

**76th OREGON LEGISLATIVE ASSEMBLY – 2011 Regular Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: SB 5525-A

Carrier – House: Rep. Bailey

Carrier – Senate: Sen. Thomsen

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

Vote: 22 – 0 – 3

House – Yeas: Beyer, Buckley, Cowan, Freeman, Garrard, Komp, Kotek, McLane, Nathanson, Nolan, Richardson, G. Smith, Thatcher, Whisnant

– Nays:

– Exc:

Senate – Yeas: Devlin, Edwards, Johnson, Monroe, Thomsen, Verger, Whitsett, Winters

– Nays:

– Exc: Bates, Girod, Nelson

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: John Borden, Legislative Fiscal Office

Meeting Date: April 29, 2011

Agency

Oregon State Marine Board

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Biennium

2011-13

Budget Summary*

	2009-11 Legislatively Approved Budget (1)	2011-13 Current Service Level	2011-13 Governor's Budget	2011-13 Committee Recommendation	Committee Change from 2009-11 Leg. Approved	
					\$\$ Change	% Change
Other Funds	\$ 26,262,518	\$ 27,021,626	\$ 25,615,484	\$ 22,031,712	-4,230,806	-16.1
Federal Funds	\$ 8,091,039	\$ 7,077,388	\$ 6,954,993	\$ 6,683,860	-1,407,179	-17.4
Total	\$ 34,353,557	\$ 34,099,014	\$ 32,570,477	\$ 28,715,572	-5,637,985	-16.4

Position Summary

Authorized Positions	43	40	43	40
Full-time Equivalent (FTE) positions	41.38	39.00	42.00	39.50

(1) Includes adjustments through March 2011

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon State Marine Board is supported by motorboat fuel taxes, federal grants, and fees. The 2003 Legislature authorized a restructure of registration and title fees charged by the Marine Board which continue to address the Marine Board revenue requirements. No changes in fees are proposed for the 2011-13 biennium. Decreased revenue projections, especially for motorboat fuel tax and boat registrations and titling, result in packages to reduce both revenue and expenditures while leaving sufficient ending balances for operating cash flow.

Summary of Natural Resources Subcommittee Action

The Marine Board promotes the safe and enjoyable use of state waters for recreational boating. The agency provides boat registration and titling, marine law enforcement, boating facilities, public access, and boating safety education services. The Joint Subcommittee on Natural Resources approved a total funds budget of \$28.7 million, which includes the agency's basic budget with adjustments for revenue issues, personal services cost reductions, inflation elimination, and adjustments to provide a clearer budget structure. Any adjustments for services provided by central agencies such as the Department of Administrative Services will be made in a separate disappropriation bill later.

The Subcommittee removed from the original bill "land acquisition" authority for Other and Federal Funds. The Marine Board does not have the statutory authority to own real property. Marine Board grant recipients, however, may use grant funds to acquire property for public boating access.

Administration and Education

The Administration and Education unit supports the work of the five-member Marine Board and performs several other agency program functions. This program includes registration, licensing, or titling over 184,000 motor boats, sailboats, floating homes, boathouses, ocean charter boats, personal watercraft, outfitters, and guides. This program also develops educational materials, safety guidelines, waterway management plans, and boating regulations. This program includes the administration of the statewide mandatory boater education program. The Joint Subcommittee approved a total funds budget of \$5,465,439 and 23.00 full-time equivalent positions.

The Subcommittee approved package 086 and package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

Policy package 101: Aquatic Invasive Species Prevention program was not approved because the Subcommittee added a new budget structure devoted to this program, and package 814 establishes the requested positions and expenditure limitation in the new budget structure.

The Subcommittee approved package 802: Vacancy Savings, which is a standard package to eliminate long-term vacancies in state agencies. The package eliminates a Public Services Representative 1 (1.00 FTE) and a Public Services Representative 2 (0.50 FTE) for a total reduction of \$155,647 Other Funds and two positions (1.50 FTE). The positions were reviewed with the agency and agreement was reached that they are not essential to the agency's core functions.

Policy package 811: Revenue and Expenditure Adjustment was approved. This package adjusts Other Funds and Federal Funds revenues and expenditures to bring them in line with updated estimates. The package reduces Other Funds by \$908,838 and Federal Funds by \$227,350, for a total reduction of \$1,136,188. Similar packages can be found in the Law Enforcement and Facilities programs.

The Subcommittee approved package 812: Administrative Rebalance, which consolidates State Government Service Charges, Data Processing, Information Technology Professional Services, Attorney General, Dispute Resolution, and Facilities Rent and Taxes into the Administration and Education Program. This package adds \$377,399 Other Funds expenditure limitation to this program with offsetting reductions in the Law Enforcement and Facilities programs. It also consolidates the FTE for an Information Specialist 7 in the Administration and Education program, resulting in an increase of 0.66 FTE in this program and offsetting reductions in the Law Enforcement and Facilities programs.

Policy package 813: Increased Internal Control increases financial oversight capacity by exchanging an Accounting Technician 2 position for a permanent full-time Fiscal Analyst 2 position. The Fiscal Analyst 2 position has a higher level of minimum qualifications than an Accounting Technician 2, and should be able to improve financial oversight internally. The Fiscal Analyst 2 position does cost more than the Accounting Technician 2 position, but the \$17,688 difference in cost is offset by a \$17,688 reduction to non-fixed Services and Supplies. The Subcommittee also approved the following budget note related to this package:

Budget Note

The Oregon State Marine Board shall report to the House and Senate Committees on Natural Resources and the Joint Committee on Ways and Means during the 2013 Legislative Session on actions that the Board and the agency have taken to address the findings in the 2010 Secretary of State audit report.

The Subcommittee approved package 814: Aquatic and Invasive Species, which transfers this program from the Administration and Education program to the new Aquatic and Invasive Species program unit. The new budget structure will help with tracking the program activities. To accomplish the transfer, Package 814 in the Administration and Education program unit reduces Services and Supplies and Special Payments expenditures by a total of \$368,350 and reduces the Administration and Education program unit's beginning balance and revenue stream. A companion package in the new Aquatic and Invasive Species program unit adds the expenditure limitation and revenue back to the Board's budget. Details are located in the narrative for package 814 in the Aquatic and Invasive Species program unit.

Law Enforcement

The Law Enforcement program contracts with and provides training for county sheriffs and the Oregon State Police to provide on-water marine enforcement patrols. Over 80 percent of the program's budget is spent as Special Payments for law enforcement contracts. The Joint Subcommittee approved a total funds budget of \$12,528,033 and 4.50 full-time equivalent positions.

The Subcommittee approved package 086 and package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

Policy package 811: Revenue and Expenditure Adjustment was approved. This package adjusts Other Funds and Federal Funds revenues and expenditures to bring them in line with updated estimates. The package reduces Other Funds by \$1,246,225 and Federal Funds by \$258,558, for a total reduction of \$1,504,783. Similar packages can be found in the Administration and Education and Facilities programs. The Subcommittee also approved the following budget note:

Budget Note:

The Marine Board shall report to the Senate and House Natural Resources Committees during the 2012 Legislative Session on actions taken to comply with the newly designated Willamette River Holgate Channel No-Wake Zone. In particular, the Marine Board will report on the measures taken to enforce the new designation and monitoring results from compliance with the no-wake zone designation during the Summer 2011 Season.

The Subcommittee approved package 812: Administrative Rebalance, which consolidates State Government Service Charges, Data Processing, Information Technology Professional Services, Attorney General, Dispute Resolution, and Facilities Rent and Taxes into the Administration and Education Program. This package reduces Other Funds expenditure limitation by \$145,150 in this program with an offsetting increase in the Administration and Education program. It also reduces the FTE for an Information Specialist 7 by 0.33 FTE, with an offsetting increase in the Administration and Education program unit in order to consolidate the position in one budget structure.

Facility Grants

The Facility Grants program awards grants to federal, state, and local governments to design and construct marine access facilities throughout the state. Over half of the program's budget is distributed to various entities as Special Payments for acquisition, development, and maintenance of these marine facilities. The Joint Subcommittee approved a total funds budget of \$8,820,901 and 9.00 full-time equivalent positions.

The Joint Subcommittee approved package 070: Revenue Shortfalls, which reduces Special Payments for facility projects by \$1,290,000 based on revenue projections developed in the summer of 2010. Updated revenue estimates suggest further shortfalls, resulting in package 811.

The Subcommittee approved package 086 and package 087, which eliminate inflation and decrease projected personal services costs by 5.5 percent.

The Subcommittee approved package 802: Vacancy Savings, which is a standard package to eliminate long-term vacancies in state agencies. The package eliminates an Engineering Technician 2 (1.00 FTE), resulting in a reduction of \$131,685 Other Funds. The position was reviewed with the agency and agreement was reached that it is not essential to the agency's core functions.

Policy package 811: Revenue and Expenditure Adjustment was approved. This package adjusts Other Funds and Federal Funds revenues and expenditures to bring them in line with updated estimates. The package reduces Other Funds by \$2,305,615 and increases Federal Funds by \$214,775, for a total reduction of \$2,090,840. Similar packages can be found in the Administration and Education and Law Enforcement programs.

The Subcommittee approved package 812: Administrative Rebalance, which consolidates State Government Service Charges, Data Processing, Information Technology Professional Services, Attorney General, Dispute Resolution, and Facilities Rent and Taxes into the Administration and Education Program. This package reduces Other Funds expenditure limitation by \$232,249 in this program with an offsetting increase in the Administration and Education program. It also reduces the FTE for an Information Specialist 7 by 0.33 FTE, with an offsetting increase in the Administration and Education program unit in order to consolidate the position in one budget structure.

Aquatic and Invasive Species

This program started during the 2009-11 biennium following passage of House Bill 2220. It involves a joint effort of the Oregon State Marine Board, the Oregon Department of Fish and Wildlife, and the Oregon State Police to control waterborne non-native species. The source of funding is the Invasive Aquatic Species Fund, which was established by House Bill 2220. Revenue for the fund comes from aquatic invasive species prevention permits for motorboats and manual boats that are 10 feet or greater in length. During the 2009-11 biennium this program was housed in the Administration and Education program unit. Because of the importance of this program, the Subcommittee approved creating a new budget structure devoted to the program. The Joint Subcommittee approved a total funds budget of \$1,901,199 and 3.00 FTE positions for this new budget structure.

To create the new program structure, the Subcommittee approved package 814: Aquatic and Invasive Species, which transfers this program from the Administration and Education program to this new program unit. To accomplish the transfer, Package 814 in the Administration and Education program unit reduces Services and Supplies and Special Payments expenditures and also reduces the Administration and Education beginning balance and revenue stream. Package 814 in the Aquatic and Invasive Species program unit adds the expenditure limitation, the beginning balance and the revenue stream. This package adds \$163,850 Other Funds for Services and Supplies and \$1,368,738 Other Funds for Special Payments to the Oregon State Police and Oregon Department of Fish and Wildlife. It also continues funding for three positions established in the 2009-11 biennium as limited duration, but makes them permanent full-time. The positions are a Program Analyst 3, an Account Technician 2, and an Information Specialist 3. Each position is 1.00 full-time equivalent. The personal services expenditures of \$368,611 were adjusted for the standard 5.5 percent reduction in projected costs. The Aquatic and Invasive Species beginning balance of \$461,001 Other Funds and license revenues of \$2,281,230 are added to the new program unit through this package.

Summary of Performance Measure Action

See attached Legislatively Adopted 2011-13 Key Performance Measures (KPM) form. The Subcommittee approved the existing KPMs and updated targets with the following instructions:

1. The Marine Board will work with the Department of Administrative Services and the Legislative Fiscal Office to conduct a review of the Board's existing KPMs and report back to the 2013 Legislative Session on its recommendations.
2. The Marine Board will develop for legislative consideration during the 2013 Legislative session a new KPM for the Aquatic and Invasive Species Program.
3. The Marine Board will report to the Joint Committee on Ways and Means during the 2013 Legislative session on past Board compliance with KPM #11 – “Percent of total best practices met by the Board” and actions taken by the Board to address issues raised by the 2010 Secretary of State Audit report of the Marine Board.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

Corrected Copy

SB 5525-A

Oregon State Marine Board
Lisa Pearson -- 373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2009-11 Legislatively Approved Budget at March 2011 *	\$0	\$0	\$26,262,518	\$0	\$8,091,039	\$0	\$34,353,557	43	41.38
2011-13 ORBITS printed Current Service Level (CSL)*	\$0	\$0	\$27,021,626	\$0	\$7,077,388	\$0	\$34,099,014	40	39.00
2011-13 Governor's Balanced Budget *	\$0	\$0	\$25,615,484	\$0	\$6,954,993	\$0	\$32,570,477	43	42.00
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Administration/Education - 001</u>									
Package 101: Aquatic Invasive Species									
Personal Services	0	0	(368,611)	0	0	0	(368,611)	(3)	(3.00)
Package 802: Vacant Position Savings									
Personal Services	0	0	(155,647)	0	0	0	(155,647)	(2)	(1.50)
Package 811: Revenue and Expenditure Adjustment									
Personal Services	0	0	(51,073)	0	(30,060)	0	(81,133)	0	0.00
Services & Supplies: non-fixed accounts	0	0	(833,715)	0	(197,290)	0	(1,031,005)		
Capital Outlay	0	0	(24,050)	0	0	0	(24,050)		
Package 812: Administrative Rebalance									
Personal Services - Consolidate Information Specialist 7	0	0	143,578	0	0	0	143,578	0	0.66
Services & Supplies: Consolidate agency's SGSC/Data Processing/Information Technology Professional Services/Attorney General, Dispute Resolution/Facilities Rental & Taxes	0	0	233,821	0	0	0	233,821		
Package 813: Increased Internal Controls									
Personal Services: Abolish Accounting Tech 2 & establish permanent Fiscal Analyst 2	0	0	17,688	0	0	0	17,688	0	0.00
Services & Supplies: non-fixed accounts	0	0	(17,688)	0	0	0	(17,688)		
Package 814: Aquatic and Invasive Species									
Services & Supplies (transfer to new SCR)	0	0	(163,850)	0	0	0	(163,850)		
Special Payments Account 6020 (transfer to new SCR)	0	0	(204,500)	0	0	0	(204,500)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Law Enforcement Program -002</u>									
Package 811: Revenue and Expenditure Adjustment									
Personal Services	0	0	(14,955)	0	(4,658)	0	(19,613)	0	0.00
Services & Supplies: non-fixed accounts	0	0	(3,300)	0	(2,400)	0	(5,700)		
Capital Outlay	0	0	(425,470)	0	150,000	0	(275,470)		
Special Payments Account 6020	0	0	(802,500)	0	(401,500)	0	(1,204,000)		
Package 812: Administrative Rebalance									
Personal Services - Consolidate Information Specialist 7	0	0	(71,789)	0	0	0	(71,789)	0	(0.33)
Services & Supplies: Consolidate agency's SGSC/Data Processing/Information Technology Professional Services/Attorney General, Dispute Resolution/Facilities Rental & Taxes	0	0	(73,361)	0	0	0	(73,361)		
<u>Facility Programs - 003</u>									
Package 802: Vacant Position Savings									
Personal Services	0	0	(131,685)	0	0	0	(131,685)	(1)	(1.00)
Package 811: Revenue and Expenditure Adjustment									
Services & Supplies: non-fixed accounts	0	0	(263,400)	0	(69,400)	0	(332,800)		
Capital Outlay	0	0	(20,742)	0	0	0	(20,742)		
Special Payments Account 6015	0	0	766,000	0	570,000	0	1,336,000		
Special Payments Account 6020	0	0	1,773,000	0	1,238,000	0	3,011,000		
Special Payments Account 6025	0	0	1,139,000	0	700,000	0	1,839,000		
Special Payments Account 6085	0	0	(5,699,473)	0	(2,223,825)	0	(7,923,298)		
Package 812: Administrative Rebalance									
Personal Services - Consolidate Information Specialist 7	0	0	(71,789)	0	0	0	(71,789)	0	(0.33)
Services & Supplies: Consolidate agency's SGSC/Data Processing/Information Technology Professional Services/Attorney General, Dispute Resolution/Facilities Rental & Taxes	0	0	(160,460)	0	0	0	(160,460)		

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
<u>Aquatic Invasive Species - 004</u>									
Package 814: Aquatic and Invasive Species									
Personal Services : Re-establish three positions as permanent (LD in 2009-11)	0	0	368,611	0	0	0	368,611	3	3.00
Services & Supplies (transfer to new SCR)	0	0	163,850	0	0	0	163,850		
Special Payments account 6257	0	0	456,246	0	0	0	456,246		
Special Payments account 6635	0	0	912,492	0	0	0	912,492		
	<u>\$0</u>	<u>\$0</u>	<u>(\$3,583,772)</u>	<u>\$0</u>	<u>(\$271,133)</u>	<u>\$0</u>	<u>(\$3,854,905)</u>	<u>(3)</u>	<u>(2.50)</u>
TOTAL ADJUSTMENTS									
	<u>\$0</u>	<u>\$0</u>	<u>\$22,031,712</u>	<u>\$0</u>	<u>\$6,683,860</u>	<u>\$0</u>	<u>\$28,715,572</u>	<u>40</u>	<u>39.50</u>
SUBCOMMITTEE RECOMMENDATION *									
% Change from 2009-11 Leg Approved Budget	0.0%	0.0%	-16.1%	0.0%	-17.4%	0.0%	-16.4%	-7.0%	-4.5%
% Change from 2011-13 Current Service Level	0.0%	0.0%	-18.5%	0.0%	-5.6%	0.0%	-15.8%	0.0%	1.3%
% Change from 2011-13 Governor's Recommended Budget	0.0%	0.0%	-14.0%	0.0%	-3.9%	0.0%	-11.8%	-7.0%	-6.0%

Legislatively Proposed 2011-2013 Key Performance Measures

Agency: MARINE BOARD, OREGON STATE

Mission: The Oregon State Marine Board is Oregon's recreational boating agency, dedicated to safety, education and access in an enhanced environment.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
1 - BOATING SAFETY EXAMINATIONS - Number of boating safety examinations conducted		Approved KPM	39,487.00	41,500.00	41,500.00
2 - Number of boat patrol hours conducted on the water.		Approved KPM	33,020.00	34,650.00	34,650.00
3 - Number of Boat operators arrested for Boating Under the Influence (BUII).		Approved KPM	88.00	100.00	100.00
4 - Boating fatalities per 100,000 registered boats.		Approved KPM	6.80	6.50	6.50
5 - Percent of inspected boaters who are in compliance with the requirement to carry a Mandatory Boater Education Card		Approved KPM	82.00	86.00	86.00
6 - Number of gallons of human waste sewage not deposited in Oregon waters as a result of Marine Board facilities.		Approved KPM	711,779.00	750,000.00	750,000.00
7 - Ratio of matching funds from other sources to Marine Board funds.		Approved KPM	1.10	2.10	2.10
8 - Average number of days it takes to process and award grant funds.		Approved KPM	29.70	25.00	25.00
9 - Average number of days it takes to process requests for grant reimbursements.		Approved KPM	2.60	2.40	2.40
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Accuracy	Approved KPM	94.40	95.00	95.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Availability of Information	Approved KPM	93.20	95.00	95.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Expertise	Approved KPM	93.50	95.00	95.00

Agency: MARINE BOARD, OREGON STATE

Mission: The Oregon State Marine Board is Oregon's recreational boating agency, dedicated to safety, education and access in an enhanced environment.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2012	Target 2013
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Helpfulness	Approved KPM	90.80	95.00	95.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Overall	Approved KPM	93.10	95.00	95.00
10 - Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall, timeliness, accuracy, helpfulness, expertise, availability of information.	Timeliness	Approved KPM	93.70	95.00	95.00
11 - Percent of total best practices met by the Board.		Approved KPM	100.00	100.00	100.00

LFO Recommendation:

LFO recommends approval of the Board's Key Performance Measures and updated targets with the following instructions: Instruction #1: The Marine Board will work with the Department of Administrative Services and the Legislative Fiscal Office to conduct a review of the Board's existing KPMs and report back to the 2013 Legislative session on its recommendations. Instruction #2: The Marine Board will develop for legislative consideration during the 2013 Legislative session a new KPM for the Aquatic and Invasive Species Program. Instruction #3: The Marine Board will report to the Joint Committee on Ways and Means during the 2013 Legislative session on past Board compliance with KPM # 11 - "Percent of total best practices met by the Board" and actions taken by the Board to address issues raised by the 2010 Secretary of State Audit of the Marine Board.

Sub-Committee Action:

Approved the LFO recommendations and instructions.