

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: SB 444**

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: April McDonald, Amanda Beitel  
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**Measure Description:**

Directs Department of Environmental Quality to establish Recycling Innovators Grant Program.

**Government Unit(s) Affected:**

Counties, Metro, Cities, Department of Environmental Quality

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

	<b>2023-25 Biennium</b>	<b>2025-27 Biennium</b>
<b>Department of Environmental Quality</b>		
<b>General Fund</b>		
Special Payments	\$20,000,000	
<b>Total General Fund</b>	\$20,000,000	\$0
<b>Other Funds*</b>		
Personal Services	\$155,100	\$206,802
Services and Supplies	\$28,875	\$38,500
Special Payments		\$19,570,723
<b>Total Other Funds</b>	\$183,975	\$19,816,025
<b>Total Fiscal Impact</b>	<b>\$20,183,975</b>	<b>\$19,816,025</b>
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.75	1.00
<i>*Represents General Fund expended as Other Funds</i>		

**Analysis:**

SB 444 directs the Department of Environmental Quality (DEQ) to establish a Recycling Innovators Grant Program to support the development of innovative and demonstrable solutions to complex recycling issues by business entities. Grants of up to \$2 million may be used for capital investments or direct research and development expenses related to creation or expansion of facilities that use innovative technologies to reuse or recycle materials. The measure creates the Recycling Innovators Fund, with moneys continuously appropriated to DEQ for the grant program; and seeds the fund with a \$20 million General Fund appropriation. The measure takes effect January 1, 2024.

DEQ anticipates hiring one full-time Operations and Policy Analyst 2 to administer this grant program. Total costs of the position are estimated at \$183,975 in the 2023-25 biennium and \$245,302 in the 2025-27 biennium; in the 2023-25 biennium, this includes \$155,100 for personal services and \$28,875 for position-related services and supplies. This position would conduct rulemaking, establish a priority materials list, and oversee the grant program.

The agency notes that it is likely that grants would not be disbursed until the 2025-27 biennium given the effective date of the measure, as well as time needed to complete rulemaking and the grant application review process. DEQ is also unsure of how much demand there will be for these types of grants. The table above reflects all grant funding being disbursed in the 2025-27 biennium, minus administrative costs, but the agency will need to seek the appropriate level of Other Funds expenditure limitation for grant disbursements during the 2025-27 budget process, once there is more information about grant demand. This fiscal assumes that the \$20 million provided by the measure is a one-time appropriation, and that funding provided can also be used for administration of the grant program.

There is no fiscal impact for Metro, cities, or counties.