



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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Bill Title: Relating to funding for Oregon cultural organizations; declaring an emergency.

Government Unit(s) Affected: Oregon Business Development Department, Counties, Cities

Summary of Fiscal Impact

| 2023-25 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|--|----------------------|---------------|-------------|---------------|----------------------|-----------|-------------|
| Oregon Business Development Department | \$ 27,414,114 | \$ - | \$ - | \$ - | \$ 27,414,114 | 4 | 2.00 |
| Total Fiscal Impact | \$ 27,414,114 | \$ - | \$ - | \$ - | \$ 27,414,114 | 4 | 2.00 |

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|--|--------------|---------------|-------------|---------------|-------------|-----------|----------|
| Oregon Business Development Department | \$ - | \$ - | \$ - | \$ - | \$ - | - | - |
| Total Fiscal Impact | \$ - | \$ - | \$ - | \$ - | \$ - | - | - |

Measure Description

HB 4124 appropriates \$27,414,114 General Fund to the Oregon Business Development Department (OBDD) to distribute to Oregon cultural organizations in response to the negative impact of the COVID-19 pandemic on organization finances during fiscal year 2020 through fiscal year 2023. After deducting \$150,000 for administrative expenses, OBDD must distribute \$13,799,040 to specified major venues and Cultural Resources Economic Fund venues and use the remaining \$13,465,074 to develop and implement a program for awarding grants directly to Oregon cultural organizations. Before awarding grants, OBDD may withhold up to 5% of the total amount appropriated in the measure to reimburse the actual costs of developing and implementing the grant program. The 5% OBDD may withhold is in addition to the \$150,000 deducted for administrative expenses.

OBDD must develop an equitable funding allocation so that grant funds are awarded to applicants that have experienced the greatest proportional loss of earned revenue during the COVID-19 pandemic. The equitable funding allocation must also consider an applicant’s fiscal size, available funding, and geographic region. OBDD must prescribe the form and process by which Oregon cultural organizations may apply for and be awarded grants under this program. Any venue that received a grant under Section 254, chapter 605, Oregon Laws 2023 (SB 5506) is not eligible to receive a grant under this measure.

Fiscal Analysis

The total estimated fiscal of this measure is \$27,414,114 General Fund in the 2023-25 biennium.

Oregon Business Development Department

The measure is anticipated to have a fiscal impact on OBDD of \$27,414,114 General Fund in the 2023-25 biennium. The measure establishes two grant programs for distributing the total amount of funds appropriated. Prior to distributing any funds, OBDD may withhold \$150,000 of the total appropriation amount to cover the

administrative costs of these two programs. The first of these two programs (Section 2 of the measure) directs OBDD to distribute \$13,799,040 to specified major venues and Cultural Resources Economic Fund venues. The second directs OBDD to develop and implement a program (Section 3 of the measure) to award the remaining \$13,465,074 in unspecified grants to Oregon cultural organizations. OBDD may withhold up to 5% of the total amount of funds appropriated (approximately \$1,370,705) as reimbursement for the actual cost of developing and implementing the second program.

OBDD anticipates disbursing as many as 400 grants to Oregon cultural organizations, based on the 625 awards OBDD disbursed under the 2020 Coronavirus Relief Fund (CRF) program. OBDD must disburse the grant awards between January 1, 2025, and June 30, 2025. However, it is worth noting that Section 3 of the measure does not have a sunset date, which means the program could potentially continue past the 2023-25 biennium.

Using the CRF as a template for the implementation of the proposed grant program, OBDD will incur administrative expenses beyond existing resources in the 2023-25 biennium to develop and implement the proposed grant program. OBDD will need four full-time, limited duration positions (2.00 FTE) in the 2023-25 biennium, including one Loan Specialist 2 (0.58 FTE) to review applicants' financial statements and/or tax returns and to calculate eligible award amounts; one Accountant 3 (0.42 FTE) and one Accounting Technician (0.42 FTE) to conduct fiscal management, financial statement reporting, treasury reconciliations, review and audit of award disbursement requests, vendor maintenance, payment issuance, and accounting data entry; and one Administrative Specialist 1 (0.58 FTE) to provide clerical and administrative support during the development and implementation of the grant program. OBDD will also incur administrative costs for human resources support, public outreach and promotion, and information technology support of the new grant program. The estimated cost of these positions, including standard position related services and supplies, as well as the other program related costs, is \$511,736 General Fund in the 2023-25 biennium. OBDD will need additional position authority to hire these new positions, the costs of which will be covered by the \$150,000 withheld for administrative expenses and the 5% withheld to reimburse the actual costs of implementing and developing the new grant program.

Cities and Counties

The measure is anticipated to have no fiscal impact on cities and counties. However, it is worth noting that cities and counties that operate cultural projects or programs for the public (e.g., historical sites, county fairgrounds, theaters, museums, etc.) may apply for grants under the new program. Cities and counties that do apply for grant awards would incur minimal administrative costs to apply for grant awards.

Relevant Dates

The measure declares an emergency and takes effect on passage.

The grant program to Oregon cultural organizations (Section 3 of the measure) becomes operative on January 1, 2025. OBDD may take any action prior to the operative date to exercise all the powers, duties, and functions conferred on OBDD by Section 3 of the measure.