

**75th OREGON LEGISLATIVE ASSEMBLY – 2009 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

MEASURE: HB 5049-A

JOINT COMMITTEE ON WAYS AND MEANS

**Carrier – House: Rep. Jenson
Carrier – Senate: Sen. Nelson**

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

Vote: 20 – 0 – 2

House – Yeas: Buckley, D. Edwards, Galizio, Garrard, Gilman, Jenson, Kotek, Nathanson, Richardson, Shields, G. Smith

– Nays:

– Exc: Komp

Senate – Yeas: Bates, Carter, Girod, Johnson, Monroe, Nelson, Verger, Walker, Winters

– Nays:

– Exc: Whitsett

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: June 11, 2009

Agency

Oregon Watershed Enhancement Board

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Biennium

2009-11

Budget Summary*

	2007-09 Legislatively Approved Budget (1)	2009-11 Essential Budget Level	2009-11 Committee Recommendation	Committee Change from 2007-09 Leg. Approved	
				\$\$ Change	% Change
Lottery Funds	\$ 25,371,878	21,863,785	\$ 20,842,018	\$ -4,529,860	-17.8%
Other Funds	\$ 2,094,862	2,136,718	\$ 2,009,705	\$ -85,157	-4.1%
Federal Funds	\$ 22,001,679	\$ 21,541,600	\$ 23,220,144	\$ 1,218,465	5.5%
Total	\$ 49,468,419	\$ 45,542,103	\$ 46,071,867	\$ -1,096,940	-3.2%

Position Summary

Authorized Positions	30	23	30	0
Full-time Equivalent (FTE) positions	30.00	23.00	30.00	0.00

(1) Includes adjustments through the December 2008 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Watershed Enhancement Board (OWEB) is funded primarily with Measure 66 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds. The agency also receives revenues from the sales of salmon license plates. Updated estimates of Measure 66 Lottery Funds revenue for the 2007-09 biennium resulted in increased beginning balance expectations for the 2009-11 biennium. Also, updated Lottery revenue forecast figures for the 2009-11 biennium show a decrease, which was incorporated into the recommended budget.

Federal Pacific Coastal Salmon Recovery Fund (PCSRF) estimates were also adjusted to account for updated information.

Summary of Natural Resources Subcommittee Action

OWEB promotes and implements programs that restore, maintain, and enhance Oregon watersheds in order to protect the economic and social well being of the state and its citizens. The Subcommittee approved a total funds budget of \$46,071,867 and 30.00 FTE.

Operations

This program includes planning, coordination, assessment, implementation activities, monitoring activities, education efforts, agreements with willing landowners for land interests, and expenses of the Independent Multidisciplinary Science Team. The Subcommittee approved a total funds budget of \$40,321,867 and 30.00 FTE.

The Subcommittee approved Package 070: Revenue Shortfalls, which reduces Lottery Funds for non-capital grants by \$1,551,200 to match the May 2008 revenue forecast. The result of this package is a non-capital grants fund of \$4 million.

The Subcommittee approved Package 100: Program Continuity, which adds \$172,987 Other Funds expenditure limitation, \$889,734 Federal Funds expenditure limitation, and re-establishes seven positions (7.00 FTE) that had been limited-duration previously. Five of the restored positions will be permanent while two remain limited-duration. The two limited-duration positions are a Public Affairs Specialist 2 (which is funded with salmon license plate revenue), and a Natural Resource Specialist 2 (which is funded with Federal Funds and conducts performance reporting). The permanent positions work on grant tracking and database entry, oversight of the grant process and support of electronic applications, maintenance of grant databases, grant payments, data management, and performance reporting.

The Subcommittee approved Package 130: PCSRF Grants, which adds \$4,140,400 Federal Funds expenditure limitation using existing and expected Pacific Coastal Salmon Recovery Fund dollars. This package provides resources for the non-capital grant program, which funds grants for technical assistance, recovery planning, monitoring, education, outreach, assessment, and Oregon Plan state agency projects. When combined with the roughly \$5.9 million in base budget funding for new PCSRF grants, this package brings the total for new federally funded non-capital grants to \$10 million. When combined with package 070, the non-capital grant program will be \$4,000,000 of Measure 66 operating Lottery Funds and \$10,000,000 federal PCSRF

Package 801: LFO Analyst Technical Changes was approved, which reduces Other Funds by \$300,000 and Federal Funds by \$4,500,000. The package results from updated estimates of carryforward amounts from prior biennia. If the agency projects it will have insufficient expenditure limitation to meet its need, it may return to the Emergency Board or the Joint Committee on Ways and Means and request an increase.

Package 810: Analyst Program Reduction was approved, which reduces Other Funds by \$512,157 and increases Federal Funds by \$220,000. These actions reduce funding for the Lower Columbia River Estuary Partnership by 25 percent and funding for the Independent Multidisciplinary Science Team (IMST) by 33 percent. Half of the remaining funding for the IMST is shifted to PCSRF Federal Funds for review of Endangered Species Act Recovery planning proposals and activities.

Package 811: Analyst Fund Shifts was approved, which reduces Other Funds by \$110,410 and increases Federal Funds by the same amount. These actions shift funding for an Office Specialist 2 from Lottery Funds to Federal Funds from the administrative allowance on the PCSRF funds.

Package 812: Other Analyst Adjustments was approved, which reduces Lottery Funds by \$1,098,000 and increases Federal Funds by \$818,000. These actions adjust the funding split for Watershed Council and Soil and Water Conservation District support grants by reducing Lottery Funds by \$549,000 and adding \$409,000 Federal Funds for each entity. This action returns funding for both groups to 2007-09 biennium levels of \$5 million each. The new funding mix for both groups will be \$1,250,000 of Measure 66 operating Lottery Funds and \$3,750,000 federal PCSRF.

Capital Construction Projects

Capital expenditures include non-expendable personal property with at least a two year life-span used for fish and wildlife law enforcement; projects that restore, enhance, or protect fish and wildlife habitats; project expenses including assessments, research, design, or technical requirements; acquiring land and water interests; technical support directly related to project implementation, project evaluation monitoring, and

development and construction of projects to restore, enhance or protect water quality, watersheds, fish, wildlife, and riparian habitat. Legal spending authority for this program is addressed in House Bill 5050. The Subcommittee approved a Measure 66 capital Lottery Funds budget of \$46,000,000 and no FTE in that bill.

Research and Development

This program unit funds research and development from interest earnings on Lottery Funds dedicated by Measure 66. The Subcommittee approved a total funds budget of \$5,750,000 (\$2,250,000 Measure 66 operations Lottery Fund and \$3,500,000 Measure 66 capital Lottery Funds from the Research and Development fund) and no FTE. These grants are formally awarded by the Board, often to other state agencies. An example is funding to the Department of Geology and Mineral Industries for Light Detection and Ranging (LIDAR) technology.

The Subcommittee approved Package 300: Research Grants, which adds \$2,250,000 Lottery Funds (\$750,000 operations, \$1,500,000 capital Measure 66 Lottery Funds) to fund research activities.

Summary of Performance Measure Action

See attached Legislatively Adopted 2009-11 Key Performance Measures form.