

**77th OREGON LEGISLATIVE ASSEMBLY – 2013 Session
BUDGET REPORT AND MEASURE SUMMARY**

JOINT COMMITTEE ON WAYS AND MEANS

MEASURE: HB 5013-A

Carrier – House: Rep. Unger

Carrier – Senate: Sen. Edwards

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

Vote: 26 – 0 – 0

House

Yeas: Barker, Buckley, Frederick, Freeman, Hanna, Huffman, Jenson, Komp, McLane, Nathanson, Read, Richardson, Smith, Tomei, Williamson

Nays:

Exc:

Senate

Yeas: Bates, Devlin, Edwards, Girod, Hansell, Johnson, Monroe, Steiner Hayward, Thomsen, Whitsett, Winters

Nays:

Exc:

Prepared By: Lisa Pearson, Department of Administrative Services

Reviewed By: Paul Siebert, Legislative Fiscal Office

Meeting Date: June 6, 2013

Agency

Oregon Department of Fish and Wildlife

Biennium

2013-15

Budget Summary*

	2011-13 Legislatively Approved Budget ⁽¹⁾	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
General Fund	\$ 6,287,388	\$ 13,356,718	\$ 14,588,484	\$ 8,301,096	132.0%
General Fund Capital Improvement	\$ 142,194	\$ 145,606	\$ 145,606	\$ 3,412	2.4%
General Fund Debt Service	\$ 350,262	\$ 354,775	\$ 354,775	\$ 4,513	1.3%
Lottery Funds	\$ 5,824,398	\$ 5,339,057	\$ 4,767,766	\$ (1,056,632)	-18.1%
Other Funds	\$ 166,795,594	\$ 143,971,135	\$ 173,310,637	\$ 6,515,043	3.9%
Other Funds Capital Improvement	\$ 7,641,550	\$ 6,396,682	\$ 4,688,769	\$ (2,952,781)	-38.6%
Other Funds Debt Service	\$ 726,928	\$ 2,437,854	\$ 1,837,868	\$ 1,110,940	152.8%
Federal Funds	\$ 112,570,166	\$ 103,080,395	\$ 131,433,605	\$ 18,863,439	16.8%
Federal Funds Capital Improvement	\$ 140,000	\$ -	\$ 500,000	\$ 360,000	257.1%
Total	\$ 300,478,480	\$ 275,082,222	\$ 331,627,510	\$ 31,149,030	10.4%

Position Summary

Authorized Positions	1,470	1,285	1,496	26
Full-time Equivalent (FTE) positions	1,227.49	1,106.25	1,243.58	16.09

⁽¹⁾ Includes adjustments through December 2012

* Excludes Capital Construction expenditures

Summary of Revenue Changes

The Subcommittee approved a budget for the Oregon Department of Fish and Wildlife that includes an increase in Federal Funds revenue. A portion of this increase is related to the Federal Columbia River Power System Biological Opinion and the Willamette River Biological Opinion. These funds are used for fish recovery and monitoring work. The funds come from a mix of federal sources including the Bonneville Power Administration, the National Oceanic and Atmospheric Administration, and the U.S. Army Corps of Engineers. The increase in Federal Funds also reflects substantial increases in revenues tied to federal excise taxes on hunting equipment (Pittman-Robertson funds). The budget also includes Other Funds revenues from the Pacific Coastal Salmon Recovery Fund. Projected revenues from Measure 76 dedicated Lottery Funds are reduced to match state revenue forecasts.

Summary of Natural Resources Subcommittee Action

The Oregon Department of Fish and Wildlife (ODFW) 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 \$331,627,510 total funds (\$15,088,865 General Fund, \$4,767,766 Measure 76 Lottery Funds, \$179,837,274 Other Funds, and \$131,933,605 Federal Funds) and 1,243.58 FTE. The total funds budget is 10.4 percent greater than the 2011-13 Legislatively Approved Budget through December 2012 and 11.3 percent greater than the 2013-15 Current Service Level. General Fund is 122.6 percent higher than the 2011-13 Legislatively Approved Budget largely because the 2011-13 biennium budget included one-time fund shifts from General Fund to Other Funds. The approved budget for the 2013-15 biennium adds resources for implementing the Integrated Water Resources Strategy and continuing the Nearshore Marine Resources Management Program.

Fish Division – Inland Fisheries

The Inland Fisheries program provides policy and management direction for Oregon's freshwater fishery resources, ensuring native species are conserved and hatchery program impacts on native fish are minimized. It also fosters and sustains opportunities for sport, commercial, and tribal fishers consistent with the conservation of native fish. The Subcommittee approved a total funds budget of \$149,093,480 and 735.38 FTE.

The Subcommittee approved Package 070: Revenue Shortfalls. This package reduces Lottery Funds expenditure limitation by \$662,526 to stay within projected Parks and Natural Resources Fund revenues. It would affect the Corvallis research, monitoring and evaluation program. Package 090 restores the reductions using General Fund.

Package 081: May 2012 E-Board was also approved; it abolishes a manager position (1.00 FTE) and increases services and supplies as a permanent adjustment approved in Senate Bill 5701(2012) for a total General Fund expenditure impact of \$54,972.

The Subcommittee approved Package 090: Analyst Adjustments. This package restores the Lottery Fund reductions in package 070 using \$662,526 General Fund.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 101: Mitchell Act Funding for Hatcheries was approved; this package provides \$5,474,428 Federal Funds expenditure limitation and 15 positions (12.67 FTE) to implement hatchery reforms designed to reduce competition and procreation between hatchery fish and wild fish,

continue limited duration positions for monitoring and management in the Sandy River, consolidate the operations of three hatcheries (pending federal approval), and convert five limited duration positions to permanent at Big Creek Hatchery following earlier reductions due to uncertainty in federal funding.

The Subcommittee approved Package 102: Idaho Power Company Fall Chinook Production. This package provides \$359,000 Other Funds expenditure limitation to maintain production of 800,000 fall Chinook salmon annually at Irrigon Hatchery through a contract with Idaho Power Company.

Package 103: Marion Forks Hatchery Complex was approved; it provides \$561,369 total funds expenditure limitation and three limited duration positions (3.00 FTE) to operate the new Marion Forks/Minto Ponds Hatchery Complex, thereby offsetting natural fish production loss due to hydroelectric operations, habitat alteration and other human activities that result in reduced fishing opportunities.

The Subcommittee approved Package 104: Oregon Hatcheries Peletted Fish Feed. This package provides \$80,000 Other Funds expenditure limitation to continue sales of fish food to visitors so they may feed the fish. The revenue for the expenditures comes from sales of the fish food.

Package 109: Fish Research, Monitoring, and Evaluation-PCSRF was approved; it provides \$2,750,528 Other Funds expenditure limitation and continues 25 positions (16.80 FTE), three of which are made permanent, to continue efforts approved by the Legislature in prior biennia to perform research, monitoring, and evaluation to support the implementation of recovery plans for native salmon and steelhead on the Oregon coast, the Lower Columbia River, and the mid-Columbia River. This package is funded by Pacific Coast Salmon Recovery Funds received from OWEB and expended as Other Funds.

The Subcommittee approved Package 110: Fish Research, Monitoring, and Evaluation-Other. This package provides total funds of \$10,734,740 and 122 limited duration positions (71.19 FTE) to continue work throughout Oregon. Much of the work was approved in prior biennia. Funding sources include the US Army Corps of Engineers, the US Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, the Bonneville Power Administration, and Portland General Electric.

Package 112: Deschutes Basin Fish Monitoring and Recovery was approved; it provides \$1,032,352 total funds and three positions (1.50 FTE) to continue two limited duration positions and establish one limited duration position to implement fish monitoring activities and report the results to interested stakeholders in the Deschutes Basin. The Upper Deschutes Watershed Council, the Central Oregon Irrigation District, and the US Fish and Wildlife Service provide the revenues.

The Subcommittee approved Package 113: Fish Passage and Screening. This package provides \$699,025 total funds and three limited duration positions (2.42 FTE) to continue work throughout Oregon. Much of the work was approved in prior biennia. Funding sources include the US Army Corps of Engineers, the US Fish and Wildlife Service, the National Oceanic and Atmospheric Administration, the Bonneville Power Administration, and Portland General Electric.

Package 115: Blue Mountain Fish Habitat Improvement was approved; it provides \$95,665 Federal Funds expenditure limitation and one limited duration position (1.00 FTE) to complete contract work on the Grande Ronde Fish Habitat Program within established timelines. The contracts fund recovery actions for Endangered Species Act listed fish as identified in the Columbia River Biological Option and other regional plans. The Bonneville Power Administration provides the revenues.

The Subcommittee approved Package 116: Integrated Water Supply Strategy. This package provides \$249,144 General Fund and three positions (1.67 FTE) to increase the agency's ability to participate in Oregon's Integrated Water Resources Strategy (IWRS). The positions, which are biologists, will conduct studies to identify and prioritize stream flow needs for fish as identified in the action 3a and 11b of the IWRS.

Package 117: Natural Resources Information Data Management was approved; it provides \$483,383 Federal Funds expenditure limitation, adds three limited duration positions, and adds months to two existing positions (3.54 FTE) to provide GIS support to agency staff, to acquire, document and share data and to enter data into data systems in standardized formats so it can be used and shared efficiently with staff and the public. The Bonneville Power Administration and the National Oceanic and Atmospheric Administration provide the revenue.

The Subcommittee approved Package 118: Portland Harbor Injury Assessment. This package provides \$100,000 Other Funds expenditure limitation to use Portland Harbor settlement funds to complete the injury assessment, negotiate agreements, and evaluate potential restoration sites.

Package 120: Energy Development was approved; it provides \$563,439 Other Funds expenditure limitation and three limited duration positions (3.00 FTE) to assist with hydroelectric relicensing and with the development of proposed ocean energy projects. Annual hydroelectric relicensing fees, Portland General Electric and the Eugene Water and Electric Board will provide the revenue.

The Subcommittee approved Package 810: LFO Analyst Adjustments. This package reverses a previous fund shift in the fish screens program, moving \$715,279 of expenditures to General Fund from Other Funds. The Other Funds were Pacific Coastal Salmon Recovery Fund (PCSRF). The fund shift will provide the fish screens program greater flexibility for projects that are not exclusively focused on Endangered Species Act listed salmon and steelhead, which is the focus of PCSRF monies.

Package 811: Technical Adjustments was approved; it provides \$300,000 Other Funds expenditure limitation to carry forward Pacific Coastal Salmon Recovery Funds to implement hatchery reforms at federally funded hatcheries.

Fish Division – Marine and Columbia River Fisheries.

The Marine and Columbia River Fisheries Program conducts monitoring projects and analyzes trends of keystone species, such as salmon, which are critical to the success of the *Oregon Conservation Strategy/Nearshore Strategy*. The program includes monitoring and evaluating all five key habitats in the nearshore, documenting improvements in the quality of the habitats, developing and implementing science-based monitoring, conservation, mitigation, and management plans in a strategic and coordinated manner to ensure Oregonians get the best return on their investment. The Subcommittee approved a total funds budget of \$32,248,356 and 157.07 FTE.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 114: Experimental Fishing Gear was approved; it provides \$1,000,000 Federal Funds expenditure limitation to provide complete feasibility studies and help with the implementation of fishing gear found to be effective for the commercial harvest of salmon in the lower Columbia River. Funding for the package comes from federal Mitchell Act funds.

The Subcommittee approved Package 121: Nearshore Marine Resource Management Program. This package provides a total funds budget of \$1,717,132 and six positions (5.50 FTE) to continue positions needed for marine reserves implementation and for limited support to other ongoing nearshore resource management issues, including marine spatial planning and Oregon Nearshore Strategy Implementation. The positions are permanent. The package includes \$435,346 Lottery Funds which are intended to be one-time additions; General Fund will replace the Lottery Funds in the 2015-17 biennium.

Package 122: Marine Research was approved; it provides \$18,000 Other Funds expenditure limitation to provide financial assistance to the Port Orford Ocean Resource Team to pay utility bills in support of facility operations under a Memorandum of Understanding between the two entities.

Wildlife Division – Wildlife Management

The Wildlife Management Program manages game mammals, game birds, furbearing animals, and predatory species. Hunting, trapping, and wildlife viewing are regulated, consistent with state and federal law. Animal populations are monitored and research programs are conducted. Program staff also manage and improve wildlife habitat, help Oregonians deal with wildlife damage, and help maintain and increase public access to wildlife and wild lands. The program is funded almost exclusively by hunting license and tag fees and federal excise taxes on hunting equipment which must be spent on wildlife management purposes according to federal law. Wildlife disease issues are addressed by wildlife health and population laboratory personnel. Predator control operations are conducted in partnership with the Oregon Department of Agriculture, USDA Wildlife Services, and participating counties. The Subcommittee approved a total funds budget of \$58,939,349 and 172.98 FTE.

The Subcommittee approved Package 090, Analyst Adjustments. This package provides \$31,939 General Fund support for predator control expenditures, and it moves all predator control expenditures from services and supplies to special payments.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 106: Sage Grouse Initiative was approved; this package provides \$274,896 Other Funds expenditure limitation and two limited duration positions (2.00 FTE) to identify habitat improvement projects and practices on private lands that will benefit sage-grouse and the landowner. Funding for the package comes from Pheasants Forever/Intermountain West Joint Venture and the Upland Bird Stamp.

The Subcommittee recommended package 107: Coquille Fish and Wildlife Area. This package provides \$849,000 Other Funds expenditure limitation to exchange state-owned second-growth timber land near Eel Lake for important wetland habitat in the Coquille Valley and to restore habitat on the property obtained through the land exchange. Funds for the package come from The Nature Conservancy.

Package 108: PR Funding for Wildlife Research and Management was approved; this package provides a \$9,005,665 total funds expenditure limitation to continue mule deer and black-tailed deer initiatives, to reclassify a position in the Northeast Oregon wildlife research unit, conduct surveys and pay for game habitat improvement projects. Funding for the package comes from Pittman-Robertson (PR) Act Funds from the US Fish and Wildlife Service. These funds come from an excise tax on firearm and ammunition; very strong sales of these products resulted in upward revisions to revenue projections.

Wildlife Division – Habitat Resources

The Habitat Resources program provides technical expertise to private landowners and natural resource agencies on removal and fill actions, energy facility siting, mining, transportation, and forest management issues. It oversees the application of natural resource protection standards, coordinates the agency's response to hazardous material spill events that affect fish, wildlife, or habitat, and obtains compensation for damages. It also provides direct technical support to Watershed Councils and private landowners in western Oregon to implement the *Oregon Plan for Salmon and Watersheds* and implements one of the Oregon Conservation Strategy. The Subcommittee approved a total funds budget of \$7,538,122 and 21.76 FTE.

The Subcommittee recommended package 070: Revenue Shortfalls. This package reduces Lottery Funds by \$252,101 to match projected revenues. This package removes funds from the Western Oregon Stream Restoration Program.

Package 081: May 2012 E-Board was approved; this package reduces General Fund services and supplies expenditures made in the February 2012 session and modified in at the May 2012 Emergency Board meeting.

The Subcommittee approved Package 090, Analyst Adjustments. This package restores the Western Oregon Stream Restoration Program reductions in package 070 using \$252,101 General Fund.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 119: Electric Transmission Project Coordination was approved; this package provides \$342,297 Other Funds expenditure limitation and two positions (1.00 FTE) to continue limited duration positions to assist the state and federal permitting process of two electricity transmission lines in a way that protects and enhances Oregon's fish, wildlife, and habitat. The positions are funded through agreements with Portland General Electric and Idaho Power Company.

The Subcommittee recommended package 810: LFO Analyst Adjustments. This package provides a total funds budget of \$5,255, which includes a reduction of \$1,660,024 General Fund and an increase of \$1,665,279 Other Funds. This fund shift uses Pacific Coastal Salmon Recovery Funds (PCSRF) to support the Western Oregon Stream program; this better aligns the use of PCSRF funds with federal funding requirements that favor on-the-ground projects.

Wildlife Division – Conservation

The Conservation program includes statewide coordination and implementation of species and habitat conservation; outreach and education; state threatened, endangered and sensitive species management; terrestrial and aquatic invasive species coordination; and management of the Willamette Wildlife Mitigation funding agreement. Conservation actions include invasive species boat inspections and decontaminations; consultations with landowners and managers to create healthy habitats; educational presentations and materials; scientific reviews; funding of conservation projects; management of threatened, endangered and sensitive species; on-the-ground species research, monitoring, and habitat restoration projects; response to public inquiries about living with wildlife, wildlife viewing opportunities, invasive species, wolf depredation, and other related issues of public concern. The Subcommittee approved a total funds budget of \$7,498,849 and 26.79 FTE.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 111: Aquatic Invasive Species Program was approved; this package provides \$1,014,649 Other Funds expenditure limitation and 14 permanent positions (8.04 FTE) to continue inspecting watercraft entering Oregon for Quagga and Zebra mussels and other aquatic invasive species. Funding comes from the Oregon State Marine Board's Aquatic and Invasive Species program.

The Subcommittee recommended package 123: Willamette Wildlife Mitigation Program. This package provides \$1,163,346 Federal Funds expenditure limitation and five limited duration positions (3.00 FTE) to fully staff the Willamette Wildlife Mitigation program to mitigate for habitat losses due to inundation of habitat by flood control and hydropower reservoirs in the Willamette River Subbasin. Funding for the package is from the Bonneville Power Administration.

Package 810: LFO Analyst Adjustments was approved; this package reduces General Fund by \$5,255 as part of the fund shift from General Fund to Pacific Coastal Salmon Recovery Funds for the Western Oregon Stream Project program. Most of the fund shift occurs in package 810 in the Habitat Resources program unit.

State Police Enforcement

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 \$23,403,549 and no FTE. All positions are at OSP.

Package 810: LFO Analyst Adjustments was approved; this package provides \$23,403,549 Other Funds expenditure limitation for the traditional payment method of funding the Oregon State Police Fish and Wildlife Division budget. Package 060: Technical Adjustments changed the method to a revenue transfer; this package reverses that change. Continuing the practice of using a special payment methodology ensures that stakeholders will be able to easily track the cost of one of three most important programs funded with hunting and fishing license/tag revenue.

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 \$45,378,787 and 127.60 FTE.

Package 081: May 2012 E-Board was approved; this package reduces General Fund services and supplies expenditures by \$40,869 to reflect adjustments made in the February 2012 session and modified in at the May 2012 Emergency Board meeting.

The Subcommittee recommended package 091: Statewide Administrative Savings. This package is a placeholder for administrative efficiencies in finance, information technology, human resources, accounting, payroll, and procurement expenditures. The Executive Branch had intended for these reductions to be specified in the Governor's 2013-15 recommended budget. The Department of Administrative Services will continue to work on details of these reductions with agencies and report back during the 2014 session.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

Package 124: Support for Fish and Wildlife was approved; this package provides \$351,505 Other Funds expenditure limitation and two positions (2.00 FTE) to continue limited duration positions that support the administrative duties of the agency for the increased level of federal grants and that provide leadership for process improvements.

The Subcommittee recommended package 810: LFO Analyst Adjustments. This package adds \$700,000 Federal Funds expenditure limitation for increased hunter education. The funds come from the Pittman-Robertson act, which levies an excise tax on sales of guns and ammunition. Very strong sales have increased the excise tax revenue available to states.

Debt Service

This program repays monies borrowed for deferred maintenance projects, such as maintenance of Wildlife Area field offices, hatchery facilities and residences, and other properties owned by the Department. The Subcommittee approved a budget of \$2,192,643 total fund.

The Subcommittee recommended package 811: Technical Adjustments. This package reduces debt service by \$599,986 Other Funds based on very favorable bond rates from the February 2013 sale to finance the new Headquarters building. The agency will experience significant savings compared with previous lease payments, which will only increase over time.

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 \$5,334,375 and 2.00 FTE.

The Subcommittee recommended package 070: Revenue Shortfalls. This package reduces Other Funds expenditures by \$1,701,089 in the restoration and enhancement and in deferred maintenance to match with expected revenues.

Package 092: PERS Taxation Policy was approved; this package reflects the policy change in Senate Bill 822 that eliminates the increased retirement benefits resulting from Oregon income taxation of payments if the person receiving the payments does not pay Oregon income tax on those benefits and is not an Oregon resident. This change reduces state employer contribution rates by approximately 0.30 percent.

The Subcommittee recommended package 093: Other PERS Adjustments. This package reflects the policy change in Senate Bill 822 that modifies the cost-of-living adjustment under the Public Employees Retirement System. This change reduces state employer contribution rates by approximately 2.2 percent. An administrative action by the PERS Board, as directed by a budget note in the Senate Bill 822 budget report, will reduce state employer contribution rates by up to an additional 1.9 percent. However, no employer rate is reduced below its 2011-13 biennium rate.

The Subcommittee recommended package 810: LFO Analyst Adjustments. This package adds \$500,000 Federal Funds expenditure limitation for a 560-acre land exchange next to the Schneider wildlife area in Northeastern Oregon. The funds come from a US Fish and Wildlife Service grant.

Major Construction and Acquisition

There is one continuing capital construction project that is being handled in Senate Bill 5507, the capital construction bill.

Summary of Performance Measure Action

See attached Legislatively Adopted 2013-15 Key Performance Measures form.

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5013-A

**Oregon Department of Fish and Wildlife
Lisa Pearson -- 503-373-7501**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 6,779,844	\$ 5,824,398	\$ 175,164,072	\$ 0	\$ 112,710,166	\$ 0	\$ 300,478,480	1,470	1,227.49
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 13,857,099	\$ 5,339,057	\$ 152,805,671	\$ 0	\$ 103,080,395	\$ 0	\$ 275,082,222	1,285	1,106.25
<u>SUBCOMMITTEE ADJUSTMENTS (from CSL)</u>									
010-05 - Inland Fisheries									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0	\$ (647,724)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (647,724)	0	0.00
Services and Supplies	\$ 0	\$ (14,802)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (14,802)		
Package 081: May 2012 E-Board									
Personal Services	\$ (145,618)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (145,618)	-1	-1.00
Services and Supplies	\$ 200,590	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 200,590		
Package 090: Analyst Adjustments									
Personal Services	\$ 647,724	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 647,724	0	0.00
Services and Supplies	\$ 14,802	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 14,802		
Package 092: PERS Taxation Policy									
Personal Services	\$ (21,025)	\$ (8,007)	\$ (91,371)	\$ 0	\$ (137,708)	\$ 0	\$ (258,111)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (168,004)	\$ (63,979)	\$ (730,102)	\$ 0	\$ (1,100,353)	\$ 0	\$ (2,062,438)	0	0.00
Package 101: Mitchell Act Funding for Hatcheries									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,457,817	\$ 0	\$ 1,457,817	15	12.67
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 4,016,611	\$ 0	\$ 4,016,611		
Package 102: Idaho Power Company Fall Chinook									
Services and Supplies	\$ 0	\$ 0	\$ 359,000	\$ 0	\$ 0	\$ 0	\$ 359,000		
Package 103: Marion Fork Hatchery Complex									
Personal Services	\$ 0	\$ 0	\$ 646	\$ 0	\$ 337,303	\$ 0	\$ 337,949	3	3.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 223,420	\$ 0	\$ 223,420		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5013-A

**Oregon Department of Fish and Wildlife
Lisa Pearson -- 503-373-7501**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 104: Oregon Hatcheries Pelleted Fish Feed Services and Supplies	\$ 0	\$ 0	\$ 80,000	\$ 0	\$ 0	\$ 0	\$ 80,000		
Package 109: Fish Research, Monitoring, and Evaluation-PCSRF									
Personal Services	\$ 0	\$ 0	\$ 2,264,028	\$ 0	\$ 0	\$ 0	\$ 2,264,028	25	16.80
Services and Supplies	\$ 0	\$ 0	\$ 486,500	\$ 0	\$ 0	\$ 0	\$ 486,500		
Package 110: Fish Research, Monitoring, and Evaluation-Other									
Personal Services	\$ 0	\$ 0	\$ 209,104	\$ 0	\$ 8,592,496	\$ 0	\$ 8,801,600	122	71.19
Services and Supplies	\$ 0	\$ 0	\$ 48,130	\$ 0	\$ 1,885,010	\$ 0	\$ 1,933,140		
Package 112: Deschutes Basin Fish Monitoring and Recovery									
Personal Services	\$ 0	\$ 0	\$ 155,756	\$ 0	\$ 0	\$ 0	\$ 155,756	3	1.50
Services and Supplies	\$ 0	\$ 0	\$ 56,596	\$ 0	\$ 820,000	\$ 0	\$ 876,596		
Package 113: Fish Passage and Screening									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 248,477	\$ 0	\$ 248,477	3	2.42
Services and Supplies	\$ 0	\$ 0	\$ 400,000	\$ 0	\$ 50,548	\$ 0	\$ 450,548		
Package 115: Blue Mountain Fish Habitat Improvement									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 94,888	\$ 0	\$ 94,888	1	1.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 777	\$ 0	\$ 777		
Package 116: Integrated Water Resources Strategy Implementation									
Personal Services	\$ 220,315	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 220,315	3	1.67
Services and Supplies	\$ 28,829	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,829		
Package 117: Natural Resource Information Data Management									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 434,301	\$ 0	\$ 434,301	3	3.54
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 49,082	\$ 0	\$ 49,082		
Package 118: Portland Harbor Injury Assessment									
Services and Supplies	\$ 0	\$ 0	\$ 100,000	\$ 0	\$ 0	\$ 0	\$ 100,000		

DETAIL OF JOINT COMMITTEE ON WAYS AND MEANS ACTION

HB 5013-A

Oregon Department of Fish and Wildlife
Lisa Pearson -- 503-373-7501

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 120: Energy Development										
Personal Services	\$ 0	\$ 0	\$ 393,018	\$ 0	\$ 0	\$ 0	\$ 393,018	3	3.00	
Services and Supplies	\$ 0	\$ 0	\$ 170,421	\$ 0	\$ 0	\$ 0	\$ 170,421			
Package 810: LFO Analyst Adjustments										
Personal Services	\$ 698,921	\$ 0	\$ (698,921)	\$ 0	\$ 0	\$ 0	\$ 0			
Services and Supplies	\$ 16,358	\$ 0	\$ (16,358)	\$ 0	\$ 0	\$ 0	\$ 0			
Package 811: Technical Adjustments										
Services and Supplies	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 0	\$ 0	\$ 300,000			
010-06 - Marine and Columbia River Fisheries										
Package 092: PERS Taxation Policy										
Personal Services	\$ (2,300)	\$ 0	\$ (29,868)	\$ 0	\$ (24,351)	\$ 0	\$ (56,519)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ (18,377)	\$ 0	\$ (238,662)	\$ 0	\$ (194,578)	\$ 0	\$ (451,617)	0	0.00	
Package 114: Experimental Fishing Gear										
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,000,000	\$ 0	\$ 1,000,000			
Package 121: Nearshore Marine Resource Management										
Personal Services	\$ 899,265	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 899,265	6	5.50	
Services and Supplies	\$ 382,521	\$ 435,346	\$ 0	\$ 0	\$ 0	\$ 0	\$ 817,867			
Package 122: Marine Research										
Services and Supplies	\$ 0	\$ 0	\$ 18,000	\$ 0	\$ 0	\$ 0	\$ 18,000			
020-01 - Wildlife Management										
Package 090: Analyst Adjustments										
Services and Supplies	\$ (318,010)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (318,010)			
Special Payments account 6025	\$ 349,949	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 349,949			
Package 092: PERS Taxation Policy										
Personal Services	\$ (321)	\$ 0	\$ (52,002)	\$ 0	\$ (19,324)	\$ 0	\$ (71,647)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ (2,566)	\$ 0	\$ (415,519)	\$ 0	\$ (154,411)	\$ 0	\$ (572,496)	0	0.00	

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HB 5013-A

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Lisa Pearson -- 503-373-7501**

DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 106: Sage Grouse Initiative									
Personal Services	\$ 0	\$ 0	\$ 274,173	\$ 0	\$ 0	\$ 0	\$ 274,173	2	2.00
Services and Supplies	\$ 0	\$ 0	\$ 723	\$ 0	\$ 0	\$ 0	\$ 723		
Package 107: Coquille Fish and Wildlife Area									
Services and Supplies	\$ 0	\$ 0	\$ 849,000	\$ 0	\$ 0	\$ 0	\$ 849,000		
Package 108: PR Funding for Wildlife Research and Management									
Personal Services	\$ 0	\$ 0	\$ 1,423	\$ 0	\$ 4,242	\$ 0	\$ 5,665	0	0.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 9,000,000	\$ 0	\$ 9,000,000		
020-02 - Habitat Resources									
Package 070: Revenue Shortfalls									
Personal Services	\$ 0	\$ (250,566)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (250,566)	0	0.00
Services and Supplies	\$ 0	\$ (1,535)	\$ 0	\$ 0	\$ 0	\$ 0	\$ (1,535)		
Package 081: May 2012 E-Board									
Services and Supplies	\$ (13,504)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (13,504)		
Package 090: Analyst Adjustments									
Personal Services	\$ 250,566	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 250,566	0	0.00
Services and Supplies	\$ 1,535	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ 1,535		
Package 092: PERS Taxation Policy									
Personal Services	\$ (4,001)	\$ 0	\$ (4,223)	\$ 0	\$ (1,379)	\$ 0	\$ (9,603)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (31,970)	\$ 0	\$ (33,744)	\$ 0	\$ (11,017)	\$ 0	\$ (76,731)	0	0.00
Package 119: Electric Transmission Project Coordination									
Personal Services	\$ 0	\$ 0	\$ 196,850	\$ 0	\$ 0	\$ 0	\$ 196,850	2	1.00
Services and Supplies	\$ 0	\$ 0	\$ 145,447	\$ 0	\$ 0	\$ 0	\$ 145,447		

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE
			LIMITED	NONLIMITED	LIMITED	NONLIMITED			
Package 810: LFO Analyst Adjustments									
Personal Services	\$ (1,596,148)	\$ 0	\$ 1,601,403	\$ 0	\$ 0	\$ 0	\$ 5,255		
Services and Supplies	\$ (63,876)	\$ 0	\$ 63,876	\$ 0	\$ 0	\$ 0	\$ 0		
020-03 - Conservation									
Package 092: PERS Taxation Policy									
Personal Services	\$ (2)	\$ (2,227)	\$ (2,201)	\$ 0	\$ (6,159)	\$ 0	\$ (10,589)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ (19)	\$ (17,797)	\$ (17,589)	\$ 0	\$ (49,214)	\$ 0	\$ (84,619)	0	0.00
Package 111: Aquatic Invasive Species Program									
Personal Services	\$ 0	\$ 0	\$ 830,953	\$ 0	\$ 0	\$ 0	\$ 830,953	14	8.04
Services and Supplies	\$ 0	\$ 0	\$ 183,696	\$ 0	\$ 0	\$ 0	\$ 183,696		
Package 123: Willamette Wildlife Mitigation Program									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 394,366	\$ 0	\$ 394,366	5	3.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 768,980	\$ 0	\$ 768,980		
Package 810: LFO Analyst Adjustment									
Personal Services	\$ (5,255)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (5,255)	0	0.00
030-00 - State Police Enforcement									
Package 810: LFO Analyst Adjustments									
Special Payments account 6257	\$ 0	\$ 0	\$ 23,403,549	\$ 0	\$ 0	\$ 0	\$ 23,403,549	0	0.00
040-00 - Administration									
Package 081: May 2012 E-Board									
Services and Supplies	\$ (40,869)	\$ 0	\$ 0	\$ 0	\$ 0	\$ 0	\$ (40,869)		
Package 091: Statewide Administrative Savings									
Personal Services	\$ (6,844)	\$ 0	\$ (416,352)	\$ 0	\$ 0	\$ 0	\$ (423,196)	0	0.00
Services and Supplies	\$ (35,123)	\$ 0	\$ (381,015)	\$ 0	\$ 0	\$ 0	\$ (416,138)		
Package 092: PERS Taxation Policy									
Personal Services	\$ (643)	\$ 0	\$ (52,986)	\$ 0	\$ (2,960)	\$ 0	\$ (56,589)	0	0.00

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DESCRIPTION	GENERAL FUND	LOTTERY FUNDS	OTHER FUNDS		FEDERAL FUNDS		TOTAL ALL FUNDS	POS	FTE	
			LIMITED	NONLIMITED	LIMITED	NONLIMITED				
Package 093: Other PERS Adjustments										
Personal Services	\$ (5,134)	\$ 0	\$ (423,382)	\$ 0	\$ (23,654)	\$ 0	\$ (452,170)	0	0.00	
Package 124: Support for Fish and Wildlife										
Personal Services	\$ 0	\$ 0	\$ 349,617	\$ 0	\$ 0	\$ 0	\$ 349,617	2	2.00	
Services and Supplies	\$ 0	\$ 0	\$ 1,888	\$ 0	\$ 0	\$ 0	\$ 1,888			
Package 810: LFO Analyst Adjustments										
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 700,000	\$ 0	\$ 700,000			
050-00 - Debt Service										
Package 811: Technical Adjustments										
Debt Service Principal	\$ 0	\$ 0	\$ 160,000	\$ 0	\$ 0	\$ 0	\$ 160,000	0	0.00	
Debt Service Interest	\$ 0	\$ 0	\$ (759,986)	\$ 0	\$ 0	\$ 0	\$ (759,986)			
088-00 - Capital Improvements										
Package 070: Revenue Shortfalls										
Services and Supplies	\$ 0	\$ 0	\$ (1,701,089)	\$ 0	\$ 0	\$ 0	\$ (1,701,089)			
Package 092: PERS Taxation Policy										
Personal Services	\$ 0	\$ 0	\$ (759)	\$ 0	\$ 0	\$ 0	\$ (759)	0	0.00	
Package 093: Other PERS Adjustments										
Personal Services	\$ 0	\$ 0	\$ (6,065)	\$ 0	\$ 0	\$ 0	\$ (6,065)	0	0.00	
Package 810: LFO Analyst Adjustments										
Capital Outlay	\$ 0	\$ 0	\$ 0	\$ 0	\$ 500,000	\$ 0	\$ 500,000			
089-00 - Major Construction and Acquisition										
There is one continuing capital construction project that is being handled in SB 5507, the capital construction bill.										
TOTAL ADJUSTMENTS	\$ 1,231,766	\$ (571,291)	\$ 27,031,603	\$ 0	\$ 28,853,210	\$ 0	\$ 56,545,288	211	137.33	
SUBCOMMITTEE RECOMMENDATION *	\$ 15,088,865	\$ 4,767,766	\$ 179,837,274	\$ 0	\$ 131,933,605	\$ 0	\$ 331,627,510	1,496	1,243.58	
% Change from 2011-13 Leg Approved Budget	122.6%	-18.1%	2.7%	0.0%	17.1%	0.0%	10.4%			
% Change from 2013-15 Current Service Level	8.9%	-10.7%	17.7%	0.0%	28.0%	0.0%	20.6%			

Legislatively Approved 2013-2015 Key Performance Measures

Agency: FISH and WILDLIFE, DEPARTMENT of

Mission: To protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - Hunting License Purchases - Percent of the license buying population with hunting licenses and/or tags		Approved KPM	8.30	10.00	10.00
2 - Angling License Purchases - Percent of the license buying population with angling licenses and/or tags.		Approved KPM	17.40	21.40	21.40
3 - Wildlife Damage - Number of wildlife damage complaints addressed annually.		Approved KPM	4,047.00	4,310.00	4,310.00
4 - Oregon Species of Concern - Percent of fish species of concern (listed as threatened, endangered, or sensitive) being monitored		Approved KPM	87.00	90.00	90.00
5 - Oregon Species of Concern Percent of wildlife species of concern (listed as threatened, endangered, or sensitive) being monitored.		Approved KPM	52.00	50.00	50.00
6 - Decreasing the Number of Unscreened Water Diversions - Number of unscreened priority water diversions.		Approved KPM	1,879.00	1,781.00	1,781.00
7 - Customer Service - Percent of customers rating their overall satisfaction with the agency above average or excellent. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" for timeliness, accuracy, helpfulness, expertise and availability of information.	Accuracy	Approved KPM	88.50	92.00	92.00
7 - Customer Service - Percent of customers rating their overall satisfaction with the agency above average or excellent. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" for timeliness, accuracy, helpfulness, expertise and availability of information.	Availability of Information	Approved KPM	84.10	92.00	92.00
7 - Customer Service - Percent of customers rating their overall satisfaction with the agency above average or excellent. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" for timeliness, accuracy, helpfulness, expertise and availability of information.	Expertise	Approved KPM	88.50	92.00	92.00

Agency: FISH and WILDLIFE, DEPARTMENT of

Mission: To protect and enhance Oregon's fish and wildlife and their habitats for use and enjoyment by present and future generations.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
7 - Customer Service - Percent of customers rating their overall satisfaction with the agency above average or excellent. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" for timeliness, accuracy, helpfulness, expertise and availability of information.	Helpfulness	Approved KPM	90.80	92.00	92.00
7 - Customer Service - Percent of customers rating their overall satisfaction with the agency above average or excellent. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" for timeliness, accuracy, helpfulness, expertise and availability of information.	Overall	Approved KPM	87.40	92.00	92.00
7 - Customer Service - Percent of customers rating their overall satisfaction with the agency above average or excellent. Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent" for timeliness, accuracy, helpfulness, expertise and availability of information.	Timeliness	Approved KPM	88.80	92.00	92.00
8 - Boards and Commissions - Percent of total best practices met by the Department of Fish and Wildlife, State Fish and Wildlife Commission.		Approved KPM	92.00	100.00	

LFO Recommendation:

Approve the Key Performance Measures and associated targets. The Department will be exploring additional measures for their 2015-17 KPM request.

Sub-Committee Action:

Approved the LFO recommendation.