

BUDGET REPORT AND MEASURE SUMMARY

JOINT COMMITTEE ON WAYS AND MEANS

Carrier – House: Rep. McLane
Carrier – Senate: Sen. Dingfelder

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

Vote: 24 – 0 – 1

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

Senate – Yeas: Bates, Devlin, Edwards, Girod, Johnson, Monroe, Nelson, Thomsen, Verger, Whitsett, Winters
– Nays:
– Exc:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: June 3, 2011

Agency

Oregon Watershed Enhancement 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
Lottery Funds	\$ 46,000,000	\$ -	\$ 52,715,534	\$ 55,019,938	\$ 9,019,938	20%
Total	\$ 46,000,000	\$ -	\$ 52,715,534	\$ 55,019,938	\$ 9,019,938	20%

Position Summary

Authorized positions	-	-	-	-
Full-time equivalent positions (FTE)	-	-	-	-

(1) Includes adjustments through the March 2011 meeting of the Emergency Board

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Oregon Watershed Enhancement Board (OWEB) is funded primarily with Measure 76 Lottery Funds and federal Pacific Coastal Salmon Recovery Funds. The agency also receives revenues from the sales of salmon license plates. Updated Lottery revenue forecast figures for the 2011-13 biennium show an increase, which was incorporated into the recommended budget.

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 \$112,057,403, with \$57,037,465 total funds approved in Senate Bill 5547 and the remaining \$55,019,938 total funds approved in Senate Bill 5548.

The approved budget implements Measure 76, which increased the level of funding for the agency by eliminating the use of some Lottery Funds in other state agencies. The budget also eliminates inflation and reduces Services and Supplies, creates a supplemental ending balance, eliminates two positions, and reduces projected remaining personal services expenditures. It also eliminates the separate Research and Development program that existed under Measure 66 and rolls that funding into the remaining two programs. 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 recommended budget for this agency includes a reduction of Lottery Funds for a supplemental ending balance. The reduction is intended to be applied against spending levels in the second year of the biennium and to not affect program delivery in the first year. To reinforce that intent,

the agency's budget bill includes specific language allowing the agency to expend up to 54 percent of its total biennial Lottery Fund limitation in the first year of the biennium.

The amount of the reduction for the supplemental ending balance may be restored, during the February 2012 session, to the agency for the second year of the biennium depending on economic conditions. Therefore, the Co-Chairs of the Joint Committee on Ways and Means expect the agency director to closely monitor the quarterly revenue forecast and other economic indicators to gauge adequacy of funding in the second year and manage their budgets accordingly.

Operations

See the budget report for Senate Bill 5547.

Capital Grants

Package 200 was approved; it adds 55,259,659 Lottery Funds expenditure limitation for grants to non-state or federal entities. These funds will be used to provide support grants to Watershed Councils and Soil and Water Conservation Districts (SWCD) the funding for which was removed from the Operations program in Package 810. OWEB will award the District grants based on Oregon Department of Agriculture (ODA) recommendations and will process the payments to the grantees. OWEB will use the same methodology used by ODA in the past to allocate funding among SWCDs, and ODA staff will review District work plans and gauge progress made by Districts in achieving those plans. The package also includes funding to support the Noxious Weed Grant Program, funding for which was transferred from ODA to OWEB. OWEB will now award the Weed and District grants based on ODA recommendations and will process the payments to the grantees.

Package 814, Remove Research and Development Program Area was approved, adding \$1,680,000 Lottery Funds expenditure limitation to the Grants program. This amount represents the balance of the Research and Development program capital and grants funds available under Measure 66 and projected under Measure 76. A companion package in Senate Bill 5547 adds Measure 66 and Measure 76 operations funds interest earnings from the Research and Development program to the Operations program.

Package 819, Supplemental Statewide Ending Balance was approved; this package produces savings of \$1,919,721 Lottery Funds to create an increased statewide ending balance. General Fund agencies are contributing to this supplemental ending balance through a 3.5 percent biennial (or seven percent in the second year of the biennium) reduction. The agency will be allowed to spend up to 54 percent of its biennial appropriation in the first year of the biennium, if necessary.

Research and Development

Please see the budget report for Senate Bill 5547.

Summary of Performance Measure Action

See the budget report for Senate Bill 5547. See attached Legislatively Adopted 2011-13 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

SB 5548-A

**Oregon Watershed Enhancement Board
Lisa Pearson -- 503-373-7501**

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	\$46,000,000	\$0	\$0	\$0	\$0	\$46,000,000	0	0.00
2011-13 ORBITS printed Current Service Level (CSL)*	0	0	0	0	0	0	\$0	0	0.00
2011-13 Governor's Recommended Budget *	\$0	\$52,715,534	\$0	\$0	\$0	\$0	\$52,715,534	0	-
<u>SUBCOMMITTEE ADJUSTMENTS (from GRB)</u>									
<u>Grants - 020</u>									
Package 200: Grants									
Special Payments account 6995	0	2,544,125	0	0	0	0	2,544,125	0	0.00
Package 814: Remove Research & Development Program Area									
Special Payments account 6995	0	1,680,000	0	0	0	0	1,680,000	0 #	0.00
Package 819: Supplemental Statewide Ending Balance									
Special Payments account 6995	0	(1,919,721)	0	0	0	0	(1,919,721)	0	0.00
TOTAL ADJUSTMENTS	\$0	\$2,304,404	\$0	\$0	\$0	\$0	\$2,304,404	0	0.00
SUBCOMMITTEE RECOMMENDATION *	\$0	\$55,019,938	\$0	\$0	\$0	\$0	\$55,019,938	-	-
% Change from 2009-11 Leg Approved Budget	0.00%	19.61%	0.00%	0.00%	0.00%	0.00%	19.61%	0.00%	0.00%
% Change from 2011-13 Current Service Level	0.00%	4.37%	0.00%	0.00%	0.00%	0.00%	4.37%	0.00%	0.00%
% Change from 2011-13 Governor's Recommended Budget	0.00%	4.37%	0.00%	0.00%	0.00%	0.00%	4.37%	0.00%	0.00%

* Excludes Capital Construction Expenditures