

Joint Committee on Ways and Means

Carrier – House: Rep.
Carrier – Senate: Sen.

Revenue:

Fiscal:

Action:

Vote:

House

Yeas:

Nays:

Exc:

Senate

Yeas:

Nays:

Exc:

Prepared By: Tim Walker, Legislative Fiscal Office

Meeting Date: [Full Committee Meeting Date]

WHAT THE MEASURE DOES: Establishes Agricultural Experiment Station Fermentation Sciences and Value Added Program at Oregon State University (OSU) in collaboration with Umpqua Community College, Chemeketa Community College, or other community college or high school to provide science-based support and value-added market analysis to Oregon’s wine, cheese, microbrew, distilled spirits, and artisan bread industries. Appropriates \$2.5 million from general fund for distribution to Oregon State University for biennium starting July 1, 2013. Declares emergency, effective upon passage.

ISSUES DISCUSSED:

-

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: The Oregon Agricultural Experiment Station (AES) is a statewide research network of Oregon State University (OSU) scientists conducting research in the agricultural, biological, social, and environmental sciences for the economic, social, and environmental benefit of Oregon. Research faculty collaborates with OSU Extension to work with businesses, growers, and others to identify and perform agricultural-related research. OSU also offers courses through its Fermentation Sciences Program which focuses on the use of microorganisms as processing agents in the production of wine, beer, cheese, yogurt, breads and other fermented products.

Senate Bill 816 would appropriate \$2.5 million and leverage existing resources at OSU to create the Fermentation Sciences and Value Added Program (Program) within the AES to support research, workforce development, and value-added market analysis for products created using fermentation processes.

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 816 - A

Seventy-Seventh Oregon Legislative Assembly – 2013 Regular Session
Legislative Fiscal Office

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

Prepared by: Krista McDowell
Reviewed by: Paul Siebert
Date: 4/11/2013

Measure Description:

Establishes Agricultural Experiment Station Fermentation Sciences and Value Added Program at Oregon State University.

Government Unit(s) Affected:

Oregon University System (OUS), Department of Administrative Services (DAS)

Summary of Expenditure Impact:

Summary of Expenditure Impact: Oregon University System (Oregon State University)		
	2013-15 Biennium	2015-17 Biennium
General Fund	2,500,000 ¹	2,500,000
Lottery Funds		
Other Funds		
Federal Funds		
Total Funds	\$2,500,000	\$2,500,000
Positions	13 ¹	13
FTE	11.50 ¹	11.50

Local Government Mandate:

This bill does not affect local governments' service levels or shared revenues sufficient to trigger Section 15, Article XI of the Oregon Constitution.

Analysis:

SB 816-2 establishes the Agricultural Experiment Station (AES) Fermentation Sciences and Value Added Program at Oregon State University (OSU). The bill appropriates \$2.5 million General Fund to Department of Administrative Services (DAS) in the 2013-15 biennium, for allocation to Oregon State University for operation of the program.

Legislative Fiscal Office (LFO) notes that with the passage of SB 242 (2011), which changed OUS status to a non-state agency, OUS is no longer eligible for direct appropriation from the General Fund. Instead, all future appropriations for use by OUS must be made to a state agency, in this case the Department of Administrative Services (DAS), for transfer to OUS. This bill will appropriate \$2.5 million General Funds to DAS in the 2013-15 biennium for allocation to Oregon University System.

The creation of this new AES program OSU will require two positions (2.0 FTE) with expertise in distillation science and value-added marketing. Eleven new positions (9.5 FTE) will be added to provide technical research support for field research, analytic support, fermentation process and pilot plant support. Additional expenses will include supplies and materials needed to support the field research, laboratory research and analysis, and pilot plant operations. Expenditures are estimated at \$2.5 million in 2013-15 biennium.