

BUDGET REPORT AND MEASURE SUMMARY

Joint Committee On Ways and Means

Action:

Action Date:

Vote:

Prepared By: Dustin Ball, Department of Administrative Services

Reviewed By: Steve Bender, Legislative Fiscal Office

Agency: Oregon Business Development Department

Biennium: 2015-17

Budget Summary

	2013-15 Legislatively Approved Budget ⁽¹⁾	2015-17 Current Service Level	2015-17 Committee Recommendation	Committee Change from 2013-15 Leg. Approved	
				\$ Change	% Change
Other Funds Limited	\$ -	\$ -	\$ 306,770	\$ 306,770	100.0%
Total	\$ -	\$ -	\$ 306,770	\$ 306,770	100.0%

Position Summary

Authorized Positions	0	0	1	1
Full-time Equivalent (FTE) positions	0.00	0.00	1.00	1.00

⁽¹⁾ Includes adjustments through December 2014

Revenue Summary

Senate Bill 441 makes changes to statutes relating to the Trust for Cultural Development Account (Cultural Trust). The Cultural Trust is funded with Other Funds revenues received from donations, the sale of Cultural Trust license plates, and interest and investment earnings. The bill has no impact on Cultural Trust revenues. Currently, the Cultural Trust limits annual disbursements for grants and operating expenses to no more than 42 percent of the amount raised from donations and interest earnings in the prior fiscal year. The bill adjusts the Cultural Trust budget to allow annual disbursements equal to the maximum 60 percent of the amount raised from donations in the prior fiscal year, plus all interest earnings, allowed under the bill. This increase in the annual distributions will reduce deposits retained in the Cultural Trust corpus by 33 percent.

Summary of Transportation and Economic Development Subcommittee Action

Senate Bill 441 authorizes the 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 for grants and operating expenses, from up to 42 percent of the amount in the Cultural Trust, to between 50 percent and 60 percent of the amount raised from donations, plus interest earnings received, during the prior fiscal year. The bill increases the amount of donation-based revenue that the Cultural Trust may use for administrative purposes from 7.5 percent of the annual disbursement (currently approximately \$140,000) to \$400,000 per year, indexed to future increases in the U.S. City Consumer Price Index for All Urban Consumers.

Senate Bill 441 also changes the distribution of grant funds, 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 core partner agencies.

The bill increases the Other Funds expenditure limitation for Arts and Cultural Trust to allow annual disbursements at the maximum level of 60 percent of the amount raised from donations in the prior fiscal year allowed under the bill. This disbursement level increases Cultural Trust expenditures by \$1,664,000 per biennium. The increase consists of an increase in Cultural Development grants of approximately \$1,141,000 per biennium (doubling the amount over current-law levels), and an increase in Cultural Trust administrative expenses of \$523,000 per biennium (a 38 percent increase).

Although biennial Other Funds expenditures are expected to increase by \$1,644,000, the Subcommittee increased the Other Funds expenditure limitation for the Cultural Trust by only \$306,770. The Cultural Trust has existing Other Funds expenditure limitation in its budget that has not been fully utilized or expended under the current distribution policy. As a result, the \$306,770 Other Funds expenditure limitation increase will fully accommodate the \$1,664,000 expenditure increase associated with the bill. The Subcommittee also established one full-time permanent Office Manager 2 position (1.00 FTE) to address increased workload.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 441-A

**Oregon Business Development Department
Dustin Ball -- 503-378-3119**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>SUBCOMMITTEE RECOMMENDATION</u>									
<u>Oregon Business Development Department</u>									
SCR 600 - Arts									
Personal Services	\$ -	\$ -	\$ 126,559	\$ -	\$ -	\$ -	\$ 126,559	1	1.00
Services and Supplies	\$ -	\$ -	\$ 27,183	\$ -	\$ -	\$ -	\$ 27,183		
Special Payments	\$ -	\$ -	\$ 153,028	\$ -	\$ -	\$ -	\$ 153,028		
SUBCOMMITTEE RECOMMENDATION	\$ -	\$ -	\$ 306,770	\$ -	\$ -	\$ -	\$ 306,770	1	1.00