

**FISCAL IMPACT OF PROPOSED LEGISLATION**

**Measure: HB 3409 - B7**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

---

Prepared by: Haylee Morse-Miller

Reviewed by: Michelle Deister, Julie Neburka, John Borden, Steve Robbins, Paul Siebert, John Terpening, Ben Ruef, Amanda Beitel, Matt Stayner, Gregory Jolivet, Tom MacDonald, Walt Campbell, Kim To, April McDonald

Date: June 21, 2023

---

**Measure Description:**

Creates programs to improve energy efficiency in buildings, provide grants for green infrastructure and resilience hubs, research low carbon fuels from woody biomass residues, and provide rebates for medium and heavy duty zero emission vehicles. Directs rulemaking on siting photovoltaic solar power generation facilities. Establishes Natural and Working Lands Fund for purposes of funding programs on natural climate solutions. Extends sunset for solar and storage system rebate program. Creates guidelines for work on harmful algal blooms.

**Government Unit(s) Affected:**

Department of Education, Housing and Community Services Department, Department of Environmental Quality, Department of Energy, Office of the Governor, Department of Administrative Services, Department of Corrections, Department of Transportation, Higher Education Coordinating Commission, School Districts, Cities, Department of Consumer and Business Services, Department of Forestry, Department of Veterans' Affairs, Oregon Youth Authority, Special Districts Association of Oregon, Department of Agriculture, Department of Human Services, Department of Land Conservation and Development, Judicial Department, Legislative Administration, Oregon Business Development Department, Oregon Watershed Enhancement Board, Parks and Recreation Department, Statewide, Oregon Health Authority, Department of Fish and Wildlife, Counties, Department of Justice, Public Utility Commission

**Summary of Fiscal Impact:**

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

	2023-25 Biennium	2025-27 Biennium
<b>Oregon Department of Energy</b>		
General Fund	\$9,810,308	\$4,723,374
Other Funds*	\$2,000,000	\$0
<i>Total Funds</i>	\$11,810,308	\$4,723,374
<i>Positions</i>	12	11
<i>FTE</i>	9.55	11.00
<b>Department of Consumer and Business Services</b>		
Other Funds	\$756,051	\$835,691
<i>Total Funds</i>	\$756,051	\$835,691
<i>Positions</i>	2	2
<i>FTE</i>	1.76	2.00
<b>Department of Administrative Services</b>		
Other Funds	\$669,112	\$251,789
<i>Positions</i>	1	1
<i>FTE</i>	0.88	1.00
<b>Oregon Department of Forestry</b>		
General Fund	\$516,248	\$486,724
Other Funds*	\$90,000	\$0
<i>Total Funds</i>	\$606,248	\$486,724
<i>Positions</i>	2	2
<i>FTE</i>	1.75	2.00
<b>Department of Land Conservation and Development</b>		
General Fund	\$7,740,433	\$70,966
<i>Positions</i>	5	1
<i>FTE</i>	4.01	0.25
<b>Higher Education Coordinating Commission</b>		
General Fund	\$3,000,000	\$0
<b>Oregon Health Authority</b>		
General Fund	\$387,671	\$238,109
<i>Positions</i>	2	1
<i>FTE</i>	1.50	1.00
<b>Department of Human Services</b>		
General Fund	\$10,187,615	\$0
Federal Funds	\$125,081	\$0
<i>Total Funds</i>	\$10,312,696	\$0
<i>Positions</i>	2	0
<i>FTE</i>	1.50	0.00
<b>Oregon Watershed Enhancement Board</b>		
General Fund	\$10,000,000	\$0
Other Funds*	\$10,000,000	\$0
<i>Total Funds</i>	\$20,000,000	\$0
<b>Department of Environmental Quality</b>		
General Fund	\$3,376,770	\$468,758
Other Funds*	\$3,000,000	
<i>Total Funds</i>	\$6,376,770	\$468,758
<i>Positions</i>	3	4
<i>FTE</i>	1.88	3.50
<b>Total Fiscal Impact</b>	<b>\$61,659,289</b>	<b>\$7,075,411</b>
<i>Total Positions</i>	29	22

**Analysis:**

HB 3409 - B7 includes numerous programs that are outlined in detail below. The measure declares an emergency and takes effect on passage.

**Designated state agency programs for energy efficiency in buildings**

This portion of the measure provides Legislative Assembly findings and declarations for goals for the state related to heat pumps, including that the agencies of the executive branch of state government lead by example by acquiring, installing, and using heat pump technologies. This fiscal impact statement does not address the potential costs of these goals as they do not include specific deliverables or responsibilities for state agencies.

The measure further directs the Oregon Department of Energy (ODOE) to report to the Governor and an interim committee of the Legislative Assembly related to the environment by September 15 of each odd-numbered year, starting in 2025, on the rate of adoption of heat pump technologies in Oregon and progress the state is making in achieving greenhouse gas emissions reduction goals. ODOE is to collaborate with various agencies to reduce barriers to home energy efficiency and resilience by providing technical assistance and training to build capacity in developers, builders, community-based organizations, homeowners and tenants to conduct renovations and installations of energy efficient technologies.

The measure establishes the Energy Efficient Technologies Information and Training Fund. Moneys in the fund may be invested, and are continuously appropriated to ODOE for implementation of this measure, including administrative costs of up to 10 percent of the average quarterly balance of the fund. The measure includes a General Fund appropriation of \$2 million for deposit into the Energy Efficient Technologies Information and Training Fund, and a commensurate increase in Other Funds expenditure limitation for ODOE. This portion of the measure is operative on the 91st day after the Legislative Assembly adjourns sine die.

**Oregon Department of Energy**

The estimated cost for ODOE to implement the measure is \$525,467 General Fund in the 2023-25 biennium, and \$671,389 in the 2025-27 biennium. The agency would hire two new permanent, full-time positions, including an Operations and Policy Analyst 2 (0.63 FTE in the 2023-25 biennium, 1.00 FTE in the 2025-27 biennium) to assess heat pump data, existing programs, and policy options, and work on external communications; and a Program Analyst 3 (0.88 FTE in the 2023-25 biennium, 1.00 FTE in the 2025-27 biennium) to administer the workforce training and education program. In the 2023-25 biennium, General Fund costs include \$324,688 for personal services and \$200,779 for services and supplies.

ODOE notes that the work required under this measure could require contracting with an expert to help with data gathering, though costs could potentially be covered with the existing Energy Research Fund. ODOE also notes that there may be Federal Funds available for this work, although federal funding is also currently indeterminate.

**Department of Consumer and Business Services: energy efficiency in buildings**

This portion of the measure requires the Department of Consumer and Business Services (DCBS) to obtain the approval of the department's advisory boards and committees and consult with the Oregon Department of Energy (ODOE) to specify energy efficiency goals for new residential and commercial construction with an aim to achieve at least a 60 percent reduction in annual energy consumption by 2030, from standards specified building and specialty codes that were in effect in 2006. DCBS is to cooperate with ODOE to identify metrics to inform updates to the statewide building code and applicable specialty codes. The agency is to report to an interim committee of the Legislative Assembly related to the environment by December 31 of every third year, starting in 2023, on progress and options to achieve goals.

DCBS is to update the Reach Code to show progress toward the goals each time the agency updates the statewide building code and applicable specialty codes.

These requirements are operative January 1, 2024, though the measure does require DCBS to report to the Legislature in 2023.

The agency is also to report to an interim committee of the Legislative Assembly related to the environment by December 31, 2024 on findings and recommendations regarding options for reducing greenhouse gas emissions that result from building materials. This is operative on the 91st day after the Legislative Assembly adjourns sine die.

#### Department of Consumer and Business Services

DCBS costs are anticipated to total \$348,044 Other Funds in the 2023-25 biennium and \$400,649 Other Funds in the 2025-27 biennium. Other Funds are derived from building code division fees; it is not clear if this measure would require an increase in fees or if the agency has sufficient reserves to pay for position costs in the short term, and further analysis is needed.

The agency would hire one full-time permanent position, an Operations and Policy Analyst 4 (0.88 FTE in 2023-25, and 1.00 FTE in 2025-27) to serve as a subject matter expert on energy efficiency and the building code. This position is priced at Step 9, instead of Step 3 for salaries, as this is a specialized position that may be difficult to hire at a lower rate.

DCBS notes that there could be additional impacts related to prioritization outlined in the bill, and the need to address conflicts between prioritization outlined elsewhere in statute. Additionally, building code is intended to be product neutral; giving preference to particular products could lead to legal challenges.

Other Funds expenditure limitation and position authority of \$756,051 and two positions (1.76 FTE) is provided in this measure, which is reflected in the total fiscal impact costs. However, since this exceeds the Department's current estimate of costs, adjustments will be required to reconcile DCBS' budget during the 2024 legislative session.

#### Other agencies

ODOE anticipates a minimal impact, but notes that ODOE's consultative responsibilities are not fully clear, and the agency may require additional resources depending on ODOE's ultimate scope of work. The agency currently anticipates that around 0.50 FTE of existing staff time will need to be used to implement this measure.

Oregon Department of Transportation foresees a short-term minimal impact, but notes that in the long run, this measure could cause increased building costs; however, these potential increased costs are out of the two biennia scope of this fiscal impact statement.

#### **Energy performance standards for covered commercial buildings**

This portion of the measure directs the Oregon Department of Energy (ODOE), in consultation with the Department of Consumer and Business Services (DCBS), to adopt rules to specify an energy performance standard for covered commercial buildings by December 31, 2024.

ODOE is to create a database of eligible building owners and covered commercial buildings that are subject to the requirements based on records the department obtains from each county assessor and on other information available to the department. Note that this portion of the measure does reference "the department" throughout without defining which department, as DCBS is also mentioned in this section of the measure; this fiscal impact statement assumes that unless otherwise stated, "the department" refers to ODOE.

The measure outlines various other requirements and timelines, including:

- By December 31, 2024, ODOE is to establish a requirement and standards for data provision by eligible building owners of tier 2 buildings- which includes multifamily residential buildings, hospitals, schools,

dormitories, or university buildings over 35,000 square feet, or hotels, motels, and nonresidential use buildings between 20,000 and 35,000 square feet- which will enable ODOE to establish a benchmark for energy use in, and greenhouse gas emissions from, tier 2 buildings.

- By January 15, 2025, and by the same date every year after until 2035, ODOE is to report to the Governor and to committees of the Legislative Assembly related to the environment concerning the implementation of the energy performance standard.
- By July 1, 2025:
  - Owners of tier 1 buildings- which includes hotels, motels, and nonresidential use buildings in which the gross floor area equals or exceeds 35,000 square feet- must be notified of energy performance standard requirements.
  - ODOE is to notify eligible building owners of tier 2 buildings of the requirement and standards the department adopts for data reporting.
  - ODOE is to establish an advisory committee to identify and evaluate the financial and nonfinancial implications of establishing and implementing an energy performance standard for tier 2 buildings.
- By September 30, 2026, and by the same date every two years after, ODOE is to report to interim committees of the Legislative Assembly related to energy on the operations and results of the incentive program discussed below.
- Starting in 2028, eligible tier 1 building owners must comply with the energy performance standard, with compliance timing based on building square footage. Owners of eligible tier 1 buildings are to report to ODOE concerning compliance with the energy performance standard every five years.
- By July 1, 2028, and by July 1 every five years following, an eligible building owner of a tier 2 building must provide ODOE with data the department requires.
- By July 1, 2029:
  - ODOE is to update the energy performance standard.
  - ODOE must evaluate and use the data the department receives from eligible building owners of tier 2 buildings to calculate average energy use in, and average greenhouse gas emissions from, each of the categories of tier 2 buildings that exist in this state.
- By October 1, 2030, ODOE is to report to the Governor and an interim committee of the Legislative Assembly related to energy, with recommendations on a cost-effective energy performance standard for tier 2 buildings.

#### *Additional tier 1 requirements*

ODOE is to provide a support program to eligible building owners of covered commercial buildings that includes information and periodic training, technical assistance, and other efforts to assist eligible building owners to comply with the energy performance standard, applicable energy use intensity targets, and reporting requirements. ODOE may impose civil penalties for noncompliance. Civil penalties are to be deposited into the State Department of Energy Account and used to administer ODOE's energy efficiency programs. ODOE is to establish a rules advisory committee and conduct rulemaking around this program.

#### *Additional tier 2 requirements*

ODOE is to cooperate with the Department of Education (ODE) to establish a requirement to provide the data in a manner that minimizes costs to schools and avoids duplication with ODE's school facility assessments.

#### *Incentives*

ODOE is to establish by rule a program to pay incentives to eligible building owners that implement energy performance standards for covered commercial buildings before implementation is mandatory. An owner of a tier 2 building may receive an incentive payment of 35 cents per square foot of the covered commercial building if reporting that is required by July 1, 2028, is completed early. Owners of a tier 1 building may receive an incentive payment of 85 cents per square foot of the covered commercial building, for meeting the energy performance standard, or ANSI/ASHRAE/IES Standard 100, early or voluntarily. ODOE may authorize additional incentive payments to an eligible building owner that owns a tier 2 multifamily residential building and that

enters into a binding agreement not to displace tenants from the multifamily residential building, if funds are available. ODOE may contract with an entity to administer incentive payments to eligible building owners for early compliance with the energy performance standard.

#### Oregon Department of Energy

Estimated administrative costs for ODOE total \$3 million General Fund in the 2023-25 biennium and \$2.1 million General Fund in the 2025-27 biennium. The measure also includes a \$2 million General Fund appropriation for ODOE to provide incentive payments.

Some costs, including additional position needs related to building compliance, will be incurred starting in the 2027-29 biennium, which is outside of the two biennia scope of this fiscal impact statement. Additionally, it should be noted that while General Fund is the assumed source of funding for this program, the agency may be able to phase out General Fund in future biennia based on civil penalty revenue received under this measure.

Initial estimates are that ODOE will hire six new permanent, full-time positions, at a total cost of \$1,050,220 for personal services and \$582,640 for services and supplies in the 2023-25 biennium, and \$1,309,797 for personal services and \$703,298 for services and supplies in the 2025-27 biennium. These positions include:

- One Compliance and Regulatory Supervisor 2 (0.88 FTE in 2023-25 and 1.00 FTE in 2025-27) to manage the program.
- Two Program Analyst 3 positions (One 0.88 FTE and one 0.63 FTE in 2023-25, and both 1.00 FTE in 2025-27), with one working on tier 1 buildings and one on tier 2 buildings, including tracking buildings, reporting, and notifications.
- One Operations and Policy Analyst 3 (0.88 FTE in 2023-25 and 1.00 FTE in 2025-27) to design and implement the incentive programs.
- One Public Service Representative 4 (0.63 FTE in 2023-25 and 1.00 FTE in 2025-27) to provide trainings and work with building owners.
- One Information Systems Specialist 7 (0.88 FTE in 2023-25 and 1.00 FTE in 2025-27) to manage the building data and database.

Additional costs include an estimated \$1 million in the 2023-25 biennium for development of a database, based on costs other states have incurred to develop a similar database, though costs could vary if a commercial solution is available. Ongoing maintenance costs of the database are indeterminate.

ODOE also estimates one-time costs of \$250,000 for building energy data analysis to help establish targets, as well as \$50,000 per year for the first three years of the program for community engagement costs.

#### Department of Justice

The Department of Justice (DOJ) reports an indeterminate impact related to this measure. The agency anticipates that there could be additional work involved to assist ODOE with contested case hearings or other appeals, but the work involved is indeterminate at this time. DOJ may need to request additional staffing through a Legislative Emergency Board or future legislative session if the workload exceeds budgeted staffing resources.

#### Other agencies

There is no or minimal impact anticipated for most other agencies statewide. However, there is an indeterminate impact for agencies with large buildings that are required to meet the standards outlined in this measure, as discussed below.

*Department of Administrative Services, Oregon Department of Fish and Wildlife, Oregon Department of Transportation, Oregon Department of Forestry, Oregon Department of Veterans Affairs, Oregon Department of Education, Oregon Military Department*

These agencies, and other state agencies not listed, own buildings that could fall under the requirements of this measure. At this time, it is not possible to estimate the potential costs for facility upgrades to meet the adopted

energy performance standard. A variety of factors contribute to the potential costs, including:

- How many buildings would be required to meet energy performance standard under this measure, and the size of these buildings.
- How many buildings are newer and likely to meet the energy performance standard without upgrade.
- The number of buildings that might be exempted from requirements due to historical status.
- Incentives or other financing mechanisms available.
- The type of upgrades required to meet the energy performance standard.

Any costs related to work on buildings is likely to be incurred in the 2025-27 biennium.

#### *Department of Corrections and Oregon Youth Authority*

The Oregon Youth Authority (OYA) and Department of Corrections (DOC) have unique buildings which are not able to meet typical building energy use intensity targets. If correctional facilities are included as tier 1 or tier 2 buildings under this measure, there could be additional costs for these agencies.

#### *Universities*

Universities note a potential fiscal impact to collect data for tier 2 buildings. The cost will be dependent on the data that must be collected as determined by ODOE, whether or not universities are already collecting this data, and if any new software or processes are required in order to report this data.

#### Local Government

There is an indeterminate impact for cities, counties, special districts, and school districts.

The Special Districts Association of Oregon and Association of Oregon Counties note that there will be increased costs for counties and special districts to construct or update public buildings due to new energy efficiency standards, but these may be offset over time due to energy savings. There could also be financing costs should bonds have to be issued to fund energy performance improvements.

The League of Oregon Cities initially estimates at the very low end, that costs for building upgrades could be \$6.5 million. It is estimated that approximately 130 city buildings across the state could be impacted by this bill. The low end estimated costs assumes that all of these city buildings are 35,000 square feet, and require new insulation to meet the energy performance standard at an estimated cost of \$52,500 per building. However, costs could be much higher depending on the upgrades required, which could include things such as furnaces, windows, or other energy saving items. Cities could also have costs related to building audits, reporting, and staff for any upgrades.

#### **State agencies to conduct assessment of energy use**

This portion of the measure directs the Department of Administrative Services (DAS), in cooperation with the Oregon Department of Energy (ODOE), to develop a methodology and work plan for state agencies to implement a comprehensive assessment of energy use and greenhouse gas emissions of state-owned buildings. The assessments must examine and quantify each building's greenhouse gas emissions, using existing data when possible. DAS may direct state agencies to conduct the assessments in phases or stages and may specify a minimum building size that is subject to an assessment. DAS may also procure and make available to state agencies services from a private contractor to conduct the assessments. DAS is directed to create a searchable and modifiable database with the data collected from assessments, which is to be used by state agencies as baseline data for planning energy use reduction and greenhouse gas emissions reduction targets in capital projects.

DAS, in collaboration with ODOE and the Department of Environmental Quality (DEQ) is to oversee all capital projects with a contract price of over \$1 million in which a state agency constructs or performs a major renovation on a state building. DAS is to develop and implement guidelines for sustainable design for these projects, and provide guidance and technical expertise to each state agency with respect to construction

methods, materials, energy conservation measures, greenhouse gas emissions reduction methods, green building construction and renovation, and other techniques to aid in achieving the state's green building, energy efficiency and greenhouse gas emissions reduction goals. State agencies are to report to DAS regularly regarding progress on a capital project described.

The measure also directs the Department of Justice (DOJ) to modify model rules regarding energy savings performance contracts to be consistent with this measure; and requires agencies to retain 100% of the net savings after any project debt service, instead of 50%, with all savings deposited in a revolving fund administered by the agency instead of half going to the General Fund.

This portion of the measure is operative on the 91st day after the Legislature adjourns sine die.

#### Department of Administrative Services

DAS costs are anticipated to total \$669,112 Other Funds in the 2023-25 biennium, and \$251,789 Other Funds in the 2025-27 biennium. In the 2023-25 biennium, this includes \$189,034 for personal services and \$480,078 for services and supplies. Other Funds are derived from an assessment on state agencies, so some funds originate as General Fund.

DAS estimates the cost of conducting a full facility condition assessment of its portfolio is \$750,000, with the sustainability portions making up approximately \$225,000 of this amount. The state currently owns over 1,500 buildings, with buildings over 25,000 square feet making up 75 percent of the state building portfolio square footage. DAS anticipates that energy and greenhouse gas assessments could be completed as part of overall building facility condition assessments, which are periodically conducted for state buildings using a contractor. However, DAS notes that there is not currently sufficient funding to conduct full facility condition assessments in the agency budget.

DAS also anticipates one-time costs of an estimated \$250,000 to develop sustainable design guidelines.

To perform work related to this measure, DAS would also hire one Operations and Policy Analyst 4 (0.88 FTE in the 2023-25 biennium, 1.00 FTE in the 2025-27 biennium) to manage an assessment contract, coordinate data entry, and provide design and construction assistance to agencies. DAS anticipates no costs related to creation of a database for assessment data, since similar work is already in progress.

#### Other agencies

Depending on the scope and timeline of the assessment and reporting process developed by DAS, state agencies which own their own buildings may require additional staff resources, or funding if a private contractor is used to complete assessments. This could particularly impact agencies such as Oregon Parks and Recreation Department (OPRD), Department of Corrections, and others with substantial building portfolios.

Additionally, some agencies note that DAS and ODOE's oversight of construction and renovation projects would add time to project design, management, and construction; as well as increasing costs for energy efficiency and sustainable design improvements. OPRD additionally notes that OPRD projects (as well as certain Oregon Department of Transportation and Oregon Department of Forestry projects) are exempt from capital construction requirements under ORS 291.224 but are not exempted under this measure. The overall fiscal impact of these changes is indeterminate at this time.

ODOE anticipates that the work directed by this measure would require the equivalent of 0.40 FTE using existing staff resources within the agency's State Energy Efficient Design Program.

DOJ anticipates a minimal impact, but notes that modification of model rules regarding energy savings performance contracts will result in non-billable costs.



### **Community green infrastructure grant program**

This portion of the measure establishes the Community Green Infrastructure Grant Program which is to be administered by the Department of Land Conservation and Development (DLCD) for the purpose of awarding grants to offset the cost of planning and developing community green infrastructure projects or green infrastructure economic development projects, developing and supporting native seed banks or native plant nurseries, and for implementing green infrastructure master plans.

The measure requires DLCD to enter into an intergovernmental agreement with the Oregon Department of Forestry (ODF) for assistance with the design and implementation of the program, acquiring and administering federal funding related to green infrastructure projects, or technical advice or feedback on the grant review process. In addition, the measure requires DLCD to enter into an intergovernmental agreement with the Oregon Department of Transportation (ODOT) for technical advice concerning state transportation facilities and rights of way as they relate to the design and implementation of the program, acquiring and administering federal funding related to green infrastructure projects, and technical advice or feedback on the grant review process.

The measure permits DLCD to appoint an Advisory Committee on Community Green Infrastructure Investments to provide consultation on the implementation of the grant program. No later than September 15 of each even-numbered year, the advisory committee is to submit a report on the implementation of the program to the appropriate interim committees of the Legislative Assembly.

The measure establishes the Community Green Infrastructure Fund with moneys in the fund continuously appropriated to DLCD to award grants, with 30% for grants for planning and developing green infrastructure economic development projects, 40% for grants to entities or projects located in green infrastructure improvement zones, and 30% for grants for entities or projects in tribal, rural, remote, or coastal communities. None of the funds are allocated for administration of the grant program. The measure appropriates \$6.5 million General Fund for grants. The Legislative Fiscal Office notes that \$6.5 million in Other Funds expenditure limitation will be added to another budgetary vehicle, as well as designating the General Fund appropriated to be deposited in the Community Green Infrastructure Fund, which will allow moneys to be expended in future biennia.

In addition, the measure requires ODF to acquire and maintain a statewide urban tree canopy assessment tool that provides geospatial mapping and make it available on a website maintained by the department. Lastly, the measure requires ODF to develop and implement a program to provide technical and financial assistance to public bodies, tribal governments, watershed councils, and community-based organizations for planning, responding to, and recovering damage to habitats and urban tree canopies due to pests, diseases or other natural or human-created conditions that lead to loss of tree canopy.

### **Department of Land Conservation and Development**

In addition to the \$6.5 million appropriated to DLCD for grants, the fiscal impact for DLCD is estimated at \$768,741 General Fund in the 2023-25 biennium. This fiscal impact statement assumes that the grant funding provided by this measure is a one-time appropriation, and DLCD will need to return and request ongoing position authority and expenditure limitation for the 2025-27 biennium if not all grant funding is disbursed in the 2023-25 biennium.

Personal services costs for DLCD under this measure total \$626,684 for four new limited duration, full-time positions, including one Planner 4 (0.88 FTE) to design and manage the program; an Administrative Specialist 2 (0.75 FTE) to coordinate grants; a Procurement and Contracts Specialist 1 (0.75 FTE) to fulfill grant requirements; and an Accountant 1 (0.75 FTE) to track payments and expenditures. Services and supplies costs are estimated at \$142,057 General Fund, which includes position-related services and supplies as well as legal costs and resources to support the advisory committee.

### Department of Forestry

ODF costs are anticipated to total \$516,248 General Fund for two positions (1.75 FTE) and associated costs for the development and implementation of the technical and financial assistance program in the 2023-25 biennium; and \$486,724 for two positions (2.00 FTE) and associated costs for the 2025-27 biennium. The 2023-25 costs include \$362,008 for personal services and \$64,240 for services and supplies, as well as \$90,000 in special payments that will be transferred to ODF Motor Pool for purchase of two vehicles. ODF will also need \$90,000 in Other Funds expenditure limitation to expend this General Fund as Other Funds once transferred.

ODF reports that the two positions are Natural Resource Specialist (NRS) 3 positions which will increase capacity for community assistance activities and provide program coordination, work with tribal governments and provide outreach and technical assistance to the federally recognized tribes in Oregon, and will help define and identify the specific locations for increased green infrastructure. ODF notes that the agency will provide a vehicle to each position for in-state travel to meet the requirements of the measure. Although the measure requires that the program include financial assistance as well as technical assistance, that financial assistance is not defined by the measure, nor is the amount or source of that funding identified.

ODF reports that the funding for the initial purchase, setup, and refinement of the urban tree canopy assessment tool can be absorbed within existing efforts surrounding environmental equity mapping which is funded through a federal USFS grant. LFO notes that federal funding is allocated on an annual basis and may not be available in perpetuity.

### **College of Forestry, Oregon State University: low carbon fuels from woody biomass residues**

This portion of the measure directs the College of Forestry at Oregon State University (OSU) in collaboration with the Department of Environmental Quality (DEQ) and the Oregon Department of Forestry (ODF) to conduct research to develop methodologies and data necessary to establish fuel pathways for low carbon fuels derived from woody biomass residues from forestry operations. The College of Forestry is to report to the interim committees of the Legislative Assembly related to natural resources no later than July 31, 2025. The measure appropriates \$3 million General Fund to the Higher Education Coordinating Commission (HECC) to distribute to OSU to carry out this work.

Regarding the state forests, the measure permits ODF to establish a forestry renewable woody biomass conversion program to market, register, transfer or sell forestry woody biomass conversion offtakes, in order to secure the greatest permanent value of the lands to the state.

This portion of the measure is operative on the 91st day after the Legislature adjourns sine die.

### Higher Education Coordinating Commission

HECC would pass the \$3 million General Fund appropriated under this measure to OSU. There is minimal fiscal impact for this funds transfer.

OSU would use the funds provided to conduct the research directed under this measure in the 2023-25 biennium, in order to report to the Legislature on topics including progress in establishing fuel pathways and carbon intensity values for low carbon fuels derived from woody biomass residues from forestry operations; and the impact of converting woody biomass residues to low carbon fuels on greenhouse gas and black carbon emissions, snowpack in the Cascade Mountains, water quality and drought, and wildfire.

OSU anticipates that these funds would be used to support 15 positions representing a variety of areas of study, including six faculty (totaling 0.77 FTE), eight graduate students (totaling 4.00 FTE), and one post-doctoral student (0.50 FTE). Position costs are anticipated to total \$1.6 million. Positions discussed here are not included in the table above as the Legislature does not authorize positions within universities.

Other expenses include lab equipment, lab supplies, materials, and travel costs, at approximately \$768,280; approximately \$84,000 for contracting with ODF and DEQ for project support; \$317,849 for graduate student

tuition; and \$198,678 for indirect costs.

#### Oregon Department of Forestry

ODF anticipates a minimal fiscal impact related to this measure. If the agency does establish a forestry renewable woody biomass conversion program, they anticipate that there could be minimal costs related to rulemaking and entering into program contracts; and potentially increased revenue, though the amount of revenue that could be created under such a program is indeterminate at this time.

#### **Rebate program for medium and heavy duty zero-emission vehicles**

This portion of the measure creates a rebate program in the Department of Environmental Quality (DEQ) for purchase or lease of vehicles that meet certain criteria, including a gross vehicle weight of over 8,500 pounds. DEQ may hire or contract with a third-party nonprofit to administer the program. The Environmental Quality Commission is to determine rebate amounts annually by rule, and may establish different rebate amounts for different classes of vehicles, and additional rebates for vehicles in areas disproportionately burdened by air pollution. The measure outlines eligibility requirements, including that the vehicle be kept for three years after purchase or leasing, or the person receiving the rebate must pay back the rebate on a prorated basis unless the repayment provision is waived for cause. Rebate recipients must maintain records of miles driven or hours of use and provide an annual report to DEQ showing that more than 50% of vehicle use occurred in Oregon.

The measure establishes the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund which is continuously appropriated to DEQ to carry out this program, with no more than 15% used for administration. At least 40% of funds deposited in the account per biennium are for rebates for vehicles in areas disproportionately burdened by diesel pollution. The measure appropriates \$3 million General Fund for deposit in the fund. This portion of the measure is operative January 1, 2024.

DEQ anticipates that grants would be disbursed starting in the 2025-27 biennium. To implement this measure, DEQ would hire two permanent full-time positions, including a Program Analyst 3 (0.75 FTE in 2023-25 and 1.00 FTE in 2025-27) to do rulemaking, stakeholder outreach, contract management, program research, and review applications and reports; and an Accounting Technician (1.00 FTE in the 2025-27 biennium) to process rebates. DEQ would also have estimated costs of \$120,000 to establish a rebate processing platform and website in the 2023-25 biennium, with ongoing maintenance costs of \$25,000 each biennium, based on the agency's experience setting up a similar platform for the Oregon Clean Vehicle Rebate Program. Because the moneys appropriated are deposited in the Zero-Emission Medium and Heavy Duty Vehicle Incentive Fund, these funds will be expended at Other Funds. DEQ has been provided with Other Funds expenditure limitation commensurate with the amount of the deposit. Administrative expenditures are allowed in an amount up to 15% of the monies deposited, and DEQ estimates the cost of administration to include \$167,516 for personal services, and \$148,875 for services and supplies in the 2023-25 biennium.

#### **Finding opportunities and reducing conflict in siting photovoltaic solar power generation facilities**

This portion of the measure establishes the 17 member Rules Advisory Committee for Siting Photovoltaic Solar Power Generation Facilities to advise the Department of Land Conservation and Development (DLCD) on adoption of rules related to photovoltaic solar power generation facility siting. DLCD is to provide an initial report to an appropriate interim committee of the Legislative Assembly by September 15, 2025, and a final report to certain entities by December 31, 2025. The measure requires DLCD to contract with a third party to support the rules advisory committee, including to facilitate and coordinate meetings, and furnish maps, data, and technical assistance. Members of the committee are entitled to compensation and expenses. These portions of the measure sunset January 2, 2026.

DLCD costs are estimated at \$471,692 General Fund in the 2023-25 biennium, and \$70,966 General Fund in the 2025-27 biennium. In the 2023-25 biennium, this includes \$236,909 for personal services and \$234,783 for services and supplies. The agency anticipates hiring one full-time Planner 4 (0.88 FTE in the 2023-25 biennium, and 0.25 FTE in the 2025-27 biennium). This position would provide support for the Rules Advisory Committee.

Services and supplies costs include \$100,000 for a facilitation contract, \$120,000 for advisory committee costs such as travel and legal advice, and position-related services and supplies.

#### Counties

Counties note an indeterminate impact. The Association of Oregon Counties notes that if counties are required to allow siting under specified circumstances, this will require updates to local ordinances to be in compliance.

#### **State greenhouse gas emissions reduction goals; and opportunities to reduce Oregon's consumption-based greenhouse gas emissions**

The measure changes the name of the Oregon Global Warming Commission to the Oregon Climate Action Commission and increases membership from 25 to 35. The duties of the Oregon Climate Action Commission are modified to remove examination of the greenhouse gas cap and trade system; and to include carbon sequestration of Oregon's natural and working lands, and not just forests. The Commission is to prepare a detailed forecast of expected greenhouse gas emissions reductions. The Commission is to complete a periodic evaluation of the greenhouse gas emissions reduction goals and provide any recommendations on updates to the goals to the Legislative Assembly no later than 18 months after the date on which the United Nations Intergovernmental Panel on Climate Change publishes a synthesis report or the United States Global Change Research Program publishes a national climate assessment.

The Department of Environmental Quality (DEQ), in consultation with the Oregon Climate Action Commission, is to evaluate opportunities to reduce Oregon's consumption-based greenhouse gas emissions. DEQ is to present its findings in a report to the interim committees of the Legislative Assembly related to the environment, and the commission, no later than September 15, 2024. The report must update Oregon's consumption-based greenhouse gas emissions inventory; identify opportunities to reduce consumption-based greenhouse gas emissions through materials management or other state programs or policies; include recommendations for regularly updating the consumption-based greenhouse gas emissions inventory; and evaluate the effects of consumption-based greenhouse gas emissions reductions, taking into account economic, social and environmental factors. These portions of the measure become operative on January 1, 2024.

The Oregon Department of Energy (ODOE) fiscal impact is anticipated to total \$775,835 General Fund in the 2023-25 biennium and \$632,435 General Fund in the 2025-27 biennium, which includes two new full-time positions (each 0.75 FTE in 2023-25 and one 1.00 FTE in 2025-27). In the 2023-25 biennium, estimated costs include \$338,176 in personal services and \$437,659 in services and supplies.

ODOE provides staff support to the Oregon Global Warming Commission. The measure mandates that state agencies are to regularly report to the commission on efforts to make progress toward greenhouse gas emissions reduction goals and to prepare for the effects of global warming, though it does not specify the frequency or content of these report. However, ODOE notes that existing staff assigned to support the Commission are insufficient to support the volume of work the Commission now has, and anticipates that this reporting requirement, in conjunction with the expanded Commission membership, would increase the need for staff support. The agency anticipates hiring one permanent, full-time Operations and Policy Analyst 4 to staff the commission, provide policy analysis and reporting, and work with state and local entities engaging in climate activities. The agency would also hire one limited duration, full-time Research Analyst 3 to assess greenhouse gas emissions and track progress toward goals.

In addition to the costs of the positions, ODOE would contract for emissions modeling to prepare a forecast of expected greenhouse gas emission reductions. This is anticipated to total \$250,000 General Fund each biennium.

The bill provides certain requirements as to when ODOE must evaluate the greenhouse gas emissions reduction goals. ODOE may need additional resources to perform this evaluation work as required. The next reporting period is assumed to be four years from now, which is outside of the scope of this fiscal impact statement.

### **State policy for natural climate solutions**

This portion of the measure establishes the Natural and Working Lands Fund which is continuously appropriated to the Oregon Watershed Enhancement Board (OWEB) to annually transfer to other funds established under this measure, as directed by the Oregon Global Warming Commission, in consultation with OWEB, Oregon Department of Fish and Wildlife (ODFW), Oregon Department of Forestry (ODF), and Oregon Department of Agriculture (ODA).

The Agriculture Natural Climate Solutions Fund, Forestry Natural Climate Solutions Fund, Watershed Natural Climate Solutions Fund, and Fish and Wildlife Natural Climate Solutions Fund are also established in the measure. These funds are continuously appropriated to ODA, ODF, OWEB, and ODFW respectively; and no more than 10% of moneys in each fund may be used for administrative costs. The measure appropriates \$10 million General Fund, and provides \$10 million in Other Funds expenditure limitation to expend moneys from the fund.

ODA, ODF, and OWEB are to use the funds to establish programs that provide incentives and financial assistance for technical support to help landowners, Indian tribes, land managers, and environmental justice communities to adopt practices that support natural climate solutions. Funds are to be prioritized for technical assistance to, and incentives for, programs or activities supported by environmental justice communities or Indian tribes. ODFW is to use funds to promote natural climate solutions and mitigate the future impacts of climate change through certain research.

The Oregon Global Warming Commission is to report to the committees of the Legislative Assembly related to the environment by September 15 each year with a summary identifying the uses of the Natural and Working Lands Fund and additional funding needs. The Commission is also to report to the interim committees of the Legislative Assembly related to the environment and the Governor by December 1 of each even numbered year on projects funded by the Natural and Working Lands Fund, state, federal, and private sources of funding for projects, and an assessment of projects, planned projects, and environmental justice community projects, which includes public comments. The Oregon Global Warming Commission may also appoint a natural and working lands advisory committee of at least 15 members. The Oregon Department of Energy (ODOE) is to support the Commission's work under this measure or may contract for support services.

ODOE and the Oregon Global Warming Commission, in coordination with state natural resources agencies and relevant federal agencies, are directed to establish and maintain a net biological carbon sequestration and storage baseline and inventory for natural and working lands; and relevant activity-based metrics and community impact metrics. No later than January 1, 2025, these entities are also to establish nonbinding biological carbon sequestration and storage goals for Oregon's natural and working lands. ODOE is to update the natural and working lands net biological carbon sequestration and storage inventory by December 1 of each even-numbered year. ODOE is also directed to study workforce and training programs needed to support adoption of natural climate solutions on natural and working lands and report to the committees of the Legislative Assembly related to the environment by September 15, 2024.

The Legislative Fiscal Office notes that the previous section of the measure changes the name of the Oregon Global Warming Commission to the Oregon Climate Action Commission, though the Oregon Global Warming Commission is referenced in this section.

This portion of the measure becomes operative on the 91st day after the Legislature adjourns sine die.

Oregon Department of Agriculture, Oregon Department of Forestry, and Oregon Department of Fish and Wildlife  
The fiscal impact of this measure for these agencies is largely indeterminate given that although \$10 million General Fund will be deposited in the Natural and Working Lands Fund, the Oregon Global Warming Commission is to direct allocations of funds, and how funds will be distributed is unknown at this time.

ODA, ODF, and ODFW are all to receive funding from the Natural and Working Lands Fund and likely will need additional position authority and expenditure limitation related to the research, incentives, and financial assistance for technical support that these agencies are asked to provide. However, these needs will have to be reassessed once there is an estimate of funding available.

#### OWEB

The Oregon Watershed Enhancement Board will act both as the fiscal agent for the Natural and Working Lands fund, and as a recipient of monies allocated from the fund by the Global Warming Commission. OWEB may have existing positions that can take on a portion of the work acting as the fiscal agent for the fund, but that is dependent on the total number of new programs and projects that are allocated to the agency for the upcoming biennium. The body of work that is generated by the grant program from monies allocated to OWEB by the Global Warming Commission is largely dependent on the amount allocated. For both reasons, and although additional resources are likely to be required, those resources, including position authority will be provided in another budgetary vehicle once the agency has a clearer understanding of what existing resources will be available for allocation to the program.

#### Oregon Department of Energy

ODOE costs are anticipated to total \$1,526,146 General Fund in the 2023-25 biennium, and \$1,106,455 General Fund in the 2025-27 biennium.

The known costs for this measure are related to the establishment of the net biological carbon sequestration and storage baseline and inventory for natural and working lands; and development of relevant activity-based metrics and community impact metrics. ODOE would contract with a technical consultant to produce and update the inventory, and model carbon sequestration and storage potential on natural and working lands. ODOE estimates this cost at \$400,000 General Fund each biennium, based on recommendations from the Oregon Global Warming Commission Natural and Working Lands Advisory Committee and related work conducted by Oregon State University's Institute for Natural Resources. The agency anticipates a one-time cost of \$250,000 in the 2023-25 biennium, for a carbon accounting consultant to inform and refine metrics. Funding for this consultant may be needed on an ongoing basis, but some work would be related to assessment of projects funded by the Natural and Working Lands Fund, so further analysis is required.

The agency would also hire two new permanent, full-time positions (each 0.88 FTE in 2023-25 and 1.00 FTE in 2025-27), including a Research Analyst 3, to collect data and help develop and maintain the inventory, and create related reports; and an Operations and Policy Analyst 4 to work with stakeholders and analyze policy options. Total costs of these positions are estimated at \$394,542 General Fund in the 2023-25 biennium, and \$450,907 General Fund in the 2025-27 biennium, with an additional \$35,398 and \$31,312 in services and supplies each biennium, respectively. The agency also estimates \$196,206 General Fund in the 2023-25 biennium and \$224,236 General Fund in the 2025-27 biennium for indirect costs.

ODOE is also directed to study workforce and training programs needed to support adoption of natural climate solutions on natural and working lands. The agency estimates that the cost to contract for this study will be approximately \$250,000 General Fund, based on other similar contracts.

Similar to ODA, ODF, OWEB, and ODFW, the fiscal impact of work related to the Natural and Working Lands Fund is indeterminate at this time. ODOE is to support the Oregon Global Warming Commission, which is directed to determine allocations of funds and provide annual and biennial reports on the Natural and Working Lands Fund. This work will also be partially dependent on the number and scope of projects funded by the Natural and Working Lands Fund.

## Counties

Counties report an indeterminate, but potentially large, impact as a result of this measure, given the amount of work that may be required for research and implementation around methods to reduce greenhouse gas emissions and increase net carbon sequestration.

### **Extends sunset for solar and storage system rebate program**

This portion of the measure changes the sunset date for the Oregon Solar and Storage Rebate Program in the Oregon Department of Energy (ODOE) from January 2, 2024, to January 2, 2029. Under this measure, ODOE is also permitted to waive the requirement that construction begin within 12 months of award due to delays resulting from the COVID-19 pandemic for renewable energy production system grants.

This portion of the measure also extends the repeal date for sections 19 to 21, chapter 86, Oregon Laws 2022, from January 2, 2025, to January 2, 2026. These sections establish a program for residential heat pump rebates and grants in ODOE, and establish the Residential Heat Pump Fund, with funds used to provide these rebates and grants. Additionally, the measure extends the deadline, from September 15 to December 31, 2023, for a required report from ODOE on the heat pump grants and rebates; community cooling spaces; and a cooling needs study.

Additional expenditure limitation and position authority for these programs were provided in the 2023-25 Legislative Fiscal Office recommended budget for ODOE.

### **Community climate investment entities**

This portion of the measure authorizes the Environmental Quality Commission to establish a fee by rule that will be paid by community climate investment entities - or nonprofit organizations that have entered into an agreement with the Department of Environmental Quality (DEQ) to implement projects supported by community climate investment funds. The fee must be calculated to cover the costs of administering and overseeing the portions of the agency's Climate Protection Program that are related to community climate investments; and may not exceed 5% of the total community climate investment funds received by a community climate investment entity during the period for which the fee applies. Fee revenue is to be deposited in the Community Climate Investment Oversight Account established by this measure. Moneys in the account are continuously appropriated to DEQ to pay costs of administration and oversight of community climate investments. This portion of the measure becomes operative January 1, 2024.

Fee revenue from this measure is indeterminate since the Environmental Quality Commission will be establishing the fee by rule. However, the fee revenue will need to be sufficient to pay for four new positions and associated costs that are included in Policy Option Package 115 in the 2023-25 Legislative Fiscal Office recommended budget for DEQ. The Policy Option Package includes a request for \$500,000 General Fund and \$1 million in Other Funds expenditure limitation; the General Fund will pay for program operations until Other Funds are received from the fee authorized by this measure. The agency anticipates setting the fee at a level sufficient to garner \$2 million in Other Funds during the 2023-25 biennium, to support the new positions and also build operating reserves. Since these positions are assumed in the DEQ budget, they are not included in the table above.

### **Harmful algal blooms**

This portion of the measure directs the Oregon Health Authority (OHA), in coordination with the Department of Environmental Quality (DEQ), to:

- Determine and identify drinking water sources that are susceptible to harmful algal blooms (HABs) or that are downstream of or influenced by water bodies that are susceptible to HABs.
- Develop a system for the regular monitoring and testing of these drinking water sources.
- Prioritize monitoring of sources of drinking water and bodies of water accessed for recreational use.
- Develop a protocol for issuing hazard advisory alerts to the public in the occurrence of a HAB.

DEQ, in coordination with OHA, is directed to:

- Develop and maintain a coordinated state agency HAB monitoring and response strategy.

- Develop a system for the regular monitoring and testing of water bodies determined to be susceptible to HABs or that are downstream of or influenced by water bodies that are susceptible to HABs.
- Produce timely and high-quality data that allows OHA to determine the level of risk of harm or injury to public health by the occurrence of HABs.
- Maintain a publicly accessible clearinghouse or database of water quality samples collected to characterize freshwater HABs.
- Identify sources of pollutants that contribute to the occurrences of HABs.
- Develop and implement strategies for reducing pollutants that contribute to the occurrences, frequency, and severity of HABs, and monitor and evaluate the effectiveness of these strategies.

As part of the state agency HAB monitoring and response strategy, DEQ is to make efforts to determine the causes of HABs and to identify any point sources or nonpoint sources that contribute to the susceptibility of specific bodies of water to HABs; and is to work to develop pollution reduction plans.

#### Department of Environmental Quality

The Department of Environmental Quality (DEQ) notes that this measure is generally consistent with existing regulatory authorities and current work around HABs, but that additional resources would likely be needed for HAB monitoring and analysis of specific bodies of water, and development of management strategies.

To do this work, DEQ estimates costs totaling \$376,770 General Fund in the 2023-25 biennium, and \$468,758 General Fund in the 2025-27 biennium; in the 2023-25 biennium this includes \$212,207 in personal services and \$164,563 in services and supplies. Funding is anticipated to be used for:

- One permanent, full-time Natural Resource Specialist 3 (0.63 FTE in 2023-25 and, 1.00 FTE in 2025-27) who would perform analysis and strategy development work, collect and analyze data, work with other agencies and stakeholders, and develop HAB management responses.
- One seasonal, full-time Natural Resource Specialist 1 (0.50 FTE in the 2023-25 and 2025-27 biennium) who would increase capacity to collect and process samples from source waters and recreational waterbodies.
- Additional funding for materials and supplies required to conduct additional qPCR sampling (molecular analyses of water samples to indicate the types and abundances of different cyanobacteria species in the water), estimated at \$120,000 based on an additional 250-300 water samples being processed annually. This would allow the agency to sample approximately 40 to 50 water bodies across the state to complement other forms of monitoring.

The 2023 Legislative Fiscal Office recommended budget for DEQ includes Policy Option Package 126, which authorizes one Natural Resource Specialist 3 position that would perform duties comparable to those included in this fiscal impact statement. Due to duplication of resources, one of the positions will be removed from the agency budget in a future budgetary vehicle.

#### Oregon Health Authority

The Oregon Health Authority (OHA) anticipates hiring one permanent, full-time Natural Resource Specialist 3 (0.75 FTE in 2023-25 and 1.00 FTE in 2025-27) to work on the monitoring and response strategy, public advisory alerts, and coordination of other activities under this measure. Total costs are estimated at \$188,664 General Fund in the 2023-25 biennium, and \$238,109 General Fund in the 2025-27 biennium. In the 2023-25 biennium, this includes \$160,629 for personal services and \$28,035 for services and supplies.

#### Counties

The Association of Oregon Counties (AOC) reports an indeterminate but potentially large fiscal impact for this measure for counties, due to potential additional work for county public health staff.



### **Resilience hubs and networks**

This portion of the measure defines “resilience hub” and “resilience network.” The measure requires the Department of Human Services (DHS) to provide grants, support and technical assistance for Resilience Hubs and Networks in Oregon. Grants are to be awarded for planning and organizing expenses, expanding development and operations of Resilience Hubs and Networks to provide protection from extreme weather or other potential disasters, and for community resources and services to respond to disasters. DHS is to consult with the Oregon Health Authority (OHA) and the Oregon Department of Energy (ODOE) on implementation of this measure. The measure appropriates \$10 million General Fund to provide grants. This portion of the measure becomes operative January 1, 2024.

### **Department of Human Services**

For the 2023-25 biennium, the anticipated staffing need in DHS includes one full-time limited duration Operations and Policy Analyst 3 position (0.75 FTE) to manage the program and engage with stakeholders and one limited duration Office Specialist 2 position (0.75 FTE) to manage grants and program-related invoices. In addition to the \$10 million appropriated under this measure, the 2023-25 fiscal impact to DHS is \$276,841 total funds (\$166,102 General Fund and \$110,739 Federal Funds) for personal services and \$35,855 total funds (\$21,513 General Fund and \$14,342 Federal Funds) for position-related services and supplies. If the grants are reauthorized on an ongoing basis, the agency would need permanent full-time position support in 2025-27, with an estimated fiscal impact of \$369,127 total funds for personal services and \$43,584 total funds for position-related services and supplies costs.

### **Oregon Health Authority**

To coordinate with internal stakeholders, integrate the grant design with OHA’s climate and health equity plans, evaluate health equity implications of programs developed under requested grants, support evaluation of applicants and consult with DHS, one limited duration Program Analyst position (0.75 FTE) is anticipated to be needed in OHA. This position results in a personal services cost of \$180,876 General Fund with \$18,131 in position-related services and supplies costs. If the grants are reauthorized on an ongoing basis, the agency would need permanent full-time position support in 2025-27, with an estimated fiscal impact of \$241,171 General Fund in personal services costs and \$22,064 in position-related services and supplies costs.

### **Other items of note**

The Oregon Department of Energy (ODOE) notes that the cumulative impact of these programs will likely require additional administrative support staff, which are not included in this fiscal impact statement. Additional administrative staffing needs are dependent on the number of bills that impact ODOE that pass this legislative session, but current estimates are that up to 2.50 FTE could be required to provide procurement, human resources, and information technology support.

Additionally, for all General Fund positions for ODOE included in this fiscal impact statement, expenses include indirect costs equivalent to 49.73% of personal services costs. This rate is negotiated biennially with federal partner agencies and costs included here reflect the indirect rate for the 2021-23 biennium, not the rate for the 2023-25 biennium. Costs of this measure could change based on the agency’s actual indirect rate for next biennium.