500,000</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 32,190,000</b>	<b>2</b>	<b>1.25</b>