

FISCAL IMPACT OF PROPOSED LEGISLATION**Measure: SB 441 - 2**Seventy-Eighth Oregon Legislative Assembly – 2015 Regular Session
Legislative Fiscal Office***Only Impacts on Original or Engrossed
Versions are Considered Official***

Prepared by: Krista McDowell
Reviewed by: Daron Hill, Steve Bender
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Measure Description:

Authorizes Trust for Cultural Development Board to solicit and accept gifts, bequests or devises of money, securities or other property.

Government Unit(s) Affected:

Business Development Department (Business Oregon)

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:

The bill authorizes the Trust for the Cultural Development Board (Cultural Trust) to solicit and accept gifts, bequests or devises of money, securities or other property of any kind. The bill also changes the annual disbursements of Cultural Trust monies, from up to 42 percent of the amount in the Cultural Trust, to between 50 percent and 60 percent of the amount deposited into the Trust during the prior fiscal year. Current practice is to limit annual Trust disbursements to no more than 42% of the amount raised in the prior fiscal year. This fiscal impact statement assumes that the Cultural Trust will increase annual disbursements to the maximum limit of 60% of the amount raised in the prior fiscal year allowed under the bill. This change would result in additional expenditures for grants and administration of approximately \$1,664,000 per biennium over current levels, with an equal reduction in monies retained in the Trust.

The bill also changes the amount of funds, from 7.5 percent of the account to \$400,000, adjusted annually by a multiplier of the monthly averaged US City Consumer Price Index for All Urban Consumers; which the Cultural Trust may use for administrative purposes. The distribution of grant funds is changed from equal distributions to the three categories of recipients, to the following split: 50 percent to the Cultural Development Grant Program, 25 percent to Oregon's counties and tribes through the Community Cultural Participation Grant Program, and 25 percent to the core partner agencies as provided under ORS 359.441. These changes together will increase Cultural Development Grants by approximately \$1,140,000 per biennium (doubling the amount over current law levels) and increase Cultural Trust administrative expenses by \$523,000 per biennium (a 38% increase). Grant amounts to Community Cultural Participation Grant recipients, and to core partner agencies, remain unchanged. The latter two categories of recipients would receive allocation reductions, however, if the Cultural Trust chooses to distribute less than the maximum 60% permitted by the bill.

Administration of the expanded Cultural Development Grant Program, as well as the processing of contributions to the Trust, is expected to require a full-time Office Manager 2 position (1.0 FTE) at a cost of \$153,028 per biennium. The Cultural Trust has Other Funds expenditure limitation that has not been fully utilized under the current distribution policy, so a \$306,770 Other Funds expenditure limitation increase will accommodate all of the expenditure increases identified above.

The bill is anticipated to reduce deposits to the Cultural Trust corpus by 33 percent.