

**FISCAL IMPACT OF PROPOSED LEGISLATION****Measure: HB 2986 - A**

82nd Oregon Legislative Assembly – 2023 Regular Session

Legislative Fiscal Office

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

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**Measure Description:**

Directs State Forestry Department to establish by rule Prescribed Fire Capacity Grant Program.

**Government Unit(s) Affected:**

Department of Forestry

**Summary of Fiscal Impact:**

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

**Summary of Expenditure Impact:**

	2023-25 Biennium	2025-27 Biennium
<b>Oregon Department of Forestry</b>		
<b>General Fund</b>		
Special Payments	\$5,000,000	\$0
<b>Total General Fund</b>	\$5,000,000	\$0
<b>Other Funds*</b>		
Personal Services	\$181,004	\$206,862
Services and Supplies	\$5,031,000	\$23,500
<b>Total Other Funds</b>	\$5,212,004	\$230,362
<b>Total Fiscal Impact</b>	<b>\$10,212,004</b>	<b>\$230,362</b>
<i>Total Positions</i>	1	1
<i>Total FTE</i>	0.88	1.00

*\*Represents General Fund expended as Other Funds*

**Analysis:**

HB 2986 - A directs the Oregon Department of Forestry (ODF) to establish a Prescribed Fire Capacity Grant Program in order to reduce barriers to, and increase the pace and scale of, the use of prescribed fire and cultural burning. ODF may award grants to various entities to support workforce development, add capacity, and assist with funding equipment and personnel needed for conducting prescribed fire and cultural burns. The measure establishes the Prescribed Fire Capacity Fund with moneys continuously appropriated to ODF for this grant program. The program sunsets January 2, 2029, and any moneys remaining in the Prescribed Fire Capacity Fund revert to the General Fund at that time. The measure appropriates \$5 million to ODF for the purposes of the grant program; and declares an emergency and takes effect on passage.

Prior to disbursing grants, ODF would need to establish an advisory committee to assist with program development, review grant applications, and award grant funding. ODF will hire one permanent, full-time Fiscal Analyst 2 (0.88 FTE in 2023-25, 1.00 FTE in 2025-27) for administration of this grant program, at a total cost of \$181,004 in personal services and \$31,000 for position-related services and supplies in the 2023-25 biennium. ODF has interpreted that the intent of the measure is to establish the grant program administration using monies in addition to those appropriated in the measure, leaving those monies appropriated by the measure solely for

grants. Although presented in this fiscal impact statement as interpreted by the department, it is not clear to the Legislative Fiscal Office that this is the intent.

ODF anticipates that grant funds will begin to be disbursed in the 2023-25 biennium. The measure directs the appropriated General Fund to be deposited into the statutory account established by the measure. In doing so, the state accounts for this action as the expenditure of the General Fund. To then account for payments of expenses from the statutory fund, ODF will need Other Funds expenditure limitation; this limitation is included in the table above for the 2023-25 biennium, but the actual amount of expenditure limitation needed for grant expenditures is indeterminate at this time. It is unknown how much demand there is for grants of this type, and potential grant award amounts. This fiscal impact statement also does not assume that the same level of grant funding will be appropriated in subsequent biennia.