

Columbia River Gorge Commission

	2011-13 Actuals	2013-15 Leg. Approved*	2015-17 CSL LFO	2015-17 Governor's
General Fund	779,799	891,000	919,132	1,689,660
Other Funds		5,000	5,152	5,152
Total Funds	779,799	896,000	924,284	1,694,812

* includes Emergency Board and administrative actions through December 2014

Program Description

The Columbia River Gorge Commission (CRGC) was authorized by the 1986 Columbia River Gorge National Scenic Area Act and created as a regional agency through an interstate compact between Oregon and Washington. The Commission was established to implement the National Scenic Area Act's purposes of protecting and enhancing the scenic, cultural, recreational, and natural resources of the Gorge while encouraging compatible growth within existing urban areas of the Gorge region and allowing future economic growth.

CSL Summary and Issues

By the interstate compact, Oregon and Washington are to equally share the operating costs of the Commission. The Current Service Level (CSL) for the Commission was increased by standard inflation only as part of the Oregon process. One potential issue with this CSL approach is that the Oregon budget does not include any positions (the Commission employees are Washington employees) and position costs are budgeted as professional services. The professional services category only receives standard inflation and is up only 3.2% from 2013-15 approved levels. Since personal services costs tend to increase at a higher rate than standard inflation, it is almost certain that Washington costs for the Commission employees will be higher than standard inflation and will need to be matched by the Oregon professional services payment. More work between the two budget offices of Oregon and Washington will be required. The 2015-17 CSL is an increase of 3.2% from the 2013-15 legislatively approved level.

Policy Issues

The most significant policy issue facing the 2015-17 budget is the Commission's interest in increasing staff to restore levels back to historic highs (and beyond). The Commission contracted for an Administrative Assessment by the Center for Public Service at Portland State University and the Daniel J. Evans School of Public Affairs at the University of Washington to identify steps to restore the functionality of the agency and to rebuild the Commission's regional planning capacity. This assessment claims that to fulfill its

mandatory and ancillary responsibilities under the Act and compact require a minimum staffing level of 25.00 FTE and a total annual budget of \$3.6 million. The Commission currently has a staff of 6.00 FTE and an annual budget of \$868,000.

As an initial step toward the proposed restoration of functionality, the Commission's agency request budget includes three policy option packages:

1. Package 101 – Continuation of Regional Planning Priorities – \$768,028 General Fund – provides resources for one full-time principal planner, two full-time development review specialists, one full-time resource specialist, restore funding for an administrative operations manager, and contract services for collaborative regional assessment of recreation and tourism, continued work on a collaborative urban area policy, and continued work on the administrative assessment.
2. Package 102 – Commission Training and Capacity-Building - \$5,000 General Fund – provides resources to train current and new commissioners and to provide tools to ensure commissioners receive needed public ethics and related guidance.
3. Package 103 – Interstate Legal Services - \$25,000 General Fund – provides resources for the Commission to coordinate with Oregon and Washington attorney general offices, to provide technical assistance to local and state agencies' counsels, and to manage the Commission's risk exposure.

Other Significant Issues and Background

Audit Reports – a financial audit of the Commission was released on February 5, 2015. No significant findings were reported. The report can be found on the Secretary of State website:

Report No. 2015-03

Columbia River Gorge Commission: July 1, 2013 through June 30, 2014

<http://sos.oregon.gov/audits/Documents/2015-03.pdf>

Potential Reduction Options: the agency request budget identifies 5 reduction options totaling 10%:

1. Reduce travel, services and supplies, and other services - \$22,420 General Fund (Oregon share) – eliminates all outside support services including IT support, facility and equipment maintenance, communications maintenance, commissioner and employee training, and other core services.
2. Reduce contracts - \$12,560 General Fund (Oregon share) – reduces ability to contract for any needed services, including technical assistance and other support for local communities.
3. Eliminate legal and attorney general services - \$9,865 General Fund (Oregon share) – eliminates ability to coordinate with attorney generals of Oregon and Washington on legal issues while retaining in-house counsel functions for day-to-day legal needs and litigation services.

4. Eliminate contracts - \$35,875 General Fund (Oregon share) – stops work on current projects, including regional recreational planning, regional urban area policy, regional monitoring, and bi-state coordination on rail transport policy.
5. Eliminate non-essential travel - \$8,970 General Fund (Oregon share) – eliminates face-to-face discussions with local governments, Tribes, state and federal agencies, citizens, and between commissioners.

2013-15 Legislatively Approved Budget: In addition to the Commission's direct appropriation, the 2013-15 legislatively approved budget also included \$80,000 General Fund appropriated to the Department of Land Conservation and Development for that agency's local government planning program to be used as a grant to the Columbia River Gorge Commission for continuation of work on urban planning issues inside the Oregon portion of the National Scenic Area.

The Governor's budget (Oregon) for 2015-17 increases the budget by \$768,028 General Fund (approval of package 101) for a total of \$1.69 million General Fund. This represents about a 90% increase from the 2013-15 approved budget level.

The Washington Governor's budget did not fund any additional FTE for the Commission, but did include adjustments for Washington state government service charges, state public employee benefit rate increases, and general wage increases. The proposed budget was \$28,000 over the maintenance level (Washington's version of current service level) for a total of \$932,000. In the Washington Governor's budget, most agencies were subjected to a 6-10% reduction due to the fiscal situation in that state. LFO will be in contact with the Washington legislative staff during their session to monitor the levels being proposed by the Senate and House budget committees.

Co-Chairs' Budget Framework Discussion

No specific budget details or issues were identified in the Co-Chairs' budget framework for this agency. However, due to the overall funding level provided for the Natural Resources program area in the Co-Chairs' budget framework and the current status of Washington's proposed funding level, LFO is assuming the initial recommendation of a slight increase to the current service level budget.