

FISCAL IMPACT OF PROPOSED LEGISLATION

Measure: SB 404 - A

81st Oregon Legislative Assembly – 2021 Regular Session
Legislative Fiscal Office*Only Impacts on Original or Engrossed
Versions are Considered Official*Prepared by: Kim To
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Date: March 30, 2021**Measure Description:**

Instructs Oregon State University Extension Service to establish certain new positions related to organic production and maintain certain existing position related to organic production.

Government Unit(s) Affected:

Higher Education Coordinating Commission (HECC), Oregon Business Development Department (OBDD), Oregon Department of Agriculture (ODA)

Summary of Fiscal Impact:

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

Summary of Expenditure Impact:

Oregon State University Extension Service		
	2021-23 Biennium	2023-25 Biennium
General Fund		
Personal Services	350,000	1,502,650
Services and Supplies	486,875	432,013
Total Funds	\$836,875	\$1,934,663
Positions	5	5
FTE	1.25	5.00
Oregon Business Development Department (OBDD)		
	2021-23 Biennium	2023-25 Biennium
Professional Services	100,000	0
Professional Services	\$100,000	\$0
Oregon Department of Agriculture (ODA)		
	2021-23 Biennium	2023-25 Biennium
General Fund		
Personal Services	354,976	405,690
Services and Supplies	84,360	90,469
Total Funds	\$439,336	\$496,159
Positions	2	2
FTE	1.76	2.00
TOTAL FISCAL IMPACT	\$1,376,211	\$2,430,822
Positions	7	7
FTE	3.01	7.00

Analysis:

SB 404 A-Engrossed:

- Directs the Oregon State University Extension Service to expand the Center for Small Farms and Community Food Systems by cluster hiring to fill five additional organic specialist positions.

- Requires the Oregon Business Development Department (OBDD) to conduct a comprehensive statewide market analysis of the totality of the economic impacts of Oregon's organic products sector. The study must include a compilation of employment and wage data connected to production, distribution, and sales of organic products in Oregon; an assessment of the economic impacts of Oregon's organic trade sectors; an evaluation of the revenues that the Oregon state government derives from the Oregon organic products sector; and an appraisal of the economic and growth opportunities related to Oregon organic products and trade.
- Directs the State Department of Agriculture to establish two new full-time positions: (1) one Organic Policy Special Assistant to the Director of Agriculture and (2) one soil health specialist position.

The measure takes effect on the 91st day after the date on which the 2021 legislative session adjourns sine die.

Higher Education Coordinating Commission (HECC) - Oregon State University

The Oregon State University Extension Service estimates the cost of expanding the Center for Small Farms and Community Foods Systems to be \$863,875 General Fund, 5 positions, 1.25 FTE for the 2021-23 biennium; and \$1,934,663 General Fund, 5 positions, 5.00 FTE for the 2023-25 biennium. These amounts reflect the salaries, benefits, and related services and supplies for the five additional organic specialist positions. This estimate assumes the establishment of these five positions by January 1, 2023. The measure provides no instruction or direction relative to the five positions OSU Extension Service is directed to hire. OSU assumes the individuals hired in these positions will be engaged in applied research on organic farming systems.

Oregon Business Development Department (OBDD)

OBDD estimates the procurement and contract costs to hire an outside consultant to conduct the required study to be in the range of \$75,000 to \$100,000 General Fund or Lottery Fund depending on legislative appropriation or allocation. The exact cost of the contract will be dependent on the results of the public procurement process. OBDD will use existing resources to administer the contract.

Department of Agriculture (ODA)

The measure directs ODA to establish the two new positions by June 30, 2023. The fiscal impact to ODA will be dependent on when the positions are hired during the 2021-23 biennium. If ODA hires these positions by October 1, 2021, the fiscal impact would be \$439,336 General Fund, for 2 positions, 1.76 FTE for the 2021-23 biennium. ODA estimates the personal services and related services and supplies costs of establishing the two new positions required by the bill to be \$496,159 General Fund, 2 positions, 2.00 FTE for the 2023-25 biennium.

The measure provides no instruction or direction relative to the two positions ODA is directed to hire. ODA assumes the Soil Health Position would work collaboratively with other state agencies, external customers and internal ODA programs such as Agricultural Water Quality, Nursery, Fertilizer, and Confined Animal Feeding Operation Programs to support outcomes that reduce soil erosion and enhance nutrient use efficiency. ODA envisions the Organic Policy Special Assistant to the Director of Agriculture would work in a liaison and outreach role representing ODA on issues related to marketing and trade of organic products, implementation of organic farming practices and building relationships with internal and external ODA customers. This position would also develop related agency strategies including goals, objectives, and procedures around organic farming.

This measure warrants a subsequent referral to the Joint Committee on Ways and means for budgetary actions and position authority.