

**77<sup>th</sup> OREGON LEGISLATIVE ASSEMBLY – 2013 Session  
BUDGET REPORT AND MEASURE SUMMARY**

**JOINT COMMITTEE ON WAYS AND MEANS**

**MEASURE: HB 5048-A**

**Carrier – House: Rep. Hanna**

**Carrier – Senate: Sen. Dingfelder**

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

**Vote:** 24 – 1 – 1

House

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

**Nays:** Freeman

**Exc:** Tomei

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 12, 2013

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Agency

Oregon Watershed Enhancement Board

Biennium

2013-15

**Budget Summary\***

	2011-13 Legislatively Approved Budget <sup>(1)</sup>	2013-15 Current Service Level	2013-15 Committee Recommendation	Committee Change from 2011-13 Leg. Approved	
				\$\$ Change	% Change
Lottery Funds	\$ 8,992,128	\$ 6,733,282	\$ 6,243,133	\$ (2,748,995)	-30.6%
Other Funds	\$ 1,773,534	\$ 1,516,106	\$ 1,849,375	\$ 75,841	4.3%
Federal Funds	\$ 42,079,276	\$ 19,801,404	\$ 32,732,090	\$ (9,347,186)	-22.2%
Total	\$ 52,844,938	\$ 28,050,792	\$ 40,824,598	\$ (12,020,340)	-22.7%

**Position Summary**

Authorized Positions	32	27	32	0
Full-time Equivalent (FTE) positions	31.50	27.00	32.00	0.50

<sup>(1)</sup> Includes adjustments through December 2012

\* 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 (PCSRF). The agency also receives revenues from the sales of salmon license plates.

**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 \$92,715,525 for the agency, with \$40,824,598 total funds approved in House Bill 5048 and the remaining \$51,890,927 total funds approved in House Bill 5049. House Bill 5048 also provides 32.00 FTE for the Board.

**Operations**

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

budget of \$8,573,194 and 32.00 FTE. This includes \$6,243,133 Lottery Funds expenditure limitation. The approved budget restructures expenditures between the Operations and Grants programs to align the budget with agency organization.

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 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 SB 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 SB 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 SB 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 approved Package 100: Program Continuity, which adds \$791,864 total funds expenditure limitation and four positions (4.00 FTE), two of which are made permanent. The two permanent positions are a Natural Resource Specialist 2 and a Natural Resource Specialist 3 which have worked for years on federally-required PCSRF reporting. The package also includes a limited duration Administrative Specialist 2 to work on outreach and technical program support; this position is funded with Measure 76 lottery revenues. A limited duration Natural Resource Specialist 4 will continue working on the Willamette Strategic Initiative Plan funded by the Bonneville Power Administration. In addition to providing positions, the package reclassifies an acquisitions program position from a Natural Resource Specialist 3 to a Natural Resource Specialist 4; it provides \$100,000 for professional services contracts for grant program support, it increases Lottery Fund expenditure limitation by \$65,303 to align rent payments in the budget with what is actually paid, and it reduces the amount paid to the Water Resources Department for accounting functions provided to OWEB.

Package 110: Program Enhancement was approved; it adds \$204,378 Federal Funds expenditure limitation for one position (1.00 FTE) which will work as a coordinator for large scale partnership grants. This type of grant has increased from five percent of grants to 28 percent of grants in recent years. Revenue supporting the package is PCSRF.

The Subcommittee approved Package 812: Consolidate Grants; this package reduces total funds expenditure limitation in the Operations program by \$20,326,776. This package moves all direct grant expenditures to the Grants program to improve transparency and clarity, and to align the budget with agency organization.

Grants

This program is addressed primarily in House Bill 5049, which provides six-year limitation for grants funded with Measure 76 Lottery Funds and interest earnings. The subcommittee approved a total funds budget of \$32,251,404 and no FTE.

Package 210: Carry forward Grants were approved; this package adds \$9,760,000 total funds to allow the agency to complete grants begun in the 2011-13 biennium.

The subcommittee approved Package 812: Consolidate Grants. This package adds \$22,491,404 total funds expenditure limitation to the Grants program to consolidate grant funding into the Grant program, rather than having grant funding split between the operations and grant programs. This budget structure change will allow agency operational costs to be clearly identified. Of the PCSRF Federal Funds for grants added in this package, \$9,226,445 is for a grant to the Department of Fish and Wildlife to directly support activities to implement completed and approved state and federal conservation and recovery plans and protection efforts involving ESA list salmonids, through such efforts the Western Oregon Stream Restoration Program.

**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 5048-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			
2011-13 Legislatively Approved Budget at Dec 2012 *	\$ 0	\$ 8,992,128	\$ 1,773,534	\$ 0	\$ 42,079,276	\$ 0	\$ 52,844,938	32	31.50
2013-15 ORBITS printed Current Service Level (CSL)*	\$ 0	\$ 6,733,282	\$ 1,516,106	\$ 0	\$ 19,801,404	\$ 0	\$ 28,050,792	27	27.00
<b>SUBCOMMITTEE ADJUSTMENTS (from CSL)</b>									
<b>010 - Operations</b>									
Package 091: Statewide Administrative Savings									
Personal Services	\$ 0	\$ (8,650)	\$ 0	\$ 0	\$ (3,084)	\$ 0	\$ (11,734)	0	0.00
Services and Supplies (Instate Travel)	\$ 0	\$ (2,265)	\$ 0	\$ 0	\$ (363)	\$ 0	\$ (2,628)		
Package 092: PERS Taxation Policy									
Personal Services	\$ 0	\$ (11,975)	(467)	\$ 0	(2,318)	\$ 0	\$ (14,760)	0	0.00
Package 093: Other PERS Adjustments									
Personal Services	\$ 0	\$ (95,688)	(3,729)	\$ 0	(18,525)	\$ 0	\$ (117,942)	0	0.00
Package 100: Program Continuity									
Personal Services	\$ 0	\$ 123,686	\$ 0	\$ 0	\$ 471,585	\$ 0	\$ 595,271	4	4.00
Services and Supplies	\$ 0	\$ 65,303	\$ 100,000	\$ 0	\$ 59,235	\$ 0	\$ 224,538		
Special Payments account 6995		\$ (27,945)	\$ 0	\$ 0	\$ -	\$ 0	\$ (27,945)		
Package 110: Program Enhancement									
Personal Services	\$ 0	\$ 0	\$ 0	\$ 0	\$ 171,332	\$ 0	\$ 171,332	1	1.00
Services and Supplies	\$ 0	\$ 0	\$ 0	\$ 0	\$ 33,046	\$ 0	\$ 33,046		
Package 812: Consolidate Grants									
Special Payments account 6995	\$ 0	\$ (532,615)	(1,289,260)	\$ 0	(18,504,901)	\$ 0	\$ (20,326,776)		
<b>020 - Grants</b>									
Package 210: Carryforward Grants									
Special Payments account 6085	\$ 0	\$ 0	\$ 0	\$ 0	\$ 2,460,000	\$ 0	\$ 2,460,000		
Special Payments account 6995	\$ 0	\$ 0	\$ 300,000	\$ 0	\$ 7,000,000	\$ 0	\$ 7,300,000		
Package 812: Consolidate Grants									
Special Payments account 6995	\$ 0	\$ 0	\$ 1,226,725	\$ 0	\$ 21,264,679	\$ 0	\$ 22,491,404		
<b>TOTAL ADJUSTMENTS</b>	<b>\$ 0</b>	<b>\$ (490,149)</b>	<b>\$ 333,269</b>	<b>\$ 0</b>	<b>\$ 12,930,686</b>	<b>\$ 0</b>	<b>\$ 12,773,806</b>	<b>5</b>	<b>5.00</b>
<b>SUBCOMMITTEE RECOMMENDATION *</b>	<b>\$ 0</b>	<b>\$ 6,243,133</b>	<b>\$ 1,849,375</b>	<b>\$ 0</b>	<b>\$ 32,732,090</b>	<b>\$ 0</b>	<b>\$ 40,824,598</b>	<b>32</b>	<b>32.00</b>
% Change from 2011-13 Leg Approved Budget	0.0%	-30.6%	4.3%	0.0%	-22.2%	0.0%	-22.7%		
% Change from 2013-15 Current Service Level	0.0%	-7.3%	22.0%	0.0%	65.3%	0.0%	45.5%		

## Legislatively Approved 2013-2015 Key Performance Measures

**Agency: WATERSHED ENHANCEMENT BOARD**

Mission: To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

Legislatively Proposed KPMs	Customer Service Category	Agency Request	Most Current Result	Target 2014	Target 2015
1 - OPERATIONS--The percentage of total funding used in agency operations.		Approved KPM	7.30	6.00	6.00
2 - OUTSIDE FUNDING--The percentage of funding from other sources resulting from OWEB's grant awards.		Approved KPM	110.00	150.00	150.00
3 - RESTORATION--The percentage of OWEB watershed restoration investments that address established basin and watershed restoration priorities.		Approved KPM		90.00	90.00
4 - PAYMENTS--The percentage of complete grant payment requests paid within 24 days.		Approved KPM	100.00	100.00	100.00
5 - FISH POPULATIONS--The percentage of monitored native fish species that exhibit increasing or stable levels of abundance.		Approved KPM	74.00	75.00	75.00
6 - PLANT COMMUNITIES--The percentage of improved riparian stream miles of the total number of stream miles in Oregon.		Approved KPM	0.97	1.00	1.00
7 - WORK PLANS--The extent to which watershed councils funded by OWEB accomplish their work plans each biennium.		Approved KPM	90.00	90.00	90.00
8 - FISH MONITORING--The percentage of native fish, where monitoring needs have been quantified, that were monitored to a level considered adequate under the Oregon Plan Monitoring Strategy and ODFW's Native Fish Status Review.		Approved KPM	50.00	45.00	45.00
9 - SALMON HABITAT QUANTITY--The percentage of potential aquatic salmon habitat made available to salmon each year.		Approved KPM	0.27	0.25	0.25
10 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Accuracy	Approved KPM	95.50	91.00	91.00

**Agency: WATERSHED ENHANCEMENT BOARD**

Mission: To help protect and restore healthy watersheds and natural habitats that support thriving communities and strong economies.

<b>Legislatively Proposed KPMs</b>	<b>Customer Service Category</b>	<b>Agency Request</b>	<b>Most Current Result</b>	<b>Target 2014</b>	<b>Target 2015</b>
10 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Availability of Information	Approved KPM	88.10	91.00	91.00
10 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Expertise	Approved KPM	91.00	91.00	91.00
10 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Helpfulness	Approved KPM	92.50	91.00	91.00
10 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Overall	Approved KPM	97.00	91.00	91.00
10 - CUSTOMER SERVICE--Percent of customers rating their satisfaction with the agency's customer service as "good" or "excellent": overall customer service, timeliness, accuracy, helpfulness, expertise, and availability of information.	Timeliness	Approved KPM	91.00	91.00	91.00

**LFO Recommendation:**

Approve the Key Performance Measures and targets.

**Sub-Committee Action:**

Approved the LFO recommendation