

Oregon Watershed Enhancement Board (OWEB)				
	2013-15 Actual	2015-17 Legislatively Approved*	2017-19 Current Service Level	2017-19 Governor's Recommended
Lottery Funds	57,997,623	62,490,496	6,816,076	72,300,559
Other Funds	1,075,106	3,618,093	1,609,486	3,781,360
Federal Funds	23,075,625	37,274,113	25,924,237	41,668,724
Total Funds	\$82,148,354	\$103,382,702	\$34,349,799	\$117,750,643
Positions	32	35	29	33
FTE	32.00	34.25	28.99	32.99
*Includes Emergency Board and administrative actions through December 2016.				

Program Description

OWEB was established in 1999 by the legislation implementing Ballot Measure 66, which established the framework for the full allocation of the measure's constitutionally dedicated lottery revenue. Ballot Measure 66, passed by the voters in November 1998, amended Section 4, Article XV of the Oregon Constitution to dedicate 15% of net lottery proceeds to be split between state parks and salmon, watershed, and habitat restoration. Ballot Measure 66 was replaced by Ballot Measure 76, which passed in November 2010, and reauthorized the dedication of 15% of net lottery proceeds to state parks (7.5%) and fish, wildlife, and habitat conservation (7.5%). The Ballot Measure 76 reauthorization changed the way the dedicated Lottery Funds could be spent. Under the old dedication, the Lottery revenues were divided into two parts, 65% for capital expenditures and 35% for operations expenditures and state agencies were eligible to expend Lottery Funds from either category. Under Ballot Measure 76, 65% is now restricted to grants for non-state agencies. Only the 35% for operations can be used to support state agency programs.

OWEB is designated as the single state agency charged with administration of the salmon and watershed portion of the dedicated lottery revenues required under Ballot Measure 76. OWEB consists of 11 voting members, including five voting members from state natural resource agency boards and commissions and six public members appointed by the Governor and confirmed by the Senate. OWEB distributes funding for projects, offers technical assistance on grant proposals, and coordinates with other state natural resource agencies

CSL Summary and Issues

Operations - The current M76 Operations projected 2017-19 revenue is just above the level needed to fully fund all agency M76 Ops CSL as of the March 2017 forecast. There is an estimated beginning balance in M76 Ops from higher than anticipated revenues during the 2015-17 biennium. Approximately \$1.1 million of this beginning balance was allocated to the Department of Agriculture in 2015-17 rebalance actions to fund eradication of invasive pests

Grants - CSL is significantly lower than the 2015-17 approved budget because six-year expenditure limitation is provided for grants, which like all 6-year capital construction expenditures, is phased-out during CSL development. Based on the March 2017 lottery forecast, there will be \$60.4 million in new revenue dedicated to grants in the 2017-19 biennium. In addition, there is approximately \$5 million in additional funding available due to higher than anticipated collections during 2015-17.

Other Significant Issues and Current Discussions

OWEB is requesting the continuation of positions added as limited duration in 2015-17 for a cost of about \$950,000. Much of the cost would be paid with Federal Funds, with about \$200,000 of the total supported by dedicated Lottery Funds.

The Governor's budget continues the Forest Collaborative program in the Department of Forestry (ODF). Part of the funding for this program is in the form of grants that OWEB will make on behalf of ODF. The budget proposal for OWEB includes shifting part of the funding for the Small Grants Coordinator to be supported with funding received from ODF. If the Forest Collaborative program isn't funded this action will not be taken.