



2013-15 Governor's Budget

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DAS
DEPARTMENT OF
ADMINISTRATIVE
SERVICES

- **Strategic budgeting**

1. Develop a statewide vision of the future, with accountability to citizens
2. Focus on achieving outcomes over longer term through strategic spending and investments
3. Make budget decisions based on getting the best results for the money available
4. Invest in areas of change and innovation

- **Change methodology**

1. Start the budget process with the amount available to spend
2. Address potential conflicts of interest in budgeting process

Governor's Budget Development Priorities

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- **Putting Children, Families and Education First**
- **Investing in Jobs and Innovation**
- **Lowering the Cost of Government**

Governor's Budget Development

10-Year Goals

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- **Education**

- Every Oregonian has the knowledge, skills, and credentials to succeed in life

- **Jobs & Innovation**

- Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians

- **Healthy People**

- Oregon provides better health and better care at lower costs

- **Safety**

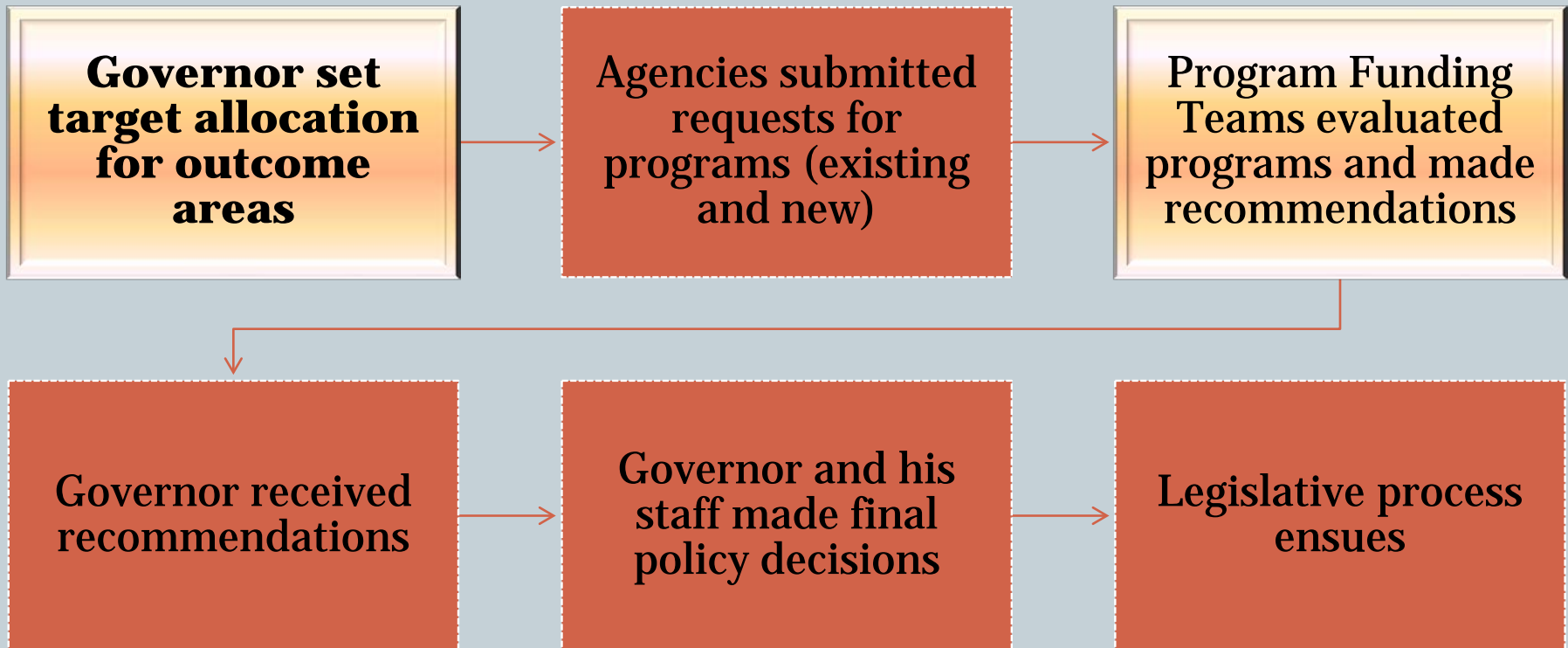
- Oregonians are safe and secure

- **Healthy Environment**

- **Oregon's environment is healthy and sustains our communities and economy**

2013-15 Governor's Budget Process

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2013-15 Governor's Development

Set target

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- General Fund and Lottery Funds revenues are projected to increase by \$1.4 billion (about 9% more than 2011-13 revenues)
- Governor started with flat funding at 2011-13 biennium spending levels
- Agency requests capped for first time
- Funding teams given a target of 6% growth from the 2011-13 Legislative Adopted Budget.



2013-15 Governor's Budget Development

Program Funding Teams

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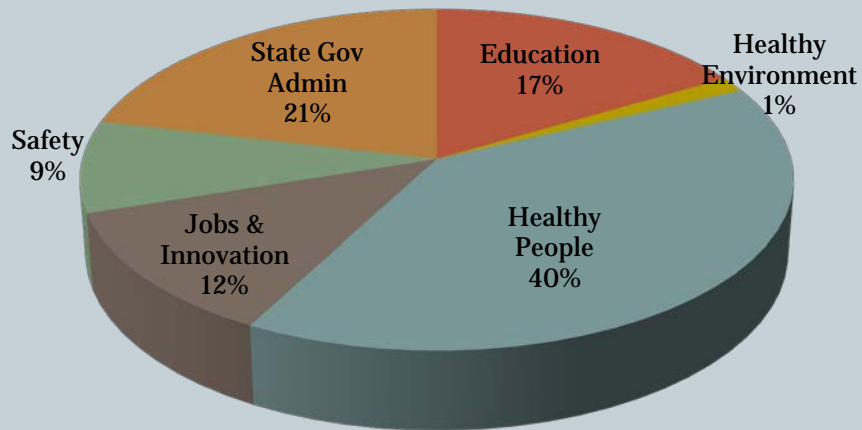
- Governor appointed six Program Funding Teams to identify programs most effective at achieving long-term outcomes
- Program Funding Teams made specific recommendations to the Governor
- Increase investments in areas that position Oregon for the future
- Limit growth in areas that result from early social failures

Program Funding Teams	
Education	Jobs & Innovation
Healthy People	Healthy Environment
Safety	State Government Administration

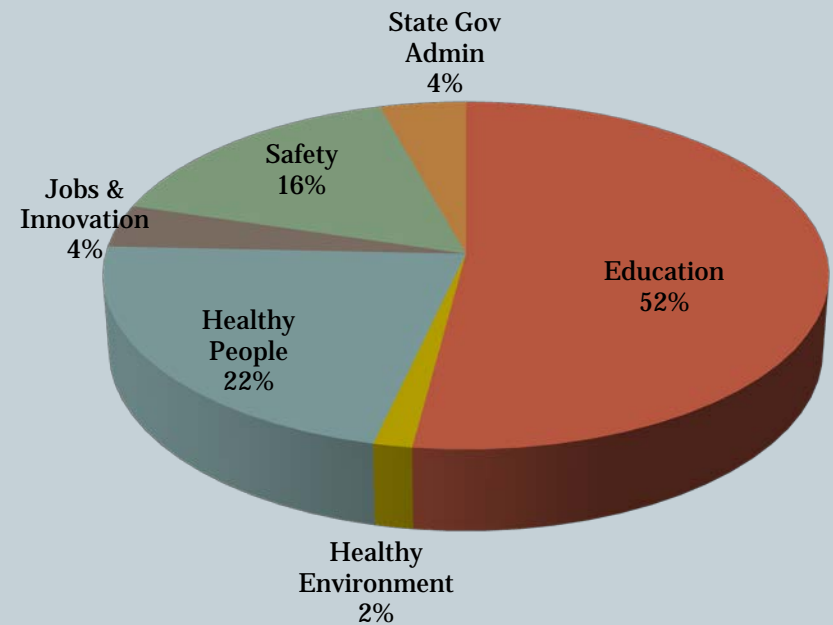
2013-15 Governor's Budget Overview

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Total Funds Distribution Across Outcome Areas



GF/LF Distribution Across Outcome Areas



Displays exclude constitutionally elected officials, Legislative and Judicial branches

2013-15 Governor's Budget Overview

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Agencies in Natural Resources Subcommittee

Agriculture

Columbia River Gorge Commission

Energy

Environmental Quality

Fish & Wildlife

Forestry

Geology & Mineral Industries

Land Conservation & Development

Land Use Board of Appeals

Marine Board

Parks & Recreation

State Lands

Water Resources

Watershed Enhancement Board

How these Agencies Map to Outcome Areas*

Healthy Environment

Agriculture
Columbia River Gorge Comm.
Energy
Environmental Quality
Fish & Wildlife
Geology & Mineral Industries
Land Conservation & Development
Land Use Board of Appeals
Marine Board
Parks & Recreation
State Lands
Water Resources
Watershed Enhancement

Jobs & Innovation

Agriculture
Energy
Environmental Quality
Fish & Wildlife
Marine Board
Parks & Recreation
Water Resources

Safety

Energy
Geology & Mineral
Industries
Marine Board

State Gov Admin

Agriculture
Energy
Environmental Quality
Fish & Wildlife
Forestry
Marine Board
Parks & Recreation

*No Natural Resources agencies mapped to Education, Healthy People, or State Gov Admin Outcome Areas

2013-15 Governor's Budget Highlights

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OVERVIEW OF PRESENTATION

- ❑ **Fiscal Context and Challenges**
- ❑ **10-Year Plan Outcomes**
- ❑ **Major Substantive Issues**
- ❑ **Strategies**
- ❑ **Investments**

Natural Resources Agencies: Fiscal Context and Challenges

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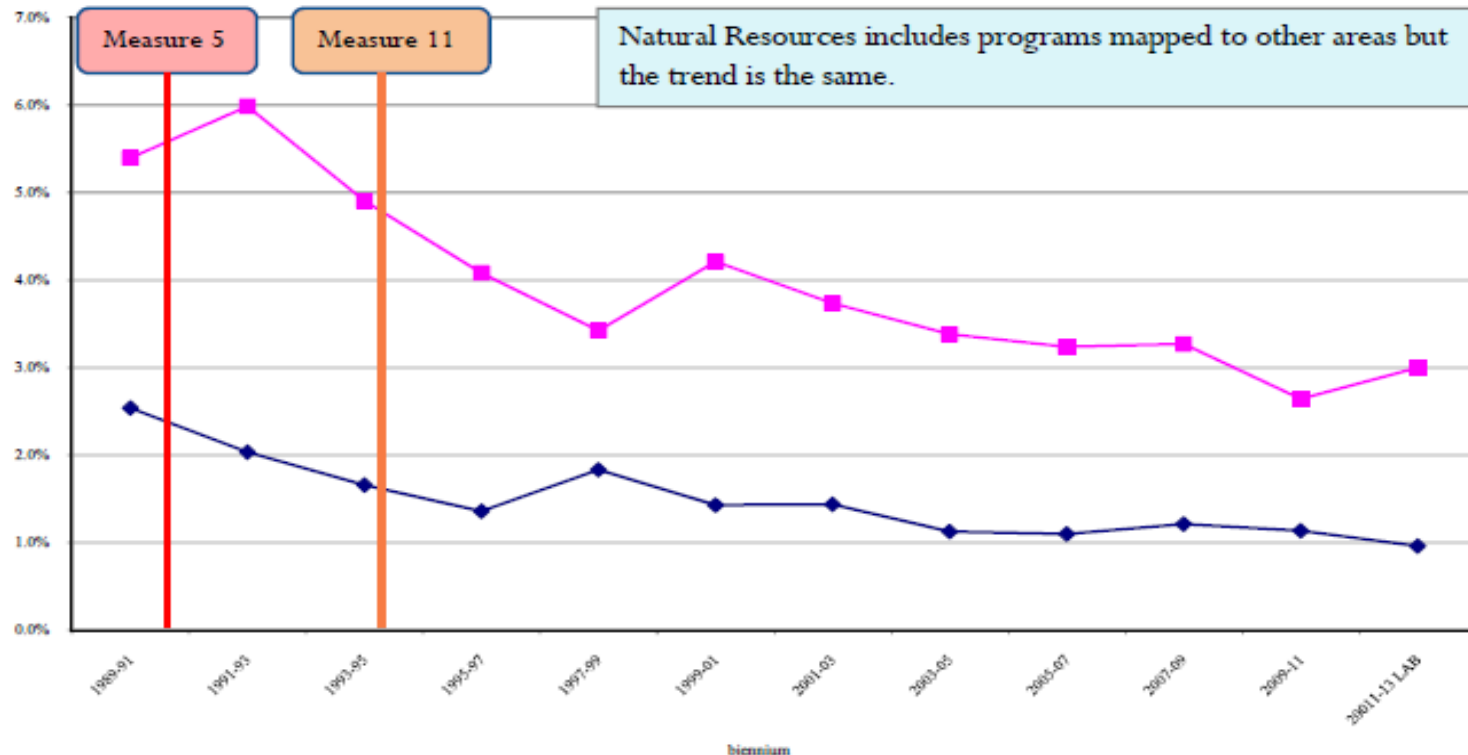
Budget Memo: **Handout #1**

- Long Term Trend in Funding for Natural Resources Agencies
- Heavy Reliance on Lottery and Federal Funds, Combined with Flat to Declining Revenues in Those Areas

Natural Resources Agencies: Fiscal Context and Challenges

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Natural Resources Share of State Budgets

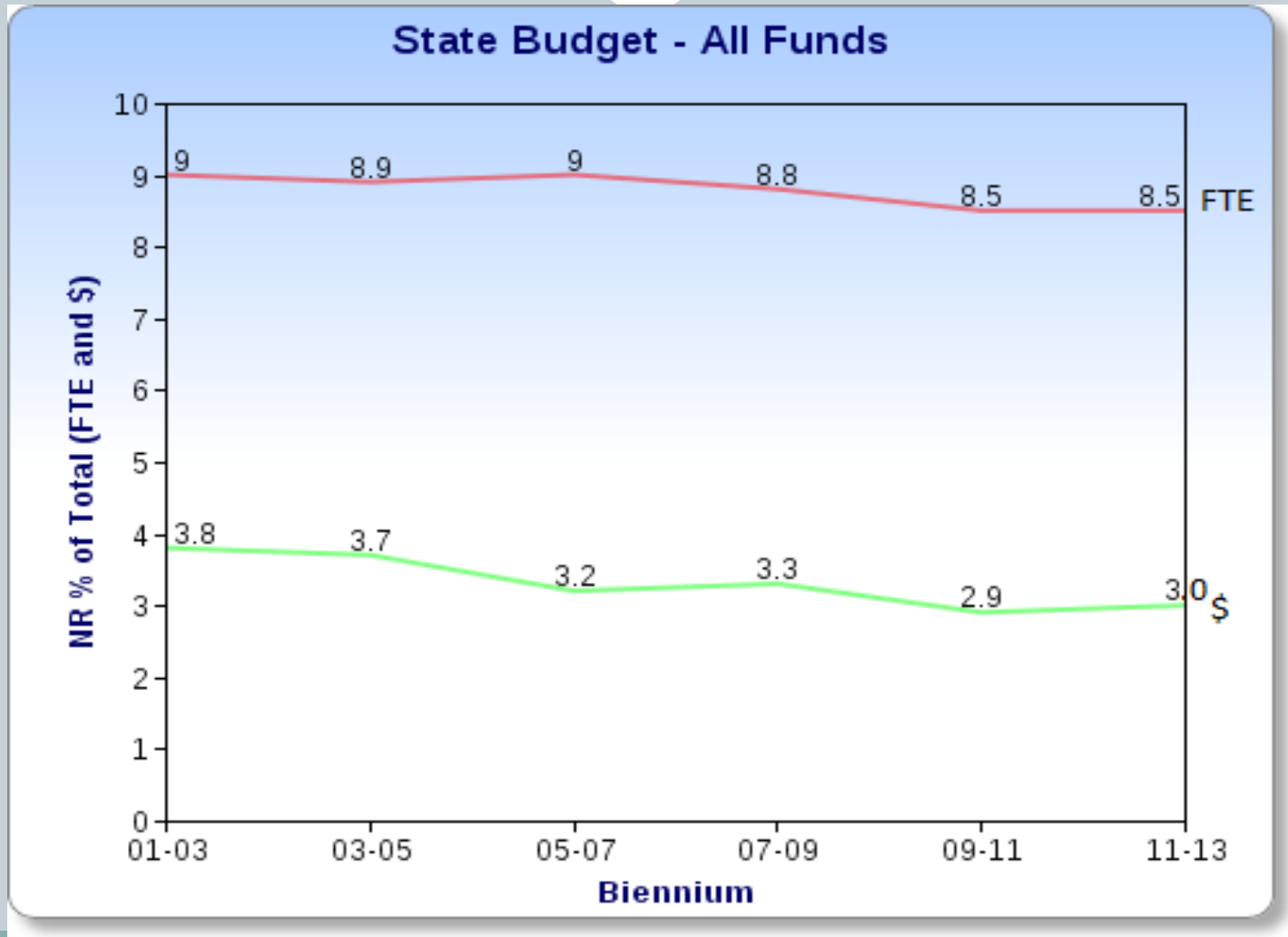


◆ Natural Resources General Fund share

■ Natural Resources Total Fund share

Natural Resources Agencies: Fiscal Context and Challenges

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Natural Resources Agencies: Fiscal Context and Challenges

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NR Program Area	2009-11 Actuals	2011-13 LAB	2013-15 GRB
General Funds	141,308,272	130,829,429	167,109,265
Lottery Funds	168,989,136	169,151,452	169,455,829
Other Funds	964,163,151	1,141,733,153	1,155,891,823
Federal Funds	243,790,863	320,101,499	267,475,894
All Funds	1,518,251,424	1,761,815,533	1,759,932,811

10-Year Plan Outcomes:

Healthy Environment/Jobs and Economy

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- Oregon has a diverse and dynamic economy that provides jobs and prosperity for all Oregonians
- Oregon's environment is healthy and sustains our communities and economy

Strategies: Jobs & Economy/ Natural Resources Agencies

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- **Maintain a balance of sustainable timber supply and environmental protection on private, state, and forest lands.**
- **Improve access to water, land and lower energy costs for agriculture.**

Strategies: Healthy Environment/ Natural Resources Agencies

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- Implement Oregon's Ten Year Energy Action Plan.
- Build on existing and create new energy efficiency programs to keep improvement costs low for Oregon residents and businesses.
- Develop home-grown renewable energy resources.
- Diversify Oregon's power and transportation fuel supplies and create clean energy infrastructure.

Strategies: Healthy Environment/ Natural Resources Agencies

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- Help local governments invest in improved water and wastewater systems.
- Improve the population status of commercial and recreational fish species.
- Improve monitoring of water quality as the foundation for strategic investments in better land management.
- Improve stewardship and management of pesticides.
- Reduce exposure to environmental toxins.
- Reduce polluted runoff from urban, agricultural, and forestry uses.
- Balance ecological and economic interests to improve the health of watersheds and fish and wildlife habitat.

Strategies: Healthy Environment/ Natural Resources Agencies

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- Expand the availability and use of cleaner wood stoves, cleaner vehicles and cleaner fuels.
- Reduce air pollution from wildfires, open burning, and other activities during air inversions and other weather-related events.
- Increase access and availability to transit, rail, bicycle, and pedestrian travel.
- Simplify Oregon's land use program and develop new tools to sustain working farms and forestland.

Major Substantive Issues & Proposed Investments: Natural Resource Agencies

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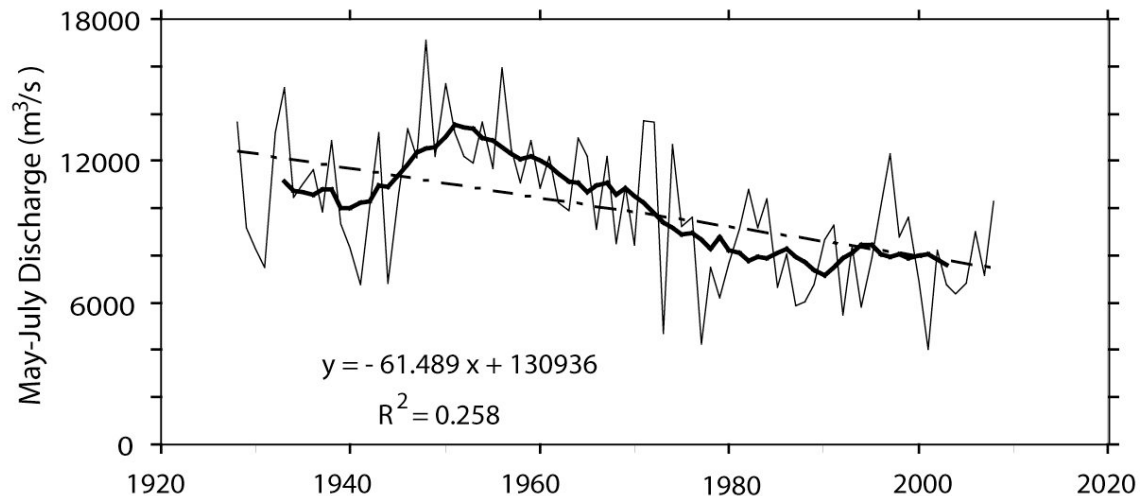
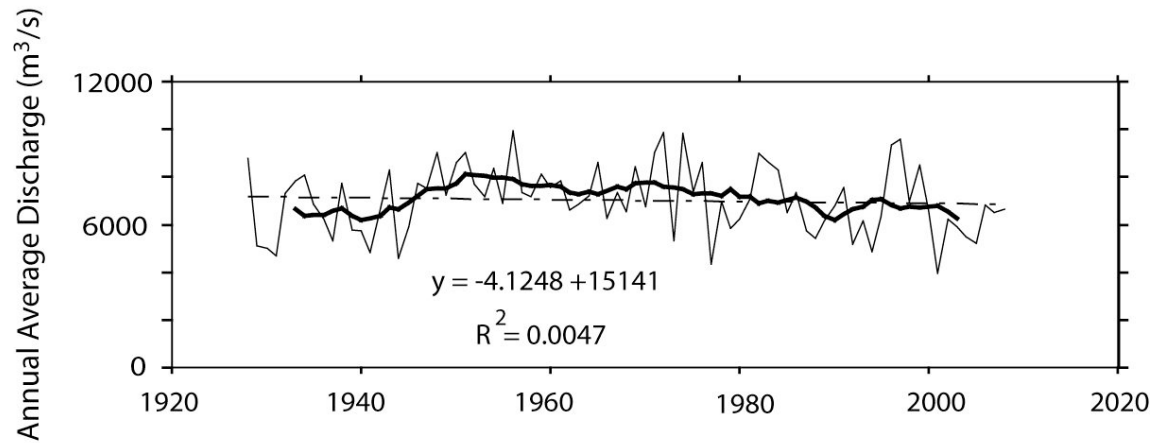
- **Water Resources Development and Management**
- **Sustainable Forest Management**
- **Coordination and Strategic Focus of Water Quality Programs**
- **Lower Columbia Fisheries**



Healthy Environment: Key Investments to Carry Out Strategies

- **Water quality.** The Governor is proposing to invest funds to build and strengthen Oregon's coordinated water quality strategy, involving all sectors of our economy, and providing the monitoring required to focus resources where they are most needed.
- **Multi-purpose water resources development.** The Governor's Balanced Budget provides a substantial down payment—more than \$30 million—to begin implementing Oregon's Integrated Water Resources Strategy (IWRS), adopted in 2012. This funding is the first phase of a new state role in promoting multi-purpose water resources development that will yield both rural economic development and conservation benefits.
- **Sustainable forestry.** The budget contains several proposed investments in sustainable forest management, including completing the acquisition of the Gilchrist State Forest in Central Oregon, funding to support collaborative forest projects on federal lands in Eastern Oregon, funding to support solutions to the deadlock on management of the O&C lands, and funding to reduce overall wildfire costs.
- **Lower Columbia fisheries management.** The GBB proposed to invest \$3.6 million to supplement fishing opportunities in off-channel areas of the lower Columbia. In addition, the Governor is supporting a transition fund of \$1.6 million to avoid negative economic impacts to commercial fisheries.

Water Resources Challenges - Annual Average and May-June discharge in the lower Columbia River (1928-2009)

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 Impaired by one or more pollutants - needs TMDL*
 Impaired - does not need TMDL (TMDL approved or impaired by non pollutant)

 No water available Jun - Sep @ 80% excedance

 OWRD surface water withdrawn area

 Deschutes groundwater study area

 OWRD groundwater restricted areas

 DEQ groundwater management area


 OWRD groundwater restricted areas

 DEQ groundwater management area

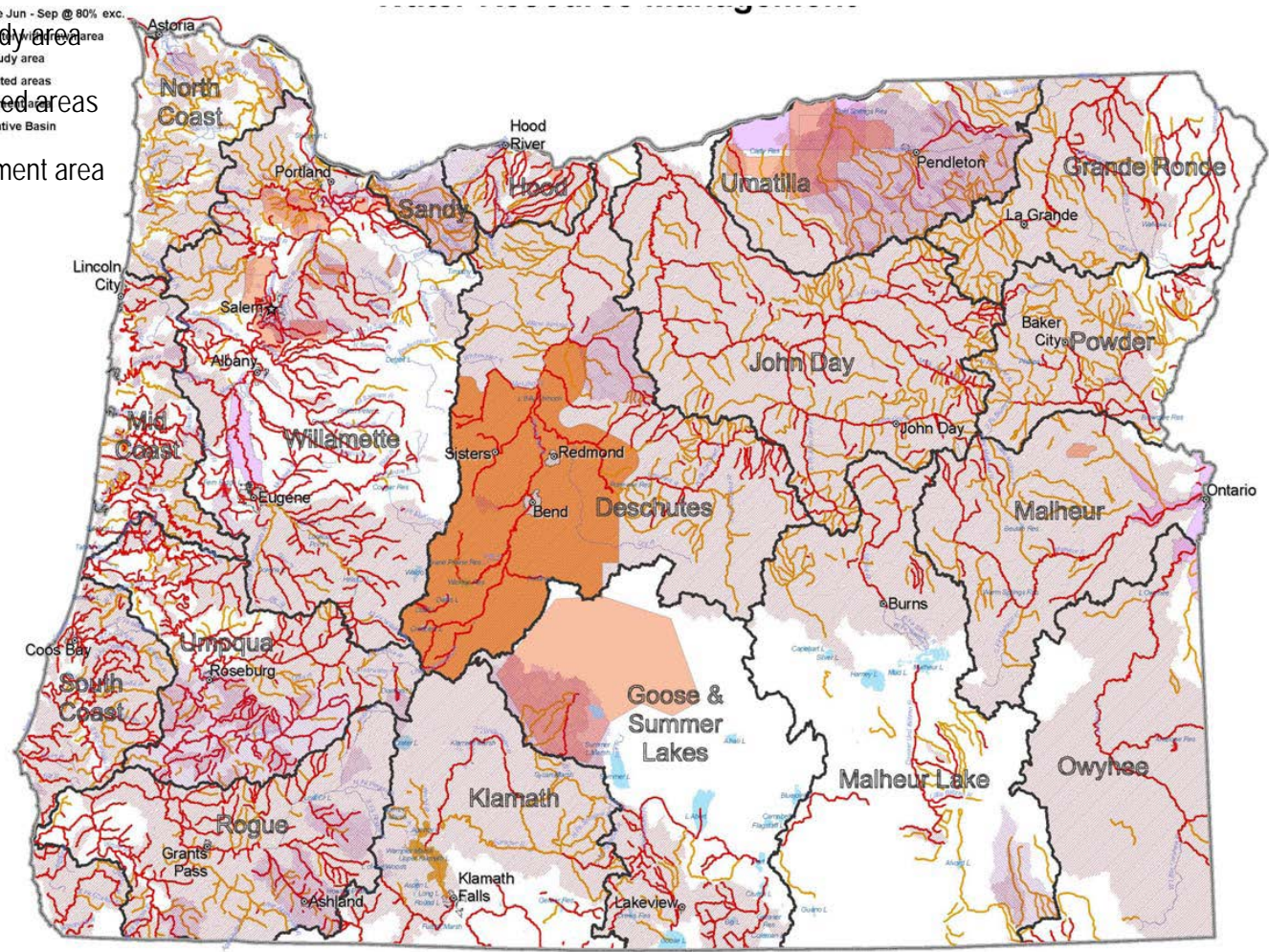
 OWRD groundwater restricted areas

 DEQ groundwater management area

 OWRD groundwater restricted areas

 DEQ groundwater management area

 OWRD groundwater restricted areas



Major Substantive Issues & Proposed Investments: Water Resources

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Budget Memo (Handout)

- Implementation of Integrated Water Resources Strategy (IWRS)
- Columbia-Umatilla Oregon Solutions Team
- Statewide Water Resources Work Group
- Investment Package
 - Initial staffing at OWRD, ODA, ODFW
 - Funding for feasibility studies
 - Initial capitalization of loan and grant funds
 - Includes in-stream and out of stream actions
 - Funding criteria

Major Substantive Issues & Proposed Investments: Water Quality

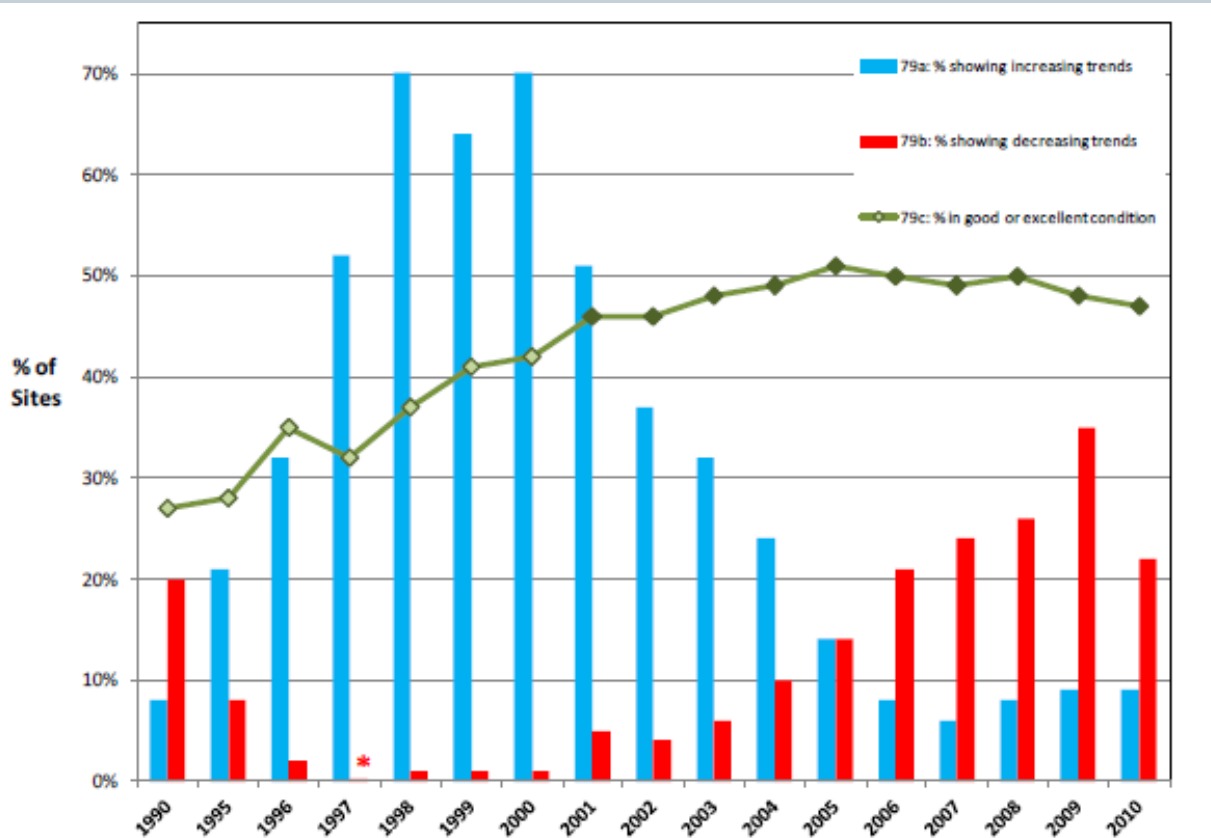


Figure 2. Long-term results for each of the three Oregon Shies benchmarks tracking water quality throughout Oregon. The red asterisk shows that we met our target for benchmark 79b (0%) only once, in 1997. The dark diamonds show that since 2001 we are meeting our target for benchmark 79c (45%).

Major Substantive Issues & Proposed Investments: Water Quality

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Budget Memo (handout)

- Coordinated Monitoring Strategy
- Pesticide Stewardship Program Expansion
- Non-point Source Programs (ODA, DEQ, ODF)

Major Substantive Issues & Proposed Investments: Sustainable Forest Management

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Budget Memo (handout)

- Wildfire Protection Act
- Eastern Oregon Forest Collaborative Support
- O&C Land Management

Major Substantive Issues & Proposed Investments: Lower Columbia Fisheries Management

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- Phase-out of Lower Columbia Gillnet Fishery
- Cost-share for alternate gear
- Expansion of off-channel fishing opportunities
- Economic adjustment fund

Major Substantive Issues & Proposed Investments: Other Investments

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- Marine Protected Areas and Reserves
- Land Use Reform
- Water Right Management

2013-15 Governor's Budget: Lessons Learned

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- What worked well?
 - Enterprise Approach to Defining Priorities
 - Cross-Agency Prioritization and Handling of Fund Shortfalls
 - Stakeholder Meetings
 - Funding Team Input
 - Outcomes-based Budgeting
- What would you change for next cycle?
 - Scope of Program Areas (cross-over issues)
 - Early Legislative Engagement

Contact Info/Questions

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