

Oregon Cultural Trust
Special Board Meeting Agenda

May 29, 2025
1:00pm to 2:00pm



Virtual

MIN.

Zoom: <https://oregon4biz.zoom.us/j/86589560639?pwd=PdxgDFmzTkGGGuqQAUJMis1CSnBUgxk.1>

1	1:00 PM	Welcome	Sean Andries, Chair	5
2	Action Page 2	1:05 PM Partner Funding Augmentation	Chair Andries	45
3	1:50 PM	Public Comment	Chair Andries	10
4	2:00 PM	Closing Remarks, Adjourn	Chair Andries	

Oregon Cultural Trust Partners

Oregon Arts Commission	Subashini Ganesan-Forbes, Chair Oregon Arts Commission
Oregon Heritage	Katie Henry, Heritage Commission Coordinator
State Historic Preservation Office	Kuri Gill, Heritage Grant Coordinator
Oregon Humanities	Adam Davis, Executive Director
Oregon Historical Society	Eliza Canty-Jones, Chief Program Officer

Unanticipated agenda items may or may not be included. The meeting is a Zoom meeting with phone conference option. A request for an interpreter for the hearing impaired or for other accommodations for persons with disabilities should be made at least 48 hours before the meeting to Raissa Fleming 503-986-0088. TTY 800-735-2900



May 29, 2025

TO: Cultural Trust Board Members
FROM: Cultural Trust Budget Committee
SUBJ: Partner Funding Augmentation Recommendation

Recommendation:

The committee recommends pursuing Option 2, as outlined below. Option 2 creates a mechanism for the Trust to provide support to Core Partner Agencies (Partners) while also setting boundaries around that program by linking any such support to existing agreements we have with our partners. The proposal under Option 2 is as follows:

Currently, the Cultural Trust assesses 2% of the total value of the Account (the corpus of the Trust) for administrative purposes. Option 2 proposes increasing this administrative allocation to 4%, creating a fund of approximately \$1M to be used by Cultural Trust Core Partner Agencies. In this proposal, Partners would be allowed to apply for funding up to the amount of double their FY2025 partnership agreement through June 30, 2026 if they can demonstrate exceptional needs resulting from significant funding disruptions that impact their ability to fully implement their partnership agreement. All requests will be submitted to and reviewed by staff who will prepare recommendations to the Trust for Cultural Trust Board of Directors for final approval. All funding decisions will be made by a vote of the Cultural Trust Board of Directors.

Background:

At the start of every fiscal year the Cultural Trust requires the five Core Partner Agencies (to submit a partnership plan which outlines activities the Partner will conduct during the award period. The Cultural Trust reviews and approves the Partner proposals based on direction in statute and prepares grant agreements to transfer funding.

Proposal to Allow Partners to Request Plan Amendments and Related Funding Increase:

If a Core Partner Agency has exceptional needs resulting from significant funding disruptions that impact their ability to fully implement the partnership agreement, the Partner may submit a plan amendment and related funding request, up to the amount of their annual partner grant allocation, to the Cultural Trust Board of Directors for their consideration.

Funding options for Plan Amendment Allocations:

The below options for FY2026 are estimates; final budget for FY2026 will not be available until August 2025. Current revenue for FY2025 is \$6,150,080. Projected revenue for FY2026 is \$7,100,000. Options are based on projections. We are working to confirm our spending limitation and whether legislative action is required.

Option 1 –Allocation Percentage

No less than 50% and no more than 60% of all money raised and deposited in previous year shall be disbursed into three programs (50/25/25 split). In FY2025, 42% is allocated to the Permanent Fund, and 58% is allocated to grantmaking programs.

FY2025 - 58% generates \$962,880 for Partner Grants

Cooperative Partner Projects	20.0%	\$192,576
Oregon Arts Commission	26.7%	\$256,768
Oregon Council for the Humanities	26.7%	\$256,768
Oregon Heritage Commission	8.9%	\$85,589
Oregon Historical Society	8.9%	\$85,589
State Historic Preservation Office	8.9%	\$85,589
Total:	100%	\$962,880

FY2026 - 60% generates \$1,205,000 for Partner Grants

Cooperative Partner Projects	20.0%	\$241,000
Oregon Arts Commission	26.7%	\$321,333
Oregon Council for the Humanities	26.7%	\$321,333
Oregon Heritage Commission	8.9%	\$107,111
Oregon Historical Society	8.9%	\$107,111
State Historic Preservation Office	8.9%	\$107,111
Total:	100%	\$1,205,000

The difference (FY2026 minus FY2025) for Partner Grants receiving 26.7% is \$64,565.

Legislative Action: None

The 50 to 60% disbursement decision is a Trust for Cultural Development Board (“Board”) decision that is carried out by the Arts Program (i.e. OBDD). See ORS 359.426(1) and (2).

Option 2 – Administrative Allocation Percentage (up to 5 percent)

The Arts Program (Trust) is currently assessing 2% of the total value of the Account for Cultural Development (Permanent Fund) for administrative purposes. Increasing the percentage would provide additional augmentation funds to address any additional administrative needs including facilitating technical assistance with Partners

359.426 Percentage that may be disbursed; allowable uses. (1) Under the direction of the Trust for Cultural Development Board, each fiscal year the Arts Program shall disburse no less than 50 percent, but no more than 60 percent, of all moneys raised for and deposited in the Trust for Cultural Development Account during the previous fiscal year, and all interest earned on the moneys, as of July 1.

(3) Each fiscal year, the Arts Program shall assess the total value of the Trust for Cultural Development Account for the previous fiscal year and may distribute up to five percent of that value for administrative purposes, including:

- (a) Supporting the operations of the Trust for Cultural Development Board and the Trust for Cultural Development Account;
- (b) Facilitating technical assistance;
- (c) Local cultural planning; and
- (d) Other activities that encourage cultural activity. [2001 c.954 §9; 2003 c.713 §11; 2015 c.668 §4; 2023 c.552 §1]

Legislative Action: None

The percentage allocation decision is to be done based on an assessment by the Arts Program (i.e. OBDD) and carried out also by the Arts Program. See ORS 359.426(3) – above. This is based on an FY2026 projection:

2%	\$969,095
3%	\$1,453,643
4%	\$1,938,190
5%	\$2,422,738

Option 3- Permanent Fund

Both the moneys raised in the previous year that are not disbursed under ORS 359.426 (i.e. the remaining 35%-50%, depending on amount decisions in #1 and #2 above) and all the moneys in the Permanent Fund (i.e. the Trust for Cultural Development Account balance from previous years--known as the Permanent Fund) traditionally have been invested and untouched. We understand these funds are presently in the state Treasury's Intermediate Fund and total approximately \$47 Million.

Whether this money is required to be invested or instead can be spent and in what amounts is not legally clear. DOJ believes it is legally defensible, and it is a business decision for OBDD and the Board with some legal risks. They point to the following statutes (each with highlights below) as creating authority for the Board to make the amount decisions and for the Arts Program (i.e. OBDD) to disburse/invest the funds as directed by the Board:

- ORS 359.025(2)(b) (providing Board with investment and disbursement authority for moneys in the account, although oddly in the Arts Commission statute);
- ORS 359.405 (providing OBDD's Arts Program with continuous appropriation authority over all moneys in the account); and [They note that use of the account is in the OBDD budget bill and this amount may need to be adjusted, including likely getting additional expenditure limitation authority.]

- ORS 359.416(1) (providing Board with duty to oversee management of the account) and (2) (providing Board with authority to adopt rules as necessary for statutory series). Note that ORS 359.040(5) requires OBDD's Arts Program to do the actual management of the account.

Alternatively, the account statutes could potentially be construed to (a) give decision-making authority to OBDD on the spending/investing of the permanent fund [relying on ORS 359.040(5) and ORS 359.405(2)]; or (b) find that there is no authority to spend the permanent fund account moneys by the Board or OBDD without further legislation as there are references to the account but there is no clear reference to the permanent fund anywhere in the chapter. DOJ believes the better construction is that the Board has the decision-making authority and OBDD has authority to disburse/invest as directed.

Legislative Action: Unclear at this time

Option 4- License Plate Funds- Not a viable option

This does not appear to be an avenue to make any distributions beyond the 60% threshold, unless it is for marketing purposes. ORS 359.407 provides that the moneys from the license plate are not considered part of the Account for the purposes of the ORS 359.426 distributions, but *only* for amounts used "for marketing and promotional costs" (see ORS 359.407(2)). Therefore, funds deposited from the license plate sales may only be used for the regular (non-marketing) distributions within the ORS 359.426 percentages.

Option 5– Interest Earnings- Not a viable option

DOJ notes that ORS 359.405(1) states that "Investment earnings, interest and other income earned by the Trust for Cultural Development Account shall be credited to the account." ORS 359.426(1) in turn provides: "Under the direction of the Trust for Cultural Development Board, each fiscal year the Arts Program shall disburse no less than 50 percent, but no more than 60 percent, of all moneys raised for and deposited in the Trust for Cultural Development Account during the previous fiscal year, and all interest earned on the moneys, as of July 1." We interpret this to mean that the interest earned in the fiscal year falls into the category of "all moneys raised for and deposited" into the account for purposes of the disbursement thresholds.

Requested Action:

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Informational only

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For board input/discussion

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For board action