

**74th OREGON LEGISLATIVE ASSEMBLY – 2007 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: SB 5513-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Garrard
Carrier – Senate: Sen. Avakian**

Action: Do Pass as Amended and Be Printed A-Engrossed

Vote: 20 – 0 – 1

House – Yeas: D. Edwards, Galizio, Garrard, Hanna, Jenson, Morgan, Nathanson, Nolan, Shields

– Nays:

– Exc:

Senate – Yeas: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson, Schrader, Verger, Westlund, Whitsett

– Nays:

– Exc: Winters

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: 6/8/07

Agency

Department of Fish and Wildlife

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Biennium

2007-09

Senators: Bates, Carter, Devlin, Gordly, Johnson, Morse, Nelson,
Schrader, Verger, Westlund, Whitsett, Winters

Senator Kurt Schrader, Co-Chair

Representatives: D. Edwards, Galizio, Garrard, Hanna, Jenson,
Morgan, Nathanson, Nolan, Shields

Representative Mary Nolan, Co-Chair

Senator Richard Devlin, Natural Resources Subcommittee Chair

Budget Summary*

	2005-07		2007-09		Percentage Committee Change from Governor's Budget
	Legislatively Approved Budget (1)	Governor's Budget	Committee Recommendation	Difference from Governor's Budget	
General Fund	11,068,607	17,913,737	15,295,984	-2,617,753	
General Fund debt service	-	222,982	222,982	0	
Lottery Funds	7,292,483	7,851,592	11,775,639	+3,924,047	+50.0%
Other Funds	124,893,957	125,129,512	127,849,429	+2,719,917	+2.2%
Federal Funds	102,347,590	110,093,920	99,511,201	-10,582,719	-9.6%
Total	\$ 245,602,637	\$ 261,211,743	\$ 254,655,235	\$ (6,556,508)	-2.5%

Position Summary

Authorized Positions	1,399	1,384	1,354	-30
Full-time Equivalent (FTE) Positions	1,163.26	1,162.99	1,147.90	-15.09

(1) Includes adjustments through the December 2006 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Subcommittee increased Measure 66 Lottery Funds support by \$3.9 million, which was made possible by increased estimated Lottery revenue statewide and budgetary actions in other agency budgets. The Oregon Watershed Enhancement Board shall make quarterly transfers to the Department to accommodate the allocation of all Measure 66 Lottery Funds. All revenue shall be transferred by the end of the 2007-09 biennium. In addition, Federal Funds revenues were adjusted to align with the removal of empty Federal Funds expenditure limitation.

Summary of Subcommittee Action

The Department of Fish and Wildlife protects and enhances Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations. The Subcommittee approved a budget of \$254,655,235 total funds (\$15,518,966 General Fund, \$6,775,639 Measure 66 Operations Lottery Funds, \$5,000,000 Measure 66 Capital Lottery Funds, \$127,849,429 Other Funds, and \$99,511,201 Federal Funds) and 1,147.90 full-time equivalent positions. The total funds budget is 3.7 percent greater than the 2005-07 Legislatively Approved Budget.

Fish Division - Propagation

The Fish Propagation program operates and administers hatcheries and remote rearing of adult fish collection facilities. The Subcommittee approved a total funds budget of \$47,499,304 and 253.04 full-time equivalent positions. The Subcommittee did not approve Package 201: Hatchery Fundshift, but instead used other budget actions to provide funding for support of the Oregon State Police Fish and Wildlife Division. The Subcommittee did adopt the following budget note regarding hatcheries:

Budget Note

Approval of the Department's budget assumes continued operations at the Trask and Salmon River hatcheries. Any significant changes proposed for these facilities, such as closure, mothballing, or consolidation shall be reported to the appropriate policy committee as well as the Joint Committee on Ways and Means or the Emergency Board prior to implementation.

The Subcommittee approved Package 110: Restoration Monitoring Fishery Management; this package increases General Fund support for the Clatsop Economic Development Council Fisheries Project, which operates the South Fork Klatskanine propagation facility in cooperation with the Department. Non-state funding for the facility comes from voluntary assessments paid by local fishermen and seafood processors.

Package 120: Agency Infrastructure-Propagation was approved; this package provides expenditure authority for night shift on-call payments to maintain round-the-clock, seven days a week staff coverage at hatcheries. Also, a change in federal contracting requirements allows the agency to spend hatchery rent revenue differently, resulting in increased available funds for hatchery housing maintenance; this package provides expenditure limitation to do so.

The Subcommittee approved Package 130: Conversion of Limited Duration (LD) Positions to Permanent; this package continues a limited duration position and makes it permanent. The position works on active fish culture, adult brood stock collection, and fish rearing.

Package 150: Modification & Management of Positions was approved; this package continues one limited duration federally-funded position that helps raise hatchery salmon in the high desert region.

Package 802: Ways and Means Co-Chair 2% Reprioritization was approved; this package reduces General Fund services and supplies and Other Funds personal services. The Personal Services reductions result from vacancies.

Fish Division – Natural Production

This program directs fish inventory, regulation and assessment of fisheries, development and administration of fish regulations, and development of fish conservation and management plans. It also manages the Salmon Trout Enhancement Program (STEP), the Restoration and Enhancement (R&E) program, threatened and endangered species, gene conservation issues, and the Fish Screening Program. The Subcommittee approved a total funds budget of \$59,842,446 (including \$4,882,813 Measure 66 Capital Lottery Funds and \$5,352,724 Measure 66 Operations Lottery Funds) and 376.24 full-time equivalent positions.

Package 070: Revenue Shortfall was approved; this package reduces Experimental Biology Aide positions which are restored in Package 160.

The Subcommittee approved Package 113: Restoration Monitoring Fishery Management-Natural Production, which includes three components. First, it continues a position as permanent; this position ensures Clackamas County transportation projects protect fish. The position is paid for by the Clackamas County Department of Transportation. Second, two limited duration positions are added to work on the Rogue River basin mitigation projects as part of the relicensing agreement for the PacificCorp Prospect Hydro facility. Third, the package continues a Recovery Planner for salmon and steelhead listed under the Endangered Species Act; this position will co-lead the development, implementation, monitoring, and evaluation of recovery plans for salmon and steelhead listed under the federal Endangered Species Act and is funded with Measure 66 Operations Lottery Funds.

Package 130: Conversion Of LD Positions to Permanent was approved; it continues positions for the coastal monitoring program as permanent. The positions collect data on salmonids as part of a long-term study of population trends.

The Subcommittee approved Package 150: Modification & Management of Positions; it continues five limited duration positions that work on mid to upper Columbia River and Snake River basin Spring Chinook captive brood stock monitoring and evaluation and steelhead sampling, and two limited duration positions that work on fish monitoring and sorting at Marmot Dam in the Sandy River.

The Subcommittee approved Package 160: Fish Monitoring & Mitigation Planning; this package adds Measure 66 Operations Lottery Funds on a permanent basis to support the Lower Columbia Monitoring program which includes 16 permanent positions (9.59 FTE). The program used a Measure 66 Lottery Funds grant from OWEB beginning in the 2003-05 biennium to support the program. The package also adds 5 limited duration positions (1.82 FTE) and funding from the OWEB Research and Development Fund one a one-time basis for continuation of a genetic pedigree study of returning coho in the Rogue River basin designed to collect DNA from multiple generations of wild and hatchery spawned fish in the system.

Package 802: Ways and Means Co-Chair 2% Reprioritization was approved; this package reduces General Fund services and supplies and Other Funds personal services. The Personal Services reductions result from efficiencies.

The Subcommittee approved Package 806: Technical Adjustments; this package removes a fund shift from Measure 66 Lottery Funds to General Fund and adds Measure 66 Capital Lottery Funds carryover expenditure limitation for the fish screens program.

Package 807: Oregon Plan Fund Shift was approved; this package shifts funding for activities related to the Oregon Plan for Salmon and Watersheds from General Fund to Measure 66 Operations Lottery Funds. This adjustment supplies the General Fund needed in the Department of Agriculture for the Confined Animal Feeding Operation program, which had been funded with Measure 66 Operations Lottery Funds previously.

The Subcommittee approved Package 808: Remove Empty Federal Funds; this package reduces Federal Funds expenditure limitation that has no revenue to cover it. This adjustment is based on a review of historical expenditure patterns. If the department finds it needs greater Federal Funds expenditure limitation, it may seek additional limitation from the Legislature if in session or the Emergency Board.

Package 809: Endangered Species Act Recovery Planning was approved; this package adds one-time carryover limitation to complete ESA recovery planning begun in the 2005-07 biennium. Funding for this work will come from OWEB, which earmarked federal Pacific Coastal Salmon Recovery Fund (PCSRF) monies for completion of these plans in their 2005-07 work plan. This package also shifts funding for John Day Spring Chinook monitoring efforts from Federal Funds to Other Funds. Previously, funding for this work came from the Bonneville Power Administration. The National Oceanic and Atmospheric Administration (NOAA) Fisheries will supply the funding to continue the work. This funding will be sent from NOAA Fisheries to the Oregon Watershed Enhancement Board, and then to the department, so the fund type to support the work must change to Other Funds.

Marine Resources

The Marine Resource program manages marine fish and shellfish through inventories of marine fish, shellfish, and their habitats, collection of biological information from commercial and sport fisheries, implementation of federal and state fishery rules, and protection of marine and estuarine habitat. The Subcommittee approved a total funds budget of \$13,301,354 and 87.44 full-time equivalent positions.

Package 070: Revenue Shortfall was approved; this package reduces expenditures because of revenue shortfalls created by the phase out of Pacific cost fisheries information network PAC fin money, which was identified as one-time in the 2005-07 biennium budget report. Package 140 restores the reductions using another fund source.

The Subcommittee did not approve funding for Package 111: Penniped Predation On Threatened Species, but did authorize the department to seek federal funds and approval to carry out the development and implementation of hazing techniques and lethal take to keep pennipeds from eating threatened and endangered species of fish. Federal approval for lethal take is time consuming because the seals in question, like the salmon they eat, are listed under the federal Endangered Species Act.

Package 140: Commercial Fishery Management was approved; this package includes three items. First, it continues commercial groundfish sampling (known as Pacific Coast Fisheries Information Network) using Commercial Fish Fund dollars. This results from lower federal revenues. Second, it shifts funding for five nearshore fishery management positions to Commercial Fish Fund ending balance. Third, it funds a limited duration full-time position for the Newport field office; this position will work on estuary and habitat management and assist with commercial and shellfish issues.

The Subcommittee approved Package 190: Fish Dedicated & Obligated Exp Authority, which includes several components: nearshore fisheries monitoring, including black rockfish and blue rockfish; Pacific Halibut abundance dockside sampling and at-sea surveys; recreational shellfish studies; and developmental fisheries sampling and evaluation. It also includes one-time funding for seven limited duration positions (4.08 FTE) using monies from the sale of shellfish licenses to track recreational shellfish populations, landings and catch; develop and implement shellfish fishery management practices, and respond to recreational shellfish user needs.

Package 802: Ways and Means Co-Chair 2% Reprioritization was approved; this package reduces services and supplies resulting from efficiencies.

The Subcommittee approved Package 808: Remove Empty Federal Funds; this package reduces Federal Funds expenditure limitation that has no revenue to cover it. This adjustment is based on a review of historical expenditure patterns. If the department finds it needs greater Federal Funds expenditure limitation, it may seek additional limitation from the Legislature or the Emergency Board.

Interjurisdictional Fisheries

This program is responsible for participation in regional and international management councils for the management of marine and migratory fishes, management of Columbia River anadromous fisheries, statewide salmon and sturgeon fisheries, and coordination of Columbia Basin issues. This program also includes the positions and budget for Fish Division and Regional administration. The Subcommittee approved a total funds budget of \$17,948,991 and 105.81 full-time equivalent positions.

The Subcommittee approved Package 112: ESA Coordination, which continues positions and shifts funding for them; these positions work on Endangered Species Act recovery planning on the lower Columbia River. The positions are requested as permanent because once recovery planning is complete, monitoring will need to occur. In the 2005-07 biennium some of the funding came from bond proceeds in the Economic and Community Development Department; the bonds related to the Columbia River channel deepening project. For the 2007-09 biennium, the funding will come from the Oregon Watershed Enhancement Board using PCSRF dollars.

Package 802: Ways and Means Co-Chair 2% Reprioritization was approved; this package reduces General Fund services and supplies and Other Funds personal services. The Personal Services reductions result from elimination of a vacant position shared with the Wildlife Game program.

The Subcommittee approved Package 808: Remove Empty Federal Funds; this package reduces Federal Funds expenditure limitation that has no revenue to cover it. This adjustment is based on a review of historical expenditure patterns. If the department finds it needs greater Federal Funds expenditure limitation, it may seek additional limitation from the Legislature or the Emergency Board.

Wildlife Division - Game

The Game program inventories game species, controls wildlife damage, develops harvest regulations, manages waterfowl and upland bird hunter access, and researches game species research. The Subcommittee approved a total funds budget of \$25,751,341 and 114.68 full-time equivalent positions.

The Subcommittee did not approve Package 170: Wildlife Management & Damage Comp-Game, which provided funding to start a wolf-damage compensation fund.

Package 180: Wildlife Dedicated & Obligated Exp Authority was approved, it funds five items: antelope research and monitoring in eastern Oregon; mountain goat research, monitoring and restoration; bighorn sheep restoration/research in southeastern Oregon; upland game bird land leasing for hunting and habitat restoration; and waterfowl wetland habitat restoration work. All monies for these activities comes from funding that is dedicated or obligated for use on species specific work.

The Subcommittee approved Package 802: Ways and Means Co-Chair 2% Reprioritization; this package reduces General Fund services and supplies and Other Funds personal services. The Personal Services reductions result from elimination of a vacant position shared with the Fish Interjurisdictional program.

Package 806: Technical Adjustments was approved; this package adds one-time carryover limitation for waterfowl and upland game bird projects that were begun in 2005-07 but will not be completed until the 2007-09 biennium.

The Subcommittee approved Package 812: Predatory Animal Control; this package adds General Fund to increase the base budget support for predatory animal control. It brings the department's predatory animal control budget to \$220,000 for the 2007-09 biennium and in the future. Predatory animal control work is shared by the department, the Department of Agriculture, the US Department of Agriculture Wildlife Services, and Oregon Counties.

Wildlife Division - Habitat

The Wildlife Habitat program develops a variety of projects to maintain, restore and improve wildlife habitat on public and private land. Projects that improve habitat include cover planting, wildlife food crops, range rehabilitation, protective fencing, water developments, and artificial nesting sites. In addition, the program mitigates hydropower effects on wildlife. The Subcommittee approved a total funds budget of \$29,539,620 (including \$1.0 million Measure 66 Capital Lottery Funds and \$540,102 Measure 66 Operations Lottery Funds) and 84.56 full-time equivalent positions.

The Subcommittee did not approve Package 171: Wildlife Management & Damage – Habitat because the department should have sufficient expenditure limitation and position authority to cover the work done for the Oregon Department of Transportation (ODOT). Federal Funds expenditure limitation for securing conservation easements or acquiring land to protect habitat in the Willamette Valley and Lower Columbia subbasin plans using Bonneville Power Administration mitigation funds was also removed pending receipt of the funds. If the department receives this money and finds it needs greater Federal Funds expenditure limitation, it may seek additional limitation from the Legislature or the Emergency Board.

Package 180: Wildlife Dedicated & Obligated Exp Authority was approved; it includes three elements. First, it funds habitat projects within the mitigation area in the Umpqua River basin under the Yoncalla Oil Spill Mitigation Agreement. This project is expected to continue over several biennia. Second, it funds one-time Access and Habitat projects to be determined by the Access and Habitat Boards. Third, it funds research and habitat projects on sub-steppe wildlife within the upper Columbia River basin; funding for this item comes from wildlife-impact mitigation funds resulting from a Pacific Gas transmission line that was run through eastern Oregon in the 1990s.

The Subcommittee approved Package 801: LFO Analyst Adjustment; this package adds Federal Funds carryover for the Lone Star Conservation easement grant that was approved by the Emergency Board at its November 2006 meeting. Working through the agreement details has resulted in delays for this project. This package was approved with the understanding that the Department of Administrative Services will un-schedule the expenditure limitation pending actual need.

The Subcommittee approved Package 802: Ways and Means Co-Chair 2% Reprioritization; this package reduces services and supplies using efficiency savings.

The Subcommittee approved Package 806: Technical Adjustments; this package removes a fund shift from Measure 66 Lottery Funds to General Fund. It also adds Access and Habitat and Landowner Incentive Program carryover expenditure limitation for multi-year projects that will not be completed until future biennia.

The Subcommittee approved Package 808: Remove Empty Federal Funds; this package reduces Federal Funds expenditure limitation that has no revenue to cover it. This adjustment is based on a review of historical expenditure patterns. If the department finds it needs greater Federal Funds expenditure limitation, it may seek additional limitation from the Legislature or the Emergency Board.

Wildlife Division - Diversity

This program maintains Oregon's wildlife diversity by protecting and enhancing populations and habitats of native wildlife at self-sustaining levels throughout natural geographic ranges. The Subcommittee approved a total funds budget of \$4,264,582 and 13.50 full-time equivalent positions.

The Subcommittee approved Package 802: Ways and Means Co-Chair 2% Reprioritization; this package reduces services and supplies using efficiency savings.

Package 806: Technical Adjustments was approved; this package adds one-time Federal Funds carryover expenditure limitation for three contract projects that will be fully expended in the 2007-09 biennium.

The Subcommittee approved Package 808: Remove Empty Federal Funds; this package reduces Federal Funds expenditure limitation that has no revenue to cover it. This adjustment is based on a review of historical expenditure patterns. If the department finds it needs greater Federal Funds expenditure limitation, it may seek additional limitation from the Legislature or the Emergency Board.

Package 813: Wildlife Conservation Strategy was approved; this package adds funding and a position to begin implementation of the Wildlife Conservation Strategy. The package includes some funding for grants, which will be matched by Federal State Wildlife Grant funds. The position will begin work in the Willamette Valley to restore Western Meadowlark populations.

Oregon State Police

This program, provided by contract with the Oregon State Police (OSP), assures compliance with laws that protect and enhance the long-term health and equitable utilization of fish and wildlife resources. The Subcommittee approved a total funds budget of \$14,356,763 and no full-time equivalent positions. All positions are at the State Police. Package 070: Revenue Shortfall was approved; this package reduces expenditures because of inadequate revenue. These expenditures are restored in package 200 using funds made available through other actions.

The Subcommittee approved Package 140: Commercial Fishery Management; this package increases Other Fund expenditure limitation for greater Oregon State Police (OSP) commercial fishing enforcement. OSP would use the additional funding to lease a large commercial fishing vessel or patrol vessel for enforcing crab regulations. Funding comes from the Commercial Fish Fund.

Package 200: OSP Enforcement was approved; this package adds Other Funds expenditure limitation to fully fund the Oregon State Police Fish and Wildlife Essential Budget Level which supports 61 troopers with revenue from hunting and fishing license and tag revenue. Historically, ODFW sent OSP funding based on the standard inflation rate, which does not cover the full cost of personnel and services and supplies. OSP managed to the lower level of funding through various actions, including holding positions vacant. The 2005 Legislature directed OSP to work with ODFW during budget development for the 2007-09 biennium to include the true cost of funding 61 OSP state troopers for the full biennium.

Administration Division

The Administration Division provides accounting, budgeting, license and tag sales, personnel management, information systems, and information and education services for the Department. It includes the Director's Office. The Subcommittee approved a total funds budget of \$36,068,039 and 111.63 full-time equivalent positions. Regarding information systems, the Subcommittee adopted the following budget note:

Budget Note

The Department of Fish and Wildlife will report to the Emergency Board by September 1, 2008 on implementation of the new Point of Sale (POS) system. The report shall include the number of Information Technology (IT) staff and FTE assigned to work on the old system during the 2001-03 biennium, the number of IT staff and FTE assigned to the new system, the total cost of operating the new system including payments to the third party vendor, any IT staffing changes that should be made based on workload changes created by implementing the new POS system, the amount of revenue generated by the surcharge on licenses and tags at issuance, the cost of the Department providing customer service for the new POS system, and the amount the third party vendor would charge to provide the same level of customer service.

The Subcommittee approved Package 100: Deferred Maintenance Master Plan, which provides funding for debt service and issuance costs for Certificates of Participation (COPs). The COP proceeds will be used to address deferred maintenance in accordance with the department's deferred maintenance master plan.

Package 140: Commercial Fishery Management was approved; it adds a position to collect and monitor crab pot limit program data. The crab pot limit program restricts the number of crab pots assigned to a permit. Funding comes from Commercial Fish Fund dedicated license fees.

The Subcommittee approved Package 801: LFO Analyst Adjustment; this package reverses a fund shift between General Fund and Other Funds that occurred in a previous biennium. Restoring General Fund to this program provides Other Funds for Package 200 in the Oregon State Police program.

The Subcommittee approved Package 802: Ways and Means Co-Chair 2% Reprioritization; this package reduces services and supplies using efficiency savings, and it reduces personal services from reclassifying a vacant position from a Principal Executive Manager/E to a Principal Executive Manager/B.

Package 811: Develop Angling Enhancement Plan was approved; it adds a limited duration public affairs position for work related to development of a 25-year plan to enhance angling in Oregon. The following budget note provides further information.

Budget Note

The Department of Fish and Wildlife shall develop a 25-year plan, containing both long and short-term goals to enhance opportunities for angling in Oregon. In developing this plan ODFW shall include, but are not limited to, the following topics:

- Methods to enhance angling opportunities throughout the state;
- Effects of increasing state population on angling opportunities;
- Strategic marketing to promote the recruitment of new anglers; and
- Development of pilot programs designed to promote angling throughout Oregon.

The Department shall present this plan to the appropriate policy committees of the Seventy-fifth Legislative Assembly.

Capital Improvement

This program funds projects that restore fisheries, such as diking, nesting, water control, installation of bird netting, enlargement of release channels, road repair, and repairs to intakes and pond bottoms. The Subcommittee approved a total funds budget of \$6,082,795 and 1.00 full-time equivalent positions.

The Subcommittee approved Package 100: Deferred Maintenance Master Plan, which provides expenditure limitation for proceeds from Certificates of Participation (COPs) and Federal Funds for deferred maintenance in accordance with the department's deferred maintenance master plan.

The Subcommittee approved Package 802: Ways and Means Co-Chair 2% Reprioritization; this package reduces services and supplies using efficiency savings.

Package 806: Technical Adjustments was approved; this package adds one-time carryover expenditure limitation for Restoration and Enhancement projects that will be fully expended in the 2007-09 biennium.

Summary of Performance Measure Action

See attached Legislatively Adopted 2007-09 Key Performance Measures form.