



Legislative Fiscal Office
 82nd Oregon Legislative Assembly
 2024 Regular Session

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 Date: February 7, 2024

Bill Title: Relating to the Oregon Agricultural Heritage Fund; declaring an emergency.

Government Unit(s) Affected: Oregon Watershed Enhancement Board

Summary of Fiscal Impact

| 2023-25 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|------------------------------------|----------------------|---------------|-------------|---------------|----------------------|-----------|-------------|
| Oregon Watershed Enhancement Board | \$ 10,800,000 | \$ - | \$ - | \$ - | \$ 10,800,000 | - | 0.25 |
| Total Fiscal Impact | \$ 10,800,000 | \$ - | \$ - | \$ - | \$ 10,800,000 | - | 0.25 |

| 2025-27 Biennium | General Fund | Lottery Funds | Other Funds | Federal Funds | Total Funds | Positions | FTE |
|------------------------------------|--------------|---------------|-------------|---------------|-------------|-----------|----------|
| Oregon Watershed Enhancement Board | \$ - | \$ - | \$ - | \$ - | \$ - | - | - |
| Total Fiscal Impact | \$ - | \$ - | \$ - | \$ - | \$ - | - | - |

- The fiscal impact table above does not include the duplicate Other Funds expenditure limitation necessary to expend General Fund deposited by the measure into the Oregon Agricultural Heritage Fund.

Measure Description

The measure appropriates \$10.8 million General Fund to the Oregon Watershed Enhancement Board (OWEB) for deposit in the Oregon Agricultural Heritage Fund. The measure also provides a corresponding \$10.8 million in Other Funds expenditure limitation to expend this money once it is deposited in the Oregon Agricultural Heritage Fund.

Fiscal Analysis

Of the \$10.8 million General Fund appropriated, OWEB anticipates that \$732,409 will go towards administrative costs in the 2023-25 biennium, and \$1.2 million will be used for administration in the 2025-27 biennium. Moneys in the Oregon Agricultural Heritage Fund may be used to carry out grant programs described in ORS 541.984 and provide succession planning programs; and up to 12 percent of moneys credited to the funding the biennium may be used to pay certain expenses related to the Oregon Agricultural Heritage Commission and OWEB administrative expenses.

In 2023-25, OWEB would use funds allowed for administration to support three existing positions for Oregon Agricultural Heritage Program work, at an estimated cost of \$521,944. The agency would increase one of these limited duration positions from 0.75 to 1.00 FTE during the 2023-25 biennium with this funding. If this staffing capacity is necessary for the program in the 2025-27 biennium, OWEB will need to include a request for the resources during the 2025-27 budget development process. In addition to supporting existing positions and position-related services and supplies, funding would also be used to support legal expenses and costs related to

due diligence review for land transactions, which are estimated to total \$155,000 in the 2023-25 biennium.

OWEB likely does not need authority to expend the entire \$10.8 million appropriated in the current biennium, although the measure authorizes the agency to spend up to \$10.8 million in Other Funds. The amount of Other Funds expenditure limitation needed is dependent on when and how many grants are disbursed this biennium, though a baseline estimate is that \$1-2 million in grant funding will go out, in addition to the \$732,409 for administration.

Oregon Agricultural Heritage Fund grants are administered on a reimbursement basis, and implementation of grant programs can take multiple biennia. OWEB will need to use some of the funding appropriated by this measure in the 2025-27 biennium to pay for administrative costs. However, OWEB's estimated costs to administer this funding into the 2025-27 biennium will exceed the 12% cap on administrative expenses, and an additional General Fund appropriation could be needed to continue administration of the program.

Relevant Dates

The measure declares an emergency and takes effect on passage.